

THE ONE HUNDRED TWENTY DOLLAR CLUB

Yreka, California.
April 21, 1945

Hon. Harry S. Truman, President,
United States of America,
Washington, D. C.

My dear Mr. President:

We believe that you, together with every other loyal and thinking American, are vitally concerned in creating those 60,000,000 jobs; but we all must realize that to reach this high goal every business, every industry in the country, large and small must be encouraged, yet, right in our midst we have a man high in governmental circles who, with one fell swoop, would destroy an industry that directly and indirectly gives employment to hundreds of thousands of persons.

That man is Marriner S. Eccles, Chairman of the Federal Reserve Board, who openly and brazenly advocates a 100% managed currency, adding insult to injury by stating that "gold is useless and outmoded". A managed currency would mean total ruin for the gold mining industry.

We believe that Senate Bill S. 510, by Senator Robert F. Wagner, of New York, to reduce the gold reserve back of currency from the present 40% to 25%, is a big step towards a managed currency; that when still more currency is required there will be another reduction in the percentage of gold reserve, and ultimately there will be no gold reserve and we will have an out and out printing press money.

Why, we would ask, are Eccles, Lord Keynes and Morgenthau working so hard to put over a managed currency scheme when never before in history has this type of money been successful? If they could point to one single instance where this kind of money had been successful, an excuse for their activities could be found, but this they cannot do.

Even though these gentlemen may be Supermen they cannot make a managed currency work successfully, for the forces of this type of money are opposite and opposed to the inherent qualities in man that demand a sound, redeemable currency.

We believe that the prosperity of our nation and sound logic demand that, when more gold reserve currency is needed and our gold reserves are not sufficient to issue this currency and still retain the present 40% gold reserve, that the grains of gold back of the dollar be reduced in direct proportion to the amount of new currency needed, thereby maintaining the 40% gold reserve

We know from experience that in reducing the number of grains of gold back of the dollar, confidence in the currency is not impaired, and we further know that this method

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increases employment and adds to the general prosperity of the nation.

As we have never experienced a reduction in the percentage of gold reserve back of currency, we would not know what effect such a reduction would have on confidence in the currency, but what we do know is that, this method creates not one single job and ultimately could lead to the loss of hundreds of thousands of jobs.

We respectfully call your attention to bills of Senator's Scrugham and McFarland, and Congressman Engle, providing for an increase in the price of gold from the present \$35 to \$56 an ounce. This increase in the price of gold will supply practically the same amount of new gold reserve currency as would Senator Wagner's proposal, but would still retain the 40% gold reserve clause.

Personally, we do not think that the proposed increase in the price of gold is enough. We believe that gold should be made of benefit to mankind, and that economic conditions warrant a still higher price; nevertheless we are in hearty agreement with and approve of the proposed increase as being a definite step in the right direction.

This letter is already too lengthy, the subject however is a most important one, and I would appreciate the opportunity of writing you further on the matter.

In conclusion Mr. President, we hope that it may be possible for you to give the matter a little of your own personal consideration, and last but not least, we as a group and with every one with whom we have talked, find ourselves pleasantly surprised at being in agreement with your every course and action. This is all the more remarkable as we are of the opposite party. A sense of security and well-being pervades the atmosphere here.

Respectfully yours,

Kenneth K. Ash,
Sec'y The \$120 Gold Club

cc to

Marriner S. Eccles
Henry Morgenthau Jr
Senator Scrugham
Senator McFarland
Congressman Engle

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