



THE DETROIT BANK

JOSEPH M. DODGE
PRESIDENT

March 23, 1942

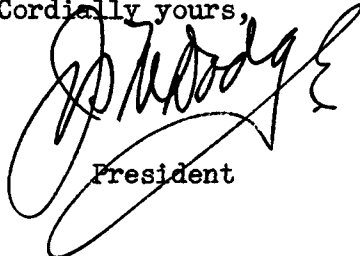
Mr. Marriner S. Eccles
Chairman of the Board
Federal Reserve System
Washington, D. C.

Dear Mr. Eccles:

I have been invited to talk to the Pacific Northwest Banking Conference, held in Pullman, Washington, on April 9. After the talk there will be a panel discussion. One of the principal subjects they are interested in is the importance of aggressive savings campaigns on the part of the banks while they are actively engaged in stimulating Defense Bond sales. I assume you will agree that any stimulation of thrift furthers the Government program and is not only advisable but necessary under the present circumstances.

If you would agree and are willing, I would like very much to present them with a brief message from you confirming this principle. I am certain it will be very much appreciated and will interest them a great deal. If possible, could I have your reply before the end of the week?

Cordially yours,



President

JMD:cw

March 26, 1942.

Mr. Joseph M. Dodge, President,
The Detroit Bank,
Detroit, Michigan.

Dear Mr. Dodge:

Handwritten
This is to acknowledge your letter of March 23 in regard to your participation in the discussions which the Pacific Northwest Banking Conference will hold at its meeting in Pullman, Washington, on April 9. I am glad to comply with your suggestion that I give you a brief message on the important role bankers can play in promoting aggressive savings campaigns and stimulating sales of Defense Bonds.

"This is the time to save, not to spend, money. This is the time to get out of, not into, debt. This is the time for making and not just talking about sacrifices. Let no one think, however, that he is making any sacrifice by saving money and getting out of debt now. That is not sacrificing anything. It is just plain common sense in order to preserve and protect the welfare of the country. Unless all of us willingly and ungrudgingly turn over to the Government in taxes and through purchase of Defense Bonds every dollar that we do not have to spend, we will either have a price inflation or the Government will have to step in and drastically regulate all of our purchases. Voluntary action is always preferable to compulsory action.

"It takes leadership, organization, salesmanship as well as good sense and patriotism to make the country responsive to such an appeal. The bankers have a vital role to play in providing this kind of leadership. They can make clear to the public that the war inevitably means fewer and fewer civilian goods -- that unless the rising income stream is channeled away from the civilian markets and into financing the war through payment of taxes, or purchase of Defense Bonds, or deposits in savings accounts that are in turn largely invested in Government securities, the result will be skyrocketing prices. That means economic chaos. Hence, it is merely good sense and not a sacrifice for civilians to save instead of to spend their dollars in these war times."

Sincerely yours,

M. S. Eccles,
Chairman.