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HOUSTON, 2. TEXAS 9/26/'47.

MARRINER S. ECCLES, Chairman,
Federal Reserve Board,
Washington, D.C.

Dear Sir:

Your recommendations, for the improvement of our existing financial and economic condition, made before members of the National Association of Supervisors of State Banks on yesterday, include the advice that: "Brakes should be applied to BANK EXPANSION OF PRIVATE CREDIT, and the Federal Reserve Board should be given more power to do the job."

The above quoted recommendation indicates, at least, that you possess sufficient intelligence to know that, in order to regulate and control prices and wages, the amount of Money and Credit (purchasing power) in the hands of the people (consumers) must be regulated and controlled. All of our "leading economists" - governmental and private - are loudly contending that, if we would ONLY INCREASE PRODUCTION, ALL of our problems would be immediately solved. Clinton Anderson, our Secretary of Agriculture, is one of our most vehement advocates of such policy. These "wise" men all have evidently forgotten the dark days, during the 1930's, when our stores, ware-houses and factories were literally bursting with goods, while approximately one-half (1/2) of our people were naked, starving and without shelter and jobs. They also forget that, after our Government had followed the INSANE advice of these "experts", and had compelled our farmers to plow up their crops, and our ranchers to kill their live-stock, such action did no good, whatever, and our Government was compelled to place millions of theretofore self-respecting, and independent, citizens in bread-lines throughout the country and feed, clothe and shelter them at public expense. They also forget that such action made veritable "bums" of hundreds of thousands of these hapless victims of their idiotic advice to our Government, and that they still look to our Federal Government for maintainance and support. This "rotten apple," in our economic barrel, gives strong promise of eventually destroying our vaunted "free enterprise" system. While untold millions of our people were still in these bread-lines, the second World War came on, and our starving millions found employment in war industries. This false prosperity has continued until the present; but you know - just as well as I know - that our Government cannot continue, FOREVER, to borrow money from private banks to maintain and continue this false prosperity.

From statements, made by you from time to time during the last several years. I am convinced that you well know that private banking is NOT a "business;" but that it is, on the contrary, an unconscionable "racket." You know, I feel certain, that banks do not LEND MONEY, nor do they EXTEND CREDIT. That they merely "keep books." I believe you also know that the banks did not pay ONE CENT for the untold Billions of U.S. Bonds now in their possession.

The above and foregoing being the TRUTH, as I see it, I beg you, as a supposedly decent-minded American citizen, to immediately make to our Federal Government the following recommendations:

(a) That our Government immediately resume, and exercise, its Constitutional right and authority to issue, manage and control our Money, as well as to manage and control our Credit, thus forever depriving private banks of the power (not RIGHT) to exercise this vitally important governmental function, which they so ruthlessly USURPED and have exercised so long for their own use and benefit. You know, I am certain, that it is by the control of our Money and Credit that bankers bring on BOOMS and BUSTS, at will, and thus methodically, and periodically, rob and exploit the people of the hard-earned savings.

When our Federal Government has resumed its Constitutional right and authority (as evidenced by Sections 8 and 10, of Article I, of the Constitution) to issue, manage and control our Money, as well as to manage and control our Credit, it can quickly, and easily, establish and maintain a stable price and wage standard, thus making it impossible for the bank racketeers to continue to rob and exploit the people.

At the present time, as you know, we have 28 billions, plus, of Money in circulation. Of this total, about 90.5% is bank-issued Money. The remaining 9.5% is Government-issued Money, but all Government-issued Money has been in circulation a long time. This being true, the truth is that ALL money now being issued, and for several years last past, is, and was, bank-issued.

Since the banks never paid ONE CENT for the untold billions of U.S. BONDS now in their possession, our Government should immediately confiscate, and repudiate, EVERY U.S. BOND found in the possession of any private bank, on the just and legal grounds that the banks did not pay ONE CENT for them.

Unless, and until, the suggestions hereinbefore made have been adopted and carried out by our Federal Government, there is no hope for our vaunted "free enterprise system" of economy to long survive. What will follow, I do not know. It will be either Communism or Facism, most probably, and I am inclined to believe that it will be Facism, since we already have Facism, in substance, since monopolists (bankers) now operate our economy for their own selfish use and benefit.

Yours truly,

L. C. Christian

October 14, 1947.

Dear Mr. Christian:

This is to acknowledge your letter of September 26 with reference to my recent talk to the State Bank Supervisors. I cannot, of course, agree with your strictures on our banking system, though I have long felt that it needs to be vastly improved. Basically, however, I would not favor such a revolutionary change as you urge. Congress would have to authorize it, of course, and the chances of a majority in either branch of the Congress favoring so drastic a change are so slight as to be practically nil.

Since making the talk I have had some reprints made, and possibly you might care to see the entire text as your comments were based on the very brief excerpts appearing in the press.

Sincerely yours,

M. S. Eccles,
Chairman:

Enclosure

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Marrineer S. Eccles, Chairman,
Federal Reserve Board,
Washington, D.C.

Dear Sir:

I thank you for your letter of October 14, as well as for your little pamphlet on "Postwar Bank Credit Problems," which you so kindly mailed to me.

From your above mentioned letter and pamphlet, it appears that about all the change you desire to have made in our existing Money and Credit set-up, is to gain more power, for yourself and the Federal Reserve Banks, over the Money and Credit of the American people.

I have neither the time nor inclination to desire to engage in an argument with you, by correspondence, concerning the gross evils now existing in the control of our Money and Credit. I herewith enclose a little pamphlet, entitled "Atomic Warfare," in which you will find my charges against the existing "banking racket" documented and proven. I ask you, as a decent, fair-minded American, to read the enclosed pamphlet carefully. If, after so doing, you are of the opinion that any charge, or statement, therein contained is UNTRUE, kindly point out your REASONS for such opinion. If you are, perchance, unable to submit proof of the untruth of the charges made in said pamphlet, then I call upon you, as an honest man, to admit their truth, and to get into the fight to radically change the revolting situation which now exists. You bear a tremendous burden of responsibility, in the powerful position you now occupy, because I am confident that you KNOW that we, and the remainder of the World, can never have peace, prosperity and happiness unless, and until, the ruthless, and usurped, power of private bankers to RULE THE WORLD is taken from them, and placed in the hands of the peoples of all countries, where such power rightfully belongs.

I have learned, from sad experience, that the ordinary, vacant-minded banker will not even acknowledge the receipt, much less attempt to comment upon, the enclosed pamphlet. Because of your frank statements, from time to time, concerning private banking, I hold a better opinion of you, and I shall really be surprised, as well as greatly disappointed, if you do not reply to this letter.

Again thanking you for your letter of October 14th, and hoping to hear from you again soon, I am,

Very truly yours,

L. C. Christian