

October 21, 1941.

Mr. Jules I. Bogen, Editor,
New York Journal of Commerce,
63 Park Row,
New York City.

Dear Mr. Bogen:

At Chairman Eccles' suggestion, I am sending you a copy of the full text of his address before the National Tax Association which prompted your editorial of October 17. Possibly because of some erroneous news reports you gained a mistaken impression of what Mr. Eccles actually said.

You will note on pages 2 and 3 that he emphatically opposed reduction of existing tax rates by State and local governments at this time. It was only in speaking of the future, after the defense effort is over, that he advocated both the reallocation of tax fields and a reduction of regressive taxes bearing heavily on the low income groups. I have marked in the accompanying text these various points.

Inasmuch as the editorial was based on a misconception and completely misrepresents what he actually advocated, he felt that you would wish to have the facts and, if possible, correct the unfortunate wrong impression that the editorial creates. I need not add that he appreciates the fact that whether you agreed or not with his viewpoint you have always sought to be eminently fair in a discussion of his views.

Sincerely yours,

(Signed) Elliott Thurston

Elliott Thurston,
Special Assistant
to the Chairman.

enclosure

ET:b



The Journal of Commerce

ESTABLISHED 1827

NEW YORK CITY

October 24, 1941

P. O. ADDRESS
BANK WINDOW
CHURCH ST. ANNEX
NEW YORK, N.Y.

Mr. Elliott Thurston
Special Assistant to the Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C.

Dear Sir:

I wish to thank you for your courtesy
in sending me the full copy of Mr. Eccles'
address. As you probably have noticed, the
accounts carried by the press associations did
not do justice to what he had said.

We have sought to correct the misleading
impression of what he did say in our editorial
columns.

Very truly yours

JULES I. BOGEN
Editor

October 27, 1941.

Dear Mr. Bogen:

You very promptly corrected the erroneous impression created by your editorial that was based on incorrect news reports, and on behalf of the Chairman I wish to thank you for doing so.

Sincerely yours,

(Signed) Elliott Thurston

Elliott Thurston,
Special Assistant
to the Chairman.

Mr. Jules I. Bogen, Editor,
The Journal of Commerce,
New York City.

ET:b

N. B. MATTHEWS, PRES.
BASIN STATE BANK
STANFORD, MONTANA

A. P. DRUMMOND, FIRST VICE PRES.
BANK OF BONIFAY
BONIFAY, FLORIDA

C. P. SOMMERSTAD, SECOND VICE PRES.
FIRST NATIONAL BANK
WABECA, MINNESOTA

HARRY LEE, TREASURER
BANK OF LONG PRAIRIE
LONG PRAIRIE, MINNESOTA

BEN DUBOIS, SECRETARY
SAUK CENTRE, MINNESOTA

THE INDEPENDENT BANKERS ASSOCIATION

OFFICE OF THE SECRETARY

EXECUTIVE COUNCIL

CHAS. E. BARKL, FARMERS & MERCHANTS BANK, HURON, S. D.
ROBERT D. BEERY, UNION STATE BANK, BROWNS VALLEY, MINN.
O. W. BIRCKHEAD, PEOPLES NATIONAL BANK & TRUST CO., WHITE PLAINS, N.Y.
W. J. BRYAN, THIRD NATIONAL BANK, NASHVILLE, TENN.
T. E. BURCH, SECURITY STATE BANK, WEWOKA, OKLA.
H. D. DILLEY, FIRST NATIONAL BANK, NORTHFIELD, MINN.
T. R. FRENTZ, NEW AMERICAN BANK, OSHKOSH, WIS.
SAM FREDERICKSON, FIRST STATE BANK, OKASENA, MINN.
W. L. GREGORY, THE PLAZA BANK, ST. LOUIS, MO.
H. S. LUCAS, EAST LANSING STATE BANK, EAST LANSING, MICH.

WILLIAM MACFERRAN, JR., STATE SAVINGS BANK, TOPEKA, KAN.
E. E. MANUEL, GEORGE STATE BANK, GEORGE, IOWA
L. B. MCBRIDE, FIRST NATIONAL BANK, FORT COLLINS, COLO.
V. S. MARETT, GONZALES STATE BANK, GONZALES, TEXAS
JAY E. MARKLE, BANK OF COMMERCE & SAVINGS, DULUTH, MINN.
JAMES S. PETERS, BANK OF MANCHESTER, MANCHESTER, GA.
E. M. PETERSON, AMERICAN NATIONAL BANK & TRUST CO., EAU CLAIRE, WIS.
E. E. PLACEK, FIRST NATIONAL BANK, WAHOO, NEB.
W. R. SPENSLEY, SECURITY STATE BANK, HIBBING, MINN.
R. E. SPRAGUE, SPRAGUE STATE BANK, CALEDONIA, MINN.
VERNE WELLS, SECURITY STATE BANK, ROBINSON, N. D.

October 17th, 1941

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

Dear Mr. Chairman:

Your Address before the National Tax Association at the University the other day rather startled, I believe, a large portion of your listeners. Pretty "red meat" for a crowd of that kind.

I cannot help but believe that you are accurately forecasting future events. Our economy from force of necessity will closely follow the pattern you have laid down. I hope that you are not too optimistic in believing that we can carry on within the framework of our capitalistic system. I am afraid we will become more socialistic than we would wish.

We are having our annual Convention in February and we want you to address our dinner meeting, Saturday evening, February 14th. Our Convention will be at the Lowry Hotel in St. Paul. Our Association is having a healthy growth. We are in 36 states and we believe that we will have a real expansion this coming year. We are an organization of small banks. We are a little different than any other bank association and we are young enough to zealously crusade for a cause and "thank Heavens" we are not orthodox as yet. We want you with us very much and we really believe you will enjoy attendance at our Convention. Of course, it is hard to accept an invitation of this kind so far in advance, but tell us that you will tentatively accept.

Yours very truly,

Ben DuBois
Secretary

BD:ek

October 21, 1941.

Mr. Ben DuBois, Secretary,
The Independent Bankers Association,
Sauk Centre, Minnesota.

Dear Mr. DuBois:

Your letter of October 17 particularly interested me because of your observations on my talk before the National Tax Association. You put your finger on a point which troubles me as it does you. I suppose what I said to this group was in fact somewhat startling, yet it may be milder than what will result in the end. The drift may be more socialistic than either of us would prefer to see, but, nevertheless, there is no good reason why, even allowing for greater socialization, it cannot be carried forward within the framework of our economic system. At least, that has been the burden of my thought for a long time and is the real reason why I have done a bit of crusading for a compensatory policy in the belief that it is the best alternative open to a believer in our institutions.

Coming to the really flattering part of your letter, namely, the invitation to address your annual convention on February 14 at St. Paul, I think I would find your audience much more to my liking than the more orthodox groups, even if your people would not go along with me on such burning matters as branch banking. However, I hesitate to make even a tentative commitment for that period, much as I am pleased by your wanting me to speak. It is a good ways off, as you say, and I cannot foresee at this time how things will shape up here, but if they develop as I expect they will, it will be especially difficult to get away from this desk during the winter. I have held my public appearances to a minimum and have, as you know, just come from the tax convention at St. Paul, so that I feel it possibly would be overdoing it to go back to that scene for another speech so soon. I find that I have to prepare speeches as a general rule in advance and it is a task that takes a good deal of time--often when I can least spare it--from the other demands of this position.

I wanted you to know, however, that I am distinctly pleased by your invitation and hope that sometime I may be able to meet with you.

Sincerely yours,

M. S. Eccles,
Chairman.

Commercial West

NINTH DISTRICT BANKER • MINNESOTA BANKER • MONTANA BANKER

THOMAS A. BORIGHT • PUBLISHER

THE BANKERS' WEEKLY OF THE NORTHWEST • 603 SECOND AVENUE SOUTH • MINNEAPOLIS, MINNESOTA

TELEPHONE ATLANTIC 5581

October 24, 1941

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

Dear Mr. Eccles:

We appreciated very much the opportunity to confer with you while you were in Minneapolis as speaker at the Tax Conference luncheon.

You will find an account of your visit on page 11 of the October 18 issue of Commercial West, which we trust will meet with your commendation.

Very truly yours,

Willis L. Williams
WILLIS L. WILLIAMS
Editor

WLW:BC



October 25, 1941.

Mr. James M. Sutherland,
Financial Editor,
Minneapolis Star Journal,
Minneapolis, Minnesota.

Dear Mr. Sutherland:

Ever since returning from my trip West, I had intended to write you this note to express my appreciation of the excellent job of reporting that you did in connection with my talk before the National Tax Association.

It is quite understandable, but unfortunate, nevertheless, that the reporting of interviews and talks on fiscal and monetary matters is so often inadequate and misleading. You handled this assignment so well from my standpoint that I wanted you to know of my appreciation.

Sincerely yours,

M. S. Eccles,
Chairman.

 ET:b

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

F. R. VONWINDEGGER
PRESIDENT

October 29, 1941

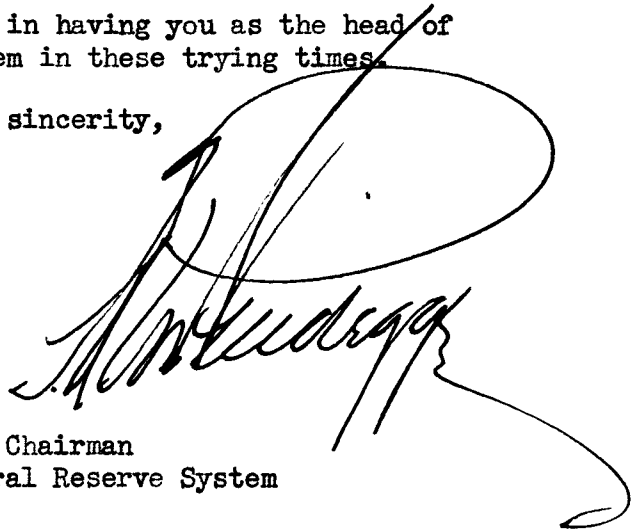
My dear Mr. Eccles:

Your address in Minnesota on October fourteenth was another very concrete evidence of your deep thought and far-seeing judgment. Conditions in the world are changing so fast, it is very timely to have you call to the attention of those "tax experts" the necessity for using fiscal policy for the benefit of our country as a whole. Of all of our public servants today, I believe that you have the keenest grasp of the problems facing us and their possible solution.

Proving that there is something good in everything, no matter how bad, I firmly believe that we are going to learn many lessons from this movement. I have been saying for some time that not the least of these lessons would be that "Hitler has shown the world that money should be man's servant and not his master." You expressed this same thought forcibly at the bottom of page sixteen of your address.

We are fortunate indeed in having you as the head of the Federal Reserve System in these trying times.

In all sincerity,

A large, stylized handwritten signature in dark ink, likely belonging to F. R. VonWiddegger, is written over the typed name and extends across the right side of the page.

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

November 3, 1941.

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

Dear Mr. vonWindegger:

You are a source of constant help and encouragement to me because you have so often been thoughtful enough to write me a commendatory and heartening note in connection with my efforts. At the same time you put me to the test in living up to your too generous estimates.

Nevertheless, I wanted you to know that I appreciated your letter of October 29 in regard to the tax speech and, even more, I appreciate your own grasp of these swiftly moving public problems at home and abroad.

With kindest personal regards,

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b



DEPARTMENT OF STATE
WASHINGTON

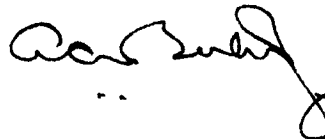
November 4, 1941

Dear Marriner:

That was a good speech you made before the National Tax Association.

I note especially the part on page 7 about your handling of public investment as a balancing item; and on page 8, your straight-out and forthright method of handling problems of old age. I think you are right; and I think that whenever our productive system is not burdened by the demands of war, we could swing this easily. I am slowly coming to the conclusion (which I think lies at the basis of your speech) that our whole monetary and fiscal bases have not expanded comparably with our productive life.

Faithfully,



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

UNIVERSITY OF MINNESOTA
SCHOOL OF BUSINESS ADMINISTRATION
MINNEAPOLIS

November 10, 1941

Honorable Marriner S. Eccles
Federal Reserve Board
Washington, D. C.

Dear Mr. Eccles:

Permit me to thank you very much indeed
for sending me a copy of your address at the
University of Minnesota in connection with the
National Tax Association Conference on Tuesday,
October 14. I also want to thank you again for
giving that address, which was one of the highlights
of the entire conference. I think perhaps no one
else occasioned so much discussion.

With personal regards,

Sincerely yours,



Roy G. Blakey

RGB:MM