

Foreword;

This rather lengthy letter is based on the following proverb of Confucius;- "Tis better to light one small candle than to curse the darkness".

Charles K.Chilberg.

I assure you I am not seeking notoriety or personal gain. My life began on an Illinois farm 70 years ago. I came west at the age 18 in search of a more suitable climate; threatened with lung trouble. Was in the catering trade most of the time, but never lost my personal interest in the problems of the common mass of humanity. Naturally, I did not grow "rich"; I am truly glad I did not. Riches create social blindness.

Portland, 14, Oregon, Feb. 1st., 1945.
1410-S.E. Belmont St.

Mr. Marriner Eccles,
Chr. of the Board,
Fed. Res. Banks,
Washington, D.C.

Dear Mr. Eccles;

You may remember ~~that~~ the last time I wrote you when I introduced the subject, - "Our untenable position as chief creditor of the world; contending that our virtually self-sufficiency, as it pertains to basic raw materials and money of recognized value, was the source of the dilemma. That was before we became involved in the present war. Successive events have sustained that thesis I believe you will agree. Hence this letter.

You were quoted at length in a recent issue of the R.R. Brotherhood's paper LABOR. According to the quotes you insisted that our populace would not suffer material want while clearly understanding our ability to produce material abundance; not an exact quote, but it covers the main point.

Let us get one point straight; - that our relative economic position compared with Britain's finds us at one pole and J.B. at the other. The industrial British Isles, the heart of the Empire, are in the same economic plight as the Axis powers; They must expand foreign trade or sink to insignificant proportions. That means that exploitation of weaker peoples must continue so long as they cling to our price and profit system. It means further that it is to their interests to keep such backward nations from becoming self-sufficient through the avenue of advanced technology. They would attempt to hold back the dynamic tide of scientific evolution. Of course it is futile, but man has persisted in doing some very childish things.

Why do I pester you with my logic? Simply because you are at the head of our banking structure and past experience has proved that bankers are not a very broad minded group. They have profited from inflation and deflation while each cycle grew progressively more destructive of the masses. They fail to grasp the fact that they are digging their own graves as well as ours. Foreign trade based on money advantage leads directly to war. Ambrose Bierce-Devil's Dictionary- defines "peace" as a period of cheating between two periods of fighting. I believe you will agree with that definition.

We, of the U.S.A. and Soviet Russia are the only nations in possession of sufficient basic resources. Thus it becomes easy for the two to say, - "let us have peace on earth and goodwill toward all men".

That is comparable to a farmer who owns a rich, productive valley farm and admonishes his hill-billy neighbors to keep out of his granary. In case they don't obey orders he has the "law" on his side; he can fill them with buckshot and enjoy immunity from prosecution. At least he will not be convicted of murder in case he kills one.

That analogy leads to this question; Are we going to join forces with Britain and force, by military might or arbitrary law, the hill-billy nations to live in poverty and like it? If we do we will run headon into conflict with the Russian communists. If F.D.R. thinks he can play one against the other and lead the world down the Primrose path of peace he is even more childish than his enemies have claimed.

Our trouble would come from Britain, not Russia. If we compete with them in the world markets for materials we do not require (because of our virtual self-sufficiency) they would be justified in resenting such practice. They do so to survive and we do it for money profit which God, and even bankers, ought to know we do not need since we now possess a major part of the world's gold supply.

We insist on controlling the Latin American markets, and if we succeed in such control we will hurt them rather than help them; they know this fact and some have the courage to say so.

Now, Mr. Eccles, do not accept this essay as evidence of antipathy toward you. Far from that. I believe that you are one of the few bankers who can face facts even when they hurt. I believe further, that you can readily understand that we must not put undue faith in the premise that we can better our own social structure by a vast extension of foreign trade. Of course, we will do some exchanging of commodities, and we should stand ready to instruct all backward nations who manifest a desire to improve their technology and thereby be in a better position to help themselves; But we should never be guilty of trying to force our way of life upon people who do not admire our particular way. We might be wrong. In fact, the deplorable health statistics, and our crime records, and the appalling number of mental cases should awaken our people to something that remotely resembles rational economic thinking.

We are so definitely interdependent, here at home, - not on a world-wide scale, - that we simply must begin to think in terms of WE instead of ME. We have manifested a willingness to ration our SCARCITY; Are we not big enough to ration our material PLENTY?

As you stated in the address quoted in "LABOR"; The people know how abundantly able we are to provide a much higher standard of healthful living than now exists. This can never come to fruition while we cling to an economy of SCARCITY and controlled price designed to create individual fortunes.

The perpetuity of the economy of SCARCITY means accelerated domestic conflict, and carried into the field of world affairs leads directly to the next war, and the next war will beyond reasonable doubt lead to the general use of poison gas, and that means the end of what we call civilization; - the white man's kind. "The bird of time is on the wing, and has but a little way to fly". Is there any way to break through the intricate web of confusion called CONGRESS?

If our Labor leaders could only understand that winning strikes and a few cents per hour in wages increases is not the answer there would be some hope from that quarter; but to date they have not given us much encouragement. Two wrongs were never known to "make a right". Monopolistic Enterprise and monopolistic Labor are diametrically opposed to the general welfare. Unfortunately every office seeker is obliged to cater to the wishes of one or the other.

Perhaps the maligned Technocrats really have something of value to offer our confused populace. You may have read what the Encyclopedia Americana has to say about their program. Here is exact quote. ~~###~~ "Whatever the future of Technocracy, one must fairly say that it is the only program of social and economic reconstruction which is in complete intellectual and technical accord with the age in which we live". Note the two words ONLY and COMPLETE; they are too all-inclusive to cast aside without serious investigation and consideration.

No writer has contributed so much to rational thinking as did Thorstein Veblen. Despite the condemnation by the Vested Interests his several books are again being read by serious thinkers. His Engineers and the Price System may yet rock the antiquated economic method to its very foundations. In case you haven't read it, and some of the others, may I suggest that you do not delay.

Those 60 million jobs that both Dewey and F.D. promised will prove to be the most childish "campaign oratory" if we expect to create a better America by doctoring up the old economy of PRICE and Scarcity. With 98% of the energy in our country coming from artificial power how does any informed man expect 60 million workers to earn their living "by the sweat of their brows"? Especially when said machines are controlled by monopolistic interests - Big Business and a couple of BIG unions?

We MUST prepare to retire the un-needed elderly folks on a adequate monthly paycheck; oblige the young folks to contribute their share of remunerative work; assure them a FAIR return for their contribution.

We know "idleness is the devil's workshop". We had far better trust the elders to idleness than our energetic youngsters. That feeble Social Security act is a step in the right direction; but there is an inherent weakness in that "plan". It is merely an expedient, not a cure.

Sincerely yours, Charles K. Chilberg.

Charles K Chilberg

February 8, 1945.

Mr. Charles K. Ghilberg,
1410 S. E. Belmont Street,
Portland 14, Oregon.

Dear Mr. Ghilberg:

This is to thank you for your exceptionally interesting and thoughtful letter of February 1. I am impressed by what you have to say and the way in which you say it, and in general I think you and I would be in agreement.

As one who has spent most of his adult life in the banking business, I would not agree that bankers have profited from inflation or deflation, however. Down through the years, banking has not been the profitable enterprise that is generally supposed, and no nation has such a bad record of bank failures as ours.

It occurred to me that you might possibly be interested in seeing the text of my recent speech to which you refer. I have marked on page 6 a reference to what seems to me a wholly mistaken idea that prosperity at home depends on foreign trade. I believe that foreign trade depends primarily on prosperity at home. I was particularly struck by your apt statement that we have manifested a willingness to ration scarcity and that we should be big enough to ration our material plenty.

Let me also thank you for the enclosures, including your paragraph on free enterprise and the graphic illustration of the advantages of cooperation.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b