

**MILLS HOTEL, NO. 1**  
**160 BLEECKER STREET**  
**NEW YORK**

May 2/41

Hon.  
Mr. Eccles  
Washington DC

Sir. After reading to-day my Times  
I cannot help writing you.

You are quoted as asking Industry to speed production by increasing hours of employment for those employed, all this in view that there are now 10,000,000 unemployed.

On March 29/41 I was discharged from the V.C.C.C. & if I do not find employment shortly I am going on Veterans Relief & you want to increase working hours.

The N.Y.S. Employment Office has 400,000 registered unemployed seeking a weekly payroll, if there is any shortage you should use some of that reserve labor & reduce the Relief roll.

Respectfully yours,  
Al. Kestenbaum

Friday - May 16, 1941.

Mrs. E. S. Blackledge

168 PARK AVENUE

HUNTINGTON, L. I., N. Y.

Mr. Markiewicz J. Peckes.

My dear Mr. Peckes.

When you are looking for taxes, to push us down still further under an already unbearable burden, why don't you tax The Labor Unions? Excess Profits!

Why are They allowed to go Steal This, and use Their enormous revenue for the sole purpose of fomenting civil disturbances, or paying huge salaries to alien "organizers", or, as at the present

paying foreign agents to break  
up the defense projects?

We have to send our boys to the  
draft, all the best equipped, self  
supporting boys as a rule, 21 months,  
but the C. G. C. must be supported  
by taxes, at 30 a month each boy.  
Why aren't they drafted at 21.  
months, and boys with jobs deferred?  
Why aren't men on Work Relief  
drafted? They, and their families  
are supported by the Federal Government  
in any case. The Father in those  
annually increasing Public A.W.P.G.  
families, does not add to the support.  
The family must be supported anyway.

Do you think that we the Tax - III.  
payers are Mrs. E. S. Blackledge going to  
168 PARK AVENUE  
HUNTINGTON, L. I., N. Y.  
and this double-crossing for  
ever?

Yes gentlemen, Mr. Morgan Thane  
in Canada, would better pull the  
blinders from your eyes, and look  
at some thing beside the  
glittering objects that Mr. F. H. Brownell  
dangles before your eyes.

Look at the Labor Unions, and  
their huge, racketeering profits  
and revenues, and plan to tax  
them as corporations, or individuals,  
at any rate, see that they pay a  
tax, and thus bring them

under some law, and make  
 them responsible for their behav-  
 iour. Why should they be as  
 free as a big racketeering organiza-  
 tion - in fact more free - for they  
 are not even afraid of any  
 law. They cannot break the law,  
 because no lawful restrictions  
 nor penalties are applied against  
 them. F.I.R. and Lawrence to that. -  
 We do not like the way this so called  
 defense is being bungled, and we  
 certainly shall resist paying  
 more on that pretext, for Frank  
 Roosevelt turned over to the Gonthis  
 - Chief - Congress, or the C.C.C.  
 Mrs. Ruby - Alice P. Sheldens.

May 17, 1941.

Mrs. E. S. Blackledge,  
168 Park Avenue,  
Huntington, Long Island,  
New York.

Dear Mrs. Blackledge:

Chairman Eccles requested me to  
acknowledge receipt of your letter of May  
16 with regard to taxation.

For your information, I am en-  
closing a copy of the address which Mr.  
Eccles gave recently before the Chamber of  
Commerce of the United States outlining  
his views on taxation. From this you will  
see that your understanding of his pro-  
posals is incorrect.

Very truly yours,

(Signed) Elliott Thurston  
Elliott Thurston,  
Special Assistant  
to the Chairman.

enclosure

ET:b



THIS SIDE OF CARD IS FOR ADDRESS

Mariner Eccles, Esq.  
Federal Reserve Bank Building  
Constitution Ave & 20<sup>th</sup> St NW  
Washington, D.C.

707-20<sup>th</sup> St NW  
Washington, D.C.  
Friday, May 16.

Dear Sir-

May I, at this late date,  
put in words the congratula-  
tions I felt due days ago,  
when you and pulse-finger,  
statistics-graph Leon  
Henderson - both of whom  
should know facts - urged  
the trend away from compulsory  
dribbling among the unwashed, and  
toward a thinning of the street  
traffic so inordinately  
choked by too many unnecessary  
automobiles? For softies.

Some people would rather risk  
than eat. but it is tough not  
to be able to do either! In an  
about face, perhaps J. M. Keynes  
is right in withholding the  
upper \$50 of a defense worker's  
weekly pay until a later date -  
even if no more Mellon fast amor-  
tizations, bringing depression  
Yours truly, A. T. Adams

The war could end any day now.



May 17, 1941.

Mr. A. T. Adams,  
707 - 20th Street, Northwest,  
Washington, D. C.

Dear Mr. Adams:

Chairman Eccles requested me to  
thank you for your postal of May 16 com-  
menting on his views on taxation. He  
appreciated having your comments.

Very truly yours,

(Signed) Elliott Thurston  
Elliott Thurston,  
Special Assistant  
to the Chairman.

ET:b

THE PLAZA BANK OF ST. LOUIS  
TWELVE THIRTY OLIVE STREET  
SAINT LOUIS

F. R. VONWINDEGGER  
PRESIDENT

May 28, 1941

Personal

Hon. Marriner S. Eccles,  
Chairman, Board of Governors  
Federal Reserve System  
Washington, D. C.

Dear Mr. Eccles:

This is merely a friendly letter inspired, first, by the digest of your speech which appeared in "Domestic Commerce", made before the Chamber of Commerce of the United States at its recent annual meeting. Like all of your official utterances, it reflects the great soundness of your thinking.

The situation is by no means all bad and there is much encouragement for us here, particularly since hearing the President's great speech last night; reading the digest of your speech, "Grappling with Inflation"; and, more close to home, the acceptance by Mr. Chester Davis of the Presidency of our local Federal Reserve Bank.

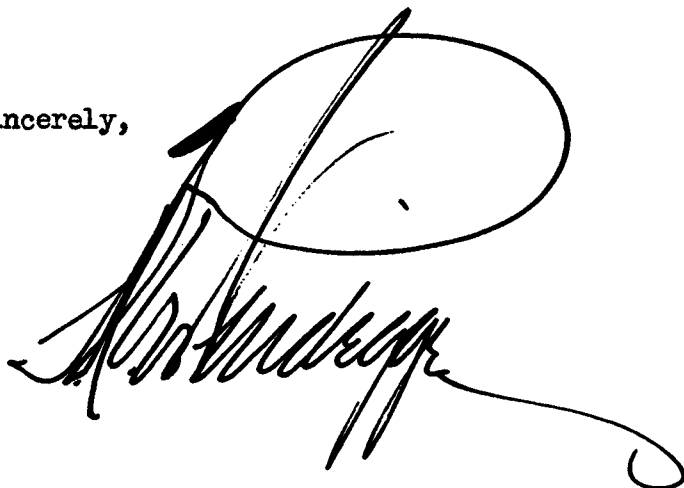
We know that you will miss Mr. Davis in Washington, but it is a great comfort to have in his position here a man of his mental calibre, integrity, wide experience, and fearless character. The bankers of this district are assured of a spirit of helpful cooperation during whatever trouble the near future may bring.

My associate, W. L. Gregory, and I wish to repledge to you our continued and unfailing support of the sound and far-seeing policies which you have outlined so clearly.

More power to you!

Sincerely,

FRvW:DF

A large, stylized handwritten signature in dark ink, likely belonging to F. R. VonWidenger, written over the 'Sincerely,' and extending towards the bottom right of the page.

June 10, 1941.

Mr. F. R. vonWindegger, President,  
The Plaza Bank of St. Louis,  
1230 Olive Street,  
St. Louis, Missouri.

Dear Mr. von Windegger:

On my return from a brief absence from Washington, I found your letter of May 28 and I wish to thank you for your generous comments and encouragement.

In the familiar phrase applied to the case of Chester Davis, St. Louis' gain is our loss--and it is a very real loss for he has in high degree all the qualities that you mention. You may be sure of his sympathetic understanding and cooperation.

Permit me to express again to you and Mr. Gregory my appreciation of your interest and support.

Sincerely yours,

M. S. Eccles,  
Chairman.



NATIONAL BANK EXAMINER

## TREASURY DEPARTMENT

OFFICE OF  
COMPTROLLER OF THE CURRENCY

Seventh Floor  
Federal Reserve Bank Building  
Dallas, Texas

June 22, 1941

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

Dear Mr. Eccles:

Your address delivered at the Twenty-Ninth Annual Meeting of the Chamber of Commerce of the United States, entitled "Financial Problems of Defense," which I read in the Federal Reserve Bulletin, June 1941, reveals the alertness of the leadership of those directing the economy of our country.

For twenty-five years, I have given considerable thought and study to banking and finance and the economy of the United States. In this connection, I inclose a copy of my letter of February 16, which is in support of your ideas.

In further support of definite suggestions before authorities act, I inclose a copy of my telegram of March 4, 1933, to the late Senator Joseph T. Robinson. I was informed that the telegram was on the conference table on March 5, 1933, and was considered with other matters coming before that all-day conference.

Sincerely yours

*J. W. Hawkins*  
J. W. HAWKINS

(These views are my own and no reference or use of them should be made without permission of the Comptroller of the Currency.)

June 28, 1941.

Mr. J. W. Hawkins,  
National Bank Examiner,  
Federal Reserve Bank Building,  
Dallas, Texas.

Dear Mr. Hawkins:

This is to thank you for your letter of June 22 enclosing a copy of your letter of February 16 to the Comptroller of the Currency as well as a copy of the telegram which you sent to the late Senator Robinson on March 4, 1933. I found both of these communications very interesting, particularly your valuable suggestions of March, 1933 at a time when there was so much confused thinking and so little of a practical and constructive nature proposed by most of those in positions of responsibility and leadership. The steps you recommended were to a remarkable degree actually followed. Similarly, I find myself in general accord with the views you expressed in your letter to the Comptroller. I have felt strongly that the Government, including the Federal Reserve System, should stand ready to protect investors in Government securities and not permit any such collapse of values as occurred in the case of Liberty Bonds, to which you refer.

I am gratified to have your favorable comments with regard to my talk before the Chamber of Commerce and I greatly appreciate your interest and courtesy in writing to me. Naturally I would not make any use of your views with the Comptroller's permission.

Sincerely yours,

M. S. Eccles,  
Chairman.

Post Office Box 1584  
Waco, Texas

February 16, 1941

Comptroller of the Currency  
Washington, D. C.

DEFENSE FINANCING

Dear Sir:

During the Liberty and Victory loan sales of 1917-18-19, Mr. W. L. Hemingway (now President of the Commerce Bank & Trust Company, St. Louis) served as Chairman of the Eighth Federal Reserve District. As a district chairman in both the bond and war savings stamp drives, I observed closely the plans of financing that World War.

Again, during 1941 and future years billions of dollars raised by sale of various U. S. securities will be expended for defense purposes. Perhaps, also, three or four billions more should be raised annually by some form of additional taxes, this year or next. The defense program will affect the economy of the country in the same manner as war itself.

With ample reserves, this country is able to finance most any amount of expenditures for many years if the Government will tax properly and borrow properly and if the business interests and investors--and all the people--will accept their proper responsibilities. I shall leave the tax question to those experienced in that field. As to the sale of securities, I feel an urge to make two suggestions which I hope you may consider of sufficient value to place them before the Secretary of the Treasury by sending that Department the enclosed copy of this paper.

First: The banks already own billions of dollars of U. S. securities and are willing to buy billions more. Even though willing, further large purchases by banks of new issues of securities will add to inflation which might disturb seriously our whole economic structure. So far as is possible the defense expenditures should be financed from the present and future savings and investment funds of all kinds, not new deposits created by bank subscriptions for new issues of bonds. This plan will hold inflation to a minimum and release machine and other skilled labor for defense production. The bankers should give liberally of their time on loan sales committees in selling quotas for each county, or regional district.

Banks should keep a properly balanced investment account of U. S. securities of proper maturities and should purchase liberally short-term note and bill issues pending sales of longer-term issues. Many banks, through loyalty, made a serious error in 1917-19 by subscribing their county quotas, as an investment, instead of selling the major portion to investors and holders of bank deposits.

February 16, 1941

Later, these banks suffered enormous losses by sales in the market (urged by their lending creditors in some cases) to meet demands on them. So far as possible it would appear better for banks to subscribe for long-term securities only to the extent of their estimated abilities to carry same until maturity without borrowing, except possibly seasonally or periodically for non-speculative purposes. All speculative aspects should be eliminated in the public interest.

Second: Many individuals of nominal worth, through patriotism and the urge of loan-drive committees, purchased Liberty bonds in sums of \$100, \$500, \$1000, or \$5000, not considering the long maturities and their ability to carry the bonds until maturity. Prior to maturity, many such individuals were forced because of circumstances to sell the bonds in the market at discount of 10% or more. Subsequent to the market losses, thousands of our good old thrifty people--and young as well--died feeling that someone beat them out of a part of their money, creating a distrust in the Government or committee salesmen.

The large investor buys securities on the basis of yield and ability to carry until maturity. The small investor buys U. S. securities for savings, or through patriotism. The suggestion is offered that no long-term security be sold to the small saver at market risk if he needs to sell. Should not the Government, which he loves and will die for, take the market risk by selling such saver only such securities as the present Treasury Savings Bonds? No one will cash in such bonds, receiving the lower yield, unless necessity demands it, and in which case the Government can always refinance such payments at the current market for money. Why place a penalty upon a loyal saver-investor by forcing on him a loss when in need?

I can name several good, old men and women who have died feeling that I or the Government cheated them of 10% of the cost of their Liberty bonds. As a committee salesman, I had urged them to buy the bonds. Perhaps, they had just cause to feel they were unjustly treated.

An afterthought: For purchase by trust funds, endowment funds and insurance companies, I suggest that consideration be given to the issue of some form of stock-bonds at fairly good yields, maturing 20, 30, or 40 years hence with ownership restricted, if deemed beneficial to the economy, to certain classes of investors. Perhaps such should be considered a few years later.

For 25 years I have observed commercial and investment banking. Since our entry in the war in April, 1917, by active banking and as an examiner for 11 years, my hobby has been the study of currencies, taxation, and Government financing--and the National economy. And I wish my duties might permit me to discuss personally with proper authorities the subject matters. I have no knowledge of any unannounced plans of the Treasury for financing the defense program.

Respectfully,

J. W. Hawkins  
National Bank Examiner

P. O. Box 1223  
Shreveport, Louisiana  
March 4, 1933

(Night Letter)

Senator Joseph T. Robinson  
Washington, D. C.

(Copy of telegram - 1933)  
while all banks were closed --  
prior to President's Proclamation at 1 AM 3-6

War could not affect country more than present financial crisis. Suggest your serious consideration of following points:

1. Embargo on gold exports if deemed proper to hold needed gold.
2. Call Congress next week and empower Government take over in trust all banks for benefit of present depositors, applying even more direct supervisory management than outlined in my letter January 18. Segregate old and new business, the old assets being under trusteeship for old deposits, the new future assets cash and investments for new deposits. Empower all banks to limit lawfully withdrawals to ability each unit bank to pay.
3. If deemed necessary, Government could create proper guaranty fund for new deposits. If unwise to make guaranty permanent, then later pay off new deposits through solvent banks which should have Federal Reserve or Government supervisory management for future security of operation of all member banks.
4. Immediately issue Government securities, low rate, redeemable on short notice without market risk for sale to excited public by war loan sales plans, bringing gold and other money from hoarding, requiring, if necessary, every citizen register for this purpose.
5. President appeal to patriotism every citizen not to hoard but deposit his money as new deposits or buy these Government securities.
6. Authorize further issues sound currency based on Government bonds, eligible paper and even the new assets of the banks if necessary that adequate currency may be available until recovery comes.
7. I favor sound currency at all cost and cannot say I endorse all these points but emergency measures are better than panic even if appear so different from past policies. Suggestions made as individual and not as National Bank Examiner. Not informed of any emergency measures being considered.

J. W. Hawkins