

NO.1553

THE FIRST NATIONAL BANK
OF PORTLAND

PORTLAND, OREGON

December 18, 1940

Mr. Marriner S. Eccles, Chairman
Federal Reserve Board
Washington, D. C.

Dear Sir:

I have read with interest your statement of November 28 given at a meeting of the National Industrial Conference Board. I find that for the most part I see eye to eye with you on the issues discussed.

In late October at Del Monte I gave utterance to something akin to your remarks in this recent statement.

Soon - indeed very soon - we need to do some forthright thinking and take some bold and perhaps courageous steps in our national finance if we are to head away from hot trouble. Also, I have no quarrel with your thesis of Federal aid to business in periods of low financial visibility (to use an aviation term). I get rather impatient when business yells about this idea, for ever since we have had a government, business has had federal aid through cheap land to settlers, grants to canal companies, railroads, mineral, oil and timber lands patented to settlers - the whole gamut of aid for years on end - so what are they yelling about in recent years.

Yours with good wishes for the New Year.

Yours very truly,



E. B. MacNaughton
President

EBM Re

December 28, 1940.

Mr. E. B. MacNaughton, President,
The First National Bank of Portland,
Portland, Oregon.

Dear Mr. MacNaughton:

This is to acknowledge receipt of your letter of December 18 with reference to my recent talk before the National Industrial Conference Board. I am gratified to have your comments and to learn that you are so generally in accord.

I was interested also in your reference to the inconsistency of those in business who oppose having the Government provide employment -- though business is the real beneficiary -- and forget all the Federal grants the Government has made to aid business through the years.

It is encouraging to know that you are sympathetic with my views in periods which you so aptly describe as those of low financial visibility as well as in times like the present when business and employment are rapidly expanding.

Permit me to reciprocate most heartily your good wishes of the season.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b