

William McChesney Martin, Jr., Papers

Box 24/Folder 10

Series V, Subseries D

Correspondence, 1957-59

Note: Personal letters filed alphabetically

All general correspondence sent to file;  
with copy of reply included in this file.

Correspondence

1958

HARRY FLOOD BYRD, VA., CHAIRMAN  
ROBERT S. KERR, OKLA.  
J. ALLEN FREAR, JR., DEL.  
RUSSELL B. LONG, LA.  
GEORGE A. SMATHERS, FLA.  
CLINTON P. ANDERSON, N. MEX.  
PAUL H. DOUGLAS, ILL.  
ALBERT GORE, TENN.  
EDWARD MARTIN, IOWA  
JOHN J. WILLIAMS, DEL.  
RALPH E. FLANDERS, VT.  
GEORGE W. MALONE, NEV.  
FRANK CARLSON, KANS.  
WALLACE F. BENNETT, UTAH  
WILLIAM E. JENNER, IND.

ELIZABETH E. SPRINGER, CHIEF CLERK

## United States Senate

COMMITTEE ON FINANCE

April 23, 1958

The Honorable Wm. McC. Martin, Jr.  
Chairman, Board of Governors  
Federal Reserve System  
Washington, D. C.

Dear Bill:

Thanks very much for the copy of the Forty-Fourth Annual Report which reached my desk today. I know I will find it very useful.

I will be leaving in a minute to hear you and Senator Kerr. I wish the rules of the Committee permitted me to get in and try to help you, but I realize that you can take care of yourself.

Kindest personal regards.

Sincerely,

  
Wallace F. Bennett

WFB:j

April 28, 1958.

**Dear Doctor Pick:**

Thank you for your nice letter  
of April 23 and I wanted you to know  
I appreciate your kind comments.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Dr. Franz Pick,  
Publisher,  
Pick's World Currency Report,  
75 West Street,  
New York 6, New York.

*Pick's World Currency Report*  
*75 West Street, New York 6, N. Y.*

FRANZ PICK  
PUBLISHER

April 23, 1958

TELEPHONE WH 4-5960  
CABLES: PICKREPORT

The Honorable  
William McChesney Martin  
Chairman of the Board of Governors  
Federal Reserve System  
Federal Reserve Bank  
Washington, D. C.

Dear Mr. Chairman:

Will you permit me to tell you that I admired your testimony before the Senate Finance Committee on April 22nd.

Your courage and cold analysis of the problem is a distinguished service to the country.

With kindest personal regards, I remain

Very respectfully yours,



Dr. Franz Pick

FP:gem

1957

August 19, 1957.

Dear Bill:

Many thanks for sending me the  
Journal of Commerce editorial. It is  
nice to have it.

With all good wishes,

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

Mr. William Blum,  
Blum, Lindsey & Powell,  
1741 K Street, N. W.,  
Washington 6, D. C.



**This article is protected by copyright and has been removed.**

**Article Title:** The Price of Stability

**Journal Title:** Journal of Commerce and Commercial

**Date:** August 16, 1957

~~To Mr. Burgin~~  
Miss Muddhaus

September 10, 1957.

Dear Mr. Burgin:

On my return from a short vacation I find your nice letter of August 20 and appreciate very much your kind comments and your thoughtfulness in taking the trouble to write.

I do indeed remember Abbot Mills' introducing us last Spring and I will hope to have the pleasure of seeing you again some time. I will pass along your regards to Abbot.

With all good wishes,

Sincerely yours,

(Signed) Bill M.

Wm. McC. Martin, Jr.

Mr. C. Rodgers Burgin,  
President,  
The New England Trust Company,  
Boston, Massachusetts.

August 22, 1957.

Mr. C. Rodgers Burgin,  
Pleasant Point,  
Knox County,  
Maine.

Dear Mr. Burgin:

In Mr. Martin's absence from the office,  
I wish to acknowledge and thank you for your  
letter of August 20 to him.

On recess of the Senate Finance Committee  
hearings Mr. Martin left on a short vacation, but  
I am sure he will remember having met you and  
will be pleased to have your letter.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Pleasant Point  
Knox County, Maine.  
August 20, 1957.

Dear Mr. Martin, -

While up here in  
this lovely and quiet place on my  
vacation until September 3<sup>rd</sup> I do  
keep a little bit in touch with the  
world of money and business through  
receiving each day the Wall Street  
Journal and The New York Times.

Last night, in looking over  
the Journal, I read from start to  
finish the abridged version, as given,  
of your statement last week before the  
Senate Finance Committee, on the  
current inflationary situation and  
problem.

The purpose of this brief note is  
simply to extend to you my congratulations  
on what seems to me a

superb and beautifully clear  
exposition of the essentials of the  
problem as it exists today. There  
is so much misceant and fuzzy  
thinking and talking on the whole  
subject that it is like a breath of  
fresh air to read the thoughts of  
some one who goes to the heart of  
the trouble, understands the differences  
between cause and effect, realizes the  
dangers of fallacious remedies, and  
points up the only true way out.

Many of those who criticize  
you and Randy Benzess and ex  
Secretary Humphrey undoubtedly mean  
well and are sincere in their beliefs,  
but I shudder at the consequences  
if their views should prevail. That  
is why it is of such vital importance  
for the country to have you there  
in Washington as a strong and

artificial demand of the month, and  
as a bulwark against the dangers  
of easy cure-all policies that would <sup>work.</sup>

Kindly give my regards to  
Albert Mills. Perhaps you may  
remember his introducing me to you  
in the corridor of the Federal Reserve  
Building one day last April when  
I dropped in to see him.

Sincerely yours,

C. Rodgers Burge

(President, The New England Trust Co.)  
Boston.

C. Rodgers Burge

Mr. Martin

Mr. Cleckler is a Bank appointed  
director at Birmingham.

September 10, 1957.

Dear Mr. Cleckler:

On my return from a short vacation I find your nice letter of August 20 and very much appreciate your kind comments. Coming from one who is serving with me in the System they are especially rewarding. Thank you for taking the trouble to write.

With all good wishes,

Sincerely yours,

(SIGNED) WM. McC. MARTIN, Jr.  
Wm. McC. Martin, Jr.

Mr. Robert M. Cleckler,  
President,  
First National Bank of Childersburg,  
Childersburg, Alabama.



August 23, 1957.

**Mr. Robert M. Cleckler,  
President,  
First National Bank of Childersburg,  
Childersburg, Alabama.**

**Dear Mr. Cleckler:**

In Mr. Martin's absence from the office, I wish to acknowledge receipt of your letter of August 20. On recess of the Senate Finance Committee hearings Mr. Martin left for a short vacation but I know he will be pleased to see your letter on his return.

**Sincerely yours,**

**(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.**

*First National Bank of Childersburg*

*Childersburg, Alabama*

August 20, 1957

ROBERT M. CLECKLER  
PRESIDENT

Mr. William McChesney Martin, Jr., Chairman  
Board of Governors of the Federal Reserve System  
Washington, D. C.

Dear Mr. Martin:

Your statement before the U. S. Senate Committee on Finance on August 13, 1957, was most impressive and I should like to take this opportunity to congratulate you on the courageous and forthright stand taken by the System. Many important decisions have been made by you and the Federal Reserve Board in the past and our Country needs sound and mature leaders such as you. I am sure my feelings are also those of others who serve with you in some capacity in the Federal Reserve System.

With all good wishes.

Very truly yours,



Robert M. Cleckler  
President

RMC:s

Airmail

August 13, 1957.

Dear Kim:

With the thought that you may be interested in seeing it, I am enclosing a copy of my statement today before the Finance Committee of the United States Senate. This committee is currently holding hearings on the financial conditions of the United States and I expect that my testimony will continue for quite a few more days.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Enclosure

The Honorable Cameron F. Cobbold,  
Governor,  
The Bank of England,  
London,  
England.

September 10, 1957.

Dear Phil:

On my return from a short vacation I was pleased to find your nice letter of August 21. I always appreciate your thoughtful comments and appreciate your taking the trouble to write.

I understand that my secretary mailed you a copy of our answers to the Byrd Committee, requested in your note of the third.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Philip Cortney,  
Coty,  
423 West 55th Street,  
New York 19, New York.

September 4, 1957.

Mr. Philip Cortney,  
Coty,  
423 West 55th Street,  
New York 19, New York.

Dear Mr. Cortney:

Mr. Martin will return to the  
office some time next week, but in the meantime  
I am sending along the answers to Senator Byrd's  
questions requested in your letter of yesterday.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Enclosure



# COTY

EXECUTIVE AND SALES  
OFFICES  
423 WEST 55<sup>TH</sup> STREET  
NEW YORK 19, N.Y.  
COLUMBUS 5-5100

FIFTH AVENUE SALON  
ROCKEFELLER CENTER  
*New York*  
CIRCLE 6-5965

September 3, 1957

Mr. William McChesney Martin, Jr.  
Federal Reserve Board  
Washington, D.C.

Dear Bill:

I would appreciate it if you will send me a copy of your written answer to Senator Byrd's questions about which there is a short report in the "New York Times" of this morning.

Sincerely,

Philip Cortney : if

August 23, 1957.

Mr. Philip Cortney,  
Coty,  
423 West 55th Street,  
New York 19, New York.

Dear Mr. Cortney:

In Mr. Martin's absence from the office, I wish to acknowledge receipt of your letter of August 21 to him. On recess of the Senate Finance Committee hearings, Mr. Martin left for a short vacation but I know he will be pleased to see your letter on his return.

As you requested, I am sending along the complete text of his statement before the Committee.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.



# C O T Y

EXECUTIVE AND SALES  
OFFICES  
423 WEST 55<sup>TH</sup> STREET  
NEW YORK 19, N.Y.  
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FIFTH AVENUE SALON  
ROCKEFELLER CENTER  
*New York*  
CIRCLE 6-5965

August 21, 1957

Mr. William McC. Martin, Jr., Chairman  
Board of Governors  
Federal Reserve System  
Washington, D. C.

Dear Bill:

After having read in the "Wall Street Journal" an abridged version of your statement made before the Finance Committee, I intended to write you to be good enough and send me the complete statement.

You deserve to be commended because not only is it one of the best pieces of writing on the battle against inflation, but it is so clearly written that anyone, educated or not, ought to be able to understand what you are talking about.

You deserve to be commended even more for your great character and courage. As Maurice Frere told me once, the head of a central bank has sometimes to be a hero to resist the pressures from the politicians. By the way, this is precisely the reason why I am against the right of central banks to monetize government debt. However, if Congress had only twenty men of your calibre and character I might even accept what is known as management of money." Be it said in passing, I have nothing against management of "money" because it has always been managed. What I am against is the right of the central banks to monetize government debt.

With kindest regards, I am,

Yours sincerely,

Philip Cortney : if



August 19, 1957.

Dear Phil:

Many thanks for your nice letter of August 8 enclosing your letter to Senator Byrd. I am very glad to have this and appreciate your sending it.

I am enclosing a copy of my statement before the Senate Finance Committee as it might prove of interest to you.

With all good wishes,

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

Enclosure

Mr. Philip Cortney,  
423 West 55th Street,  
New York 19, New York.



# COTY

EXECUTIVE AND SALES  
OFFICES  
423 WEST 55<sup>TH</sup> STREET  
NEW YORK 19, N.Y.  
COLUMBUS 5-5100

FIFTH AVENUE SALON  
ROCKEFELLER CENTER  
*New York*  
CIRCLE 6-5965

August 8, 1957

Mr. William McChesney Martin, Jr.  
2861 Woodland Drive  
Washington 8, D. C.

Dear Bill:

I thought you might be interested in the enclosed letter  
addressed to Senator Byrd.

With kindest regards, I am

Sincerely yours,

Philip Cortney:mrc  
encl.

August 6, 1957

The Honorable Harry Flood Byrd  
The Shoreham  
Washington, D.C.

Dear Senator Byrd:

You are aware, I believe, of my admiration for you which I have expressed publicly a few times. As I am disturbed by the trend and confusion of the present discussions on inflation I am taking the liberty of writing to you with the hope that what I have to say will interest you.

I wish first to recall a few remarks on inflation which seem to me valid:

1. Inflation is primarily a monetary phenomenon. It can be generated either by the increase in the quantity of money or by the increase in the velocity of money. The velocity of money may increase if "idle balances" held by persons or institutions are being spent, or if the banks are liquidating government bonds in order to make loans.
2. We can have monetary and credit inflation without an increase in prices. A typical example is what happened in the 1920's.
3. Interest costs, just like wages and taxes, may influence the trend of prices in general or of some prices. Increases in wages may increase prices and may at times create unemployment. A case in point is what happened in 1937 despite very low monetary rates. An increase in interest rates, while it may contribute to an increase in the cost of goods, is primarily a deflationary force for the following reasons:
  - (a) Many long term investments become unprofitable. (Building of houses, plants and equipment.
  - (b) An increase in interest rates lowers asset values, which means that it discourages speculation (and also consumption) and induces people to hold larger "idle balances"

which means a decrease in the velocity of money. A constant increase of security prices and of durable goods fosters inflation because it prompts people to use their "idle balances" to the utmost.

There is a serious question in my mind whether what appears to be the ineffectiveness of interest rates to prevent rises in prices is not due to the fact that we seem to have been trying a policy of high rates with an unlimited supply of money. Before World War I the expansion of the supply of money was controlled mainly by the limitation of the issuance of bank notes.

As you know, in Great Britain before 1914 all currency had to be covered 100% by gold. Some European central banks were permitted to issue currency against a coverage of 33% in gold and the balance in commercial bills, but not government bills. In our own country, when the Federal Reserve System was established it provided that the bank notes are to be covered by 40% gold and the balance by commercial bills and not government securities. It seems to me that the main reason why the monetary weapon seems to have lost its effectiveness lies in the fact that the Federal Reserve Banks are allowed to monetize government debt, and particularly because we have departed from the provision that bank notes should be covered by 40% in gold and the balance in commercial bills. I am not opposed to the Federal Reserve Bank holding a limited amount of government bonds for so-called open market operations, but our monetary system has developed into a streamlined sophisticated inflation engine, the more dangerous as most of the people don't understand how it works.

\*\*\*

Most of the people have come to believe that we are witnessing a new kind of inflation due to some strange new forces or causes. The truth is that we are simply foolishly repeating - mutatis mutandi - what we did in the 1920's.

I am sending you enclosed a small article on inflation in which I quote a few excerpts from articles written by Arnold G. Dana between December 15th, 1928 and August 3rd, 1929, and which were published at that time in the "Commercial and Financial Chronicle". I believe that you will be as startled as I was when you read them because they prove that to a clear-minded analyst and thinker the process of inflation in the 1920's was no mystery. If you have time you could perhaps not use it better than to read these articles which were reprinted in a book called "Prosperity Problems", New Haven, 1931, which you can find at the Congressional Library.

Here is how Arnold G. Dana defined inflation:

"Inflation is not a race between mounting wages and prices, since prices may for a considerable time have little or nothing to do with it. It is rather a cancerous business growth marked by speculation and extravagance, either general or 'specialized' in its workings, and both fed by, and itself

"cultivating, an ever-widening circle of artificial purchasing power, such as abnormal amounts of borrowed money, increasing wages and profits, security issues, etc. One form begets another, this a third, and so on around and around, swelling, either slowly or rapidly, the volume of business by an overgrowth of healthy or other cells."

\*\*\*

I am sending you also an article which I have written for a British magazine, the subject of which is Restoration of Monetary Order. Together with it you will find also a letter written to a well-known economist in Washington which put an end to an exchange of letters I had with him regarding this same article.

With kindest regards, I beg to remain,

Yours very sincerely,

Philip Cortney : if  
Encls.

## ON INFLATION

The discussions around inflation get more and more confused. Some people oversimplify the issue. Some others speak of "new forces" to explain the most recent rise in prices. Is anyone denying that the collapse of 1929 was also due to inflation despite the fact that we did not then have a rise in prices for seven or eight years before the collapse? The written testimony of an able and intelligent witness of the 1920's will convince anyone, I hope, that the present situation has many similarities with that in the 1920's. The main causes of the present inflation are - mutatis mutandi - the same as in the 1920's, namely, abuses of money and credit expansion, and wages.

My star witness is Arnold G. Dana. Starting December 15th, 1928, and ending August 3rd, 1929, he wrote a series of eight articles which appeared in the "Commercial and Financial Chronicle". He denounced the then prevailing policies, demonstrated without any "if's" or "but's" that what was going on was not prosperity but sham, and that the end of the "wholesale debauchery" would be a collapse of the economy and of the stock exchange. The kind of inflation we had then he called "pemicious" or "progressive" inflation which he defined as follows:

"Pemicious inflation is a persistent upward rush of popular buying and spending - the luxury loving child of some unusual flush of business and extravagant expectations, kept alive and growing rapidly on an increasing diet of what may be called 'artificial buying power'."

"This artificially-created buying power includes, as might be supposed, in larger and larger volume such items as the following: (1) Repeated and widespread wage increases, regardless of any proportionate increase in individual output (as for years past in our building construction trades and for bakers, barbers, electric railway men, longshoremen, etc.); (2) exceptionally large additions to bank and other credits; (3) bank deposits in abnormally rapid turnover (by bank checks); (4) a huge outpouring of such obligations as real estate mortgages, municipal securities, and usually corporation bonds; (5) dividends and profits swollen by inflationary business; (6) stock issues of inflationary origin, of late an important source of funds; (7) and often (as now) huge profits from 'bull' speculation; and also (8) if conditions of supply and demand require, rising prices and fiduciary note issues." Dana explains that prices may not rise because either supplies have been ample or higher prices were not required to make the inflation effective in other directions.

"This inflation is a 'runaway' because, the buying and borrowing keep industry (in particular the favored luxury and related industries) more or less crowded with orders; while industry and capital in their turn spur on the popular buying and spending by such means as unusually liberal loans and instalment sales, the expansion of wage scales, alluring advertising, spectacular speculation which inflames the popular mind with the sight of rising market values, and otherwise. Thus labor and capital egg each other on, perpetuating and quickening the runaway."

"Inflation may intoxicate directly either an entire country or a substantial share of a nation's business and personnel - if the latter, the minority may profit to the disadvantage of the rest of the community and render its living more difficult, though

to some extent ameliorating the general position through tending to bring full-time employment to all. Inflation also tends to overstep the lines in which it starts, and becomes general."

I wish I could quote every word in these eight articles, but let me make a few other pertinent quotations relative to the present situation and debate:

"For seven years past the Federal Administration at Washington has consistently endorsed the genuineness of our so-called 'prosperity' and the wisdom of promoting it by a policy of 'high wages', meaning nothing else, it seems, than indefinitely higher and higher wages for those in the favored industries, as if this process were not in itself a 'reductio ad absurdum' - most unfair to other workers and certain to end lamentably."

"The existing boom owes its life in the first instance in large measure to the buying power with which labor came out of the war and to the subsequent addition to wages. As beneficiary in this manner, labor has also assumed with general approval a leading role as borrower in this progressive inflation."

"But the most remarkable fact of all is that where the wage earner has been most conservative - in his saving and his provision for life insurance - there he has been providing vast sums for inflationary expansion, for to a large extent have not his own premiums and savings bank deposits been handed back and almost forced upon him by way of building loans?"

Arnold G. Dana restated his understanding of pernicious inflation in the following manner which I submit explains very well what is going on under our own eyes:

"Inflation is not a race between mounting wages and prices, since prices may for a considerable time have little or nothing to do with it. It is rather a cancerous business growth marked by speculation and extravagance, either general or 'specialized' in its workings, and both fed by, and itself cultivating, an ever-widening circle of artificial purchasing power, such as abnormal amounts of borrowed money, increasing wages and profits, security issues, etc. One form begets another, this a third, and so on around and around, swelling, either slowly or rapidly, the volume of business by an overgrowth of healthy or other cells."

It has always seemed strange to me that while so many inept and prejudiced explanations of the 1929 depression are being published to this very day no one in or out of the academic profession ever mentions the articles written by Dana which are in my opinion the most cogent document published on the causes of the 1929 depression. It should be noticed that Dana explained the anatomy of the coming crash not after it happened but before its occurrence.

Philip Courtney:mrc  
8/1/57

August 13, 1957.

Airmail

Dear Jim:

I am enclosing a copy of a statement I presented this morning to the Senate Finance Committee, in which you may be interested. As you probably know, this Committee is currently holding hearings on the financial condition of the United States and it is expected that my testimony will continue for quite a few more days.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Enclosure

The Honorable J. E. Coyne,  
Governor,  
Bank of Canada,  
Ottawa, Ontario,  
Canada.



August 19, 1957.

Dear Gordon:

Thank you for your nice letter of August 14 and it is indeed a pleasure to hear from you. I appreciate your comments, your taking the trouble to write, and your continued friendship.

With all good wishes,

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

Mr. Gordon B. Crary,  
623 South Spring Street,  
Los Angeles 14, California.

GORDON B. CRARY  
623 SOUTH SPRING STREET  
LOS ANGELES 14

August 14, 1957

Mr. Wm. McC. Martin, Jr.  
Board of Governors  
Federal Reserve System  
Washington, D. C.

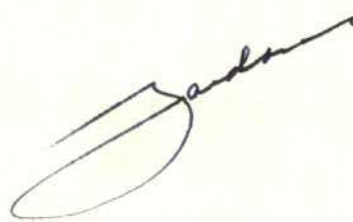
Dear Bill:

I had the pleasure again of reading in U. S. News your comments with regard to money matters. I am certainly for them. I know what you are driving at, and what your effort is, and hope you are successful.

You will be from the financial end of it, but it seems to me there are other factors, such as the power of the labor leaders, granted them by not making them subject to the anti-trust laws, that puts them in a position to create situations with the raising of wages and raising of prices, to start that circle that never ends.

Just thought I would drop you a note to say hello, and tell you how much I appreciate what you are trying to do for all of us.

Kindest regards,



GBC/cc

September 11, 1957.

Dear Chester:

How nice to hear from you and know that you retain your interest in banking problems.

I have seen Bob Hill on two or three occasions and agree with you it is wonderful to see such a fine fellow become an ambassador so early.

I do hope I will have a chance to visit with you one of these days.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Chester R. Dewey,  
Ferris, Hughes, Dorrance & Groben,  
First National Bank Building,  
Utica 2, New York.

FERRIS, HUGHES, DORRANCE & GROBEN  
ATTORNEYS AT LAW  
FIRST NATIONAL BANK BUILDING  
UTICA 2, N. Y.

T. HARVEY FERRIS  
CHESTER R. DEWEY  
GILBERT R. HUGHES  
WILLIAM F. NEWTON  
HENRY T. DORRANCE  
ROBERT GROBEN  
JOHN M. LIDDY  
RUSSELL G. DUNMORE, JR.  
DAVID B. LISLE, JR.  
JOSEPH J. CARDAMONE, JR.  
JAMES H. GILROY, JR.  
STANLEY KOWAL, JR.  
JOSEPH L. FEY

September 9, 1957

Mr. William McChesney Martin, Jr.  
Federal Reserve Board  
Washington, D. C.

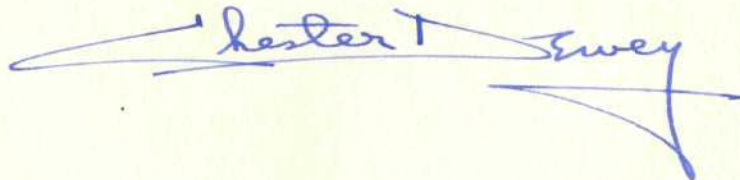
My dear Mr. Martin:

Although it is more than three years since I have been retired from the Grace Bank, I still read the American Banker every day. I have followed with the greatest of interest your testimony before the Legislative Committee and am writing merely to let you know that I am delighted with the firm, uncompromising position which you have taken. Also, I approve without any reservation the policy which the Board has been following with reference to the threat of inflation.

Incidentally, at long last, I am glad to see the savers of this country get a break. I never could understand the legislative tenderness toward the borrowers, especially since statistics show that there are about seven or eight times as many savers as borrowers.

I am glad to see that our mutual friend, Bob Hill, is climbing the ladder so steadily.

Sincerely,

A handwritten signature in blue ink that reads "Chester R. Dewey". The signature is stylized with a long horizontal line underneath the name and a large, sweeping flourish on the right side.

CRD/HJR

September 10, 1957.

Dear Stanley:

On my return from vacation I was pleased to find your nice letter of August 26 and am sorry I missed you the day you were up at the Senate Finance Committee hearing.

Shel wrote to me recently and I was pleased to learn of his new position. He is indeed a fine person.

It is good to hear from you and perhaps the next time you are in Washington I will have an opportunity to see you.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Stanley Draper,  
Managing Director,  
Oklahoma City Chamber of Commerce,  
Oklahoma City, Oklahoma.

August 28, 1957.

Dear Mr. Draper:

As Mr. Martin is out of the office on a short vacation I wanted to acknowledge receipt of your letter of August 26 to him. I know he will be pleased to see your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Mr. Stanley Draper,  
Managing Director,  
Oklahoma City Chamber of Commerce,  
Oklahoma City, Oklahoma.

OKLAHOMA CITY CHAMBER OF COMMERCE

OFFICE OF THE MANAGING DIRECTOR

August 26, 1957

VIA AIR MAIL

Dear Bill:

While in Washington for a few days recently I had the interesting privilege of attending hearings of the Senate Finance Committee when you were testifying. I was greatly impressed with your testimony and enjoyed the hearings very much.

I was hoping that an opportunity would present itself for me to shake hands with you and extend greetings from your friends in Oklahoma City, especially our mutual friend, Shel Stirling, but recognized that you were under too much pressure.

Shel, as you know, is now City Manager of Oklahoma City, beginning a few weeks ago. We are very proud of Shel, and I know you will be pleased to learn of his promotion.

Come to see us sometime.

Sincerely,

  
Stanley Draper

SD:jg

Mr. William M. Martin, Jr., President  
The Federal Reserve Bank  
Washington, D. C.

September 10, 1957.

**Dear Ben:**

On return from a short vacation I find your very nice letter of August 19, and it is gratifying to me to have such generous comments from one whose views I respect so much. It is good of you to take the trouble to write.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

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



August 21, 1957.

Dear Mr. DuBois:

In Mr. Martin's absence from the office I wish to acknowledge receipt of your letter of August 19 to him.

On recess of the Senate Finance Committee hearings Mr. Martin left for a short vacation but I know he will be pleased with your letter on his return about the second week in September.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

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

R. L. MULLINS, PRESIDENT  
THE WOLFE CITY NATIONAL BANK  
WOLFE CITY, TEXAS

A. W. HOESE, TREASURER  
SECURITY STATE BANK  
GLENCOE, MINNESOTA

R. E. G. LEY, FIRST VICE PRESIDENT  
GEORGE SAVINGS BANK & TRUST CO.  
ATLANTA, GEORGIA

BEN DUBOIS, SECRETARY  
SAUK CENTRE, MINNESOTA

O. K. HANSON, SECOND VICE PRESIDENT  
WHITEFISH BAY STATE BANK  
WHITEFISH BAY, WISCONSIN

HOWARD BELL, ASS'T. SECRETARY  
SAUK CENTRE, MINNESOTA

## THE INDEPENDENT BANKERS ASSOCIATION

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R. G. WEBBER, MOUNT STERLING, OHIO  
W. L. WEBBER, KANSAS CITY, KAN.

SAUK CENTRE, MINNESOTA

August 19th, 1957

Mr. William McC. Martin, Jr., Chairman  
Board of Governors  
Federal Reserve Building  
Washington, D. C.

Dear Mr. Chairman:

While appearing as a witness before a number of Congressional Committees has been grueling, it has presented you with a forum for the expression of your views. You have been a great witness. You have shown real courage with diplomacy.

It is evident that the Chairman of the Board of Governors has a terrific understanding of all the intricacies of our monetary system.

You are "Horatius at the bridge" and while I was dubious at the start in your heroic efforts to stop inflation, I am now more optimistic.

The singlehanded effort of the Board needs, as you have said, support of the Administration and the Congress. Your efforts may bring forth this support.

With deep respect, I am

Yours very truly,

  
Ben DuBois

BD:f

*Wm. McC. Martin, Jr.*  
*Bill*

September 16, 1957.

Dear Clif:

Thanks for sending along a copy  
of Professor Slichter's reply to your letter to  
him. I am very glad to see his comments.

We will continue to do our best  
here.

With all good wishes,

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

Mr. Charles C. Fichtner,  
Buffalo Chamber of Commerce,  
Buffalo, New York.

a memorandum from:

CHARLES C. FICHTNER

9-14-57

Dear Bill:

You may find  
interest in Dr. Schlechter's  
reply.

The Buffalo Chamber  
can agree with the  
need to reduce the "large  
subsidy" providing it  
takes the form of reduced  
corporate income tax rates.  
we also oppose direct  
wage and price controls.

Regards  
Clif

# HARVARD UNIVERSITY

SUMNER H. SLICHTER  
*Lamont University Professor*

229 LITTAUER CENTER  
CAMBRIDGE 38, MASSACHUSETTS

September 12, 1957

Mr. Charles C. Fichtner, Executive Vice President  
Buffalo Chamber of Commerce  
Buffalo, New York

Dear Mr. Fichtner:

Thank you very much for your interesting comments on my piece on inflation in the "Thinking Ahead" section of the Harvard Business Review. I appreciate your taking the trouble to comment, particularly in view of the fact that I am especially interested in the views of those who disagree with me.

I read Mr. Martin's statement in the Federal Reserve Bulletin for August and also his testimony in response to various questions by the Senate Finance Committee. His presentation was clear and carefully thought out. Unfortunately for Mr. Martin, the facts do not support his theory. Mr. Martin stressed his theory that the expectation of a slow rise in prices causes inflation to feed on itself. Mr. Martin distinguished present inflation from earlier inflations on the ground that earlier inflations did not have the spiral effect of expectation. In response to questions from the Committee, Mr. Martin said that this expectation of continued inflation became more or less general about the turn of the year. But business men and consumers have not been behaving since the first of the year as Mr. Martin's theory would require them to behave. Indeed, it was just about the beginning of the year, when Mr. Martin said the expectation of slowly rising prices became general, that business shifted from increasing inventories to reducing them. Furthermore, in five out of the last seven months, new orders of manufacturers have fallen, and in June they fell to the lowest level since last September. Likewise, the unfilled orders of manufacturers have been dropping ever since December, 1956. If they continue to drop at the present rate for another six months, unfilled orders will be less than they were two years ago. How does Mr. Martin reconcile his view that the expectation of a creeping price increase causes people to rush into goods with the rapid drop in unfilled orders that is now going on?

Mr. Martin and others have argued that the expectation of a slow rise in prices will destroy the market for fixed income securities. Nevertheless, the first half of 1957 saw the marketing of a record-breaking volume of corporate bonds.

Thank you for the interesting statement of the Buffalo Chamber of Commerce on "Monopoly Power of Labor Unions". Unfortunately, the statement does not get down to particulars as to what should be done to check the power of trade unions. One of the steps that is needed, in my judgment, is restrictions on organizational picketing. The legislature of the State of New York at its last session refused to pass legislation on this point. Another step that is needed is limiting the legal right of unions to conscript neutrals in labor disputes. The loophole in the Taft-Hartley Act on this point is pretty large. The most important single step, however, is to give employers an incentive to resist more strongly the demands of trade unions because it is at the bargaining table that the unions exert their power. At the present time, the government gives the employers a very strong incentive to concede what the unions ask because the corporate income tax means that the government finances 52 per cent of any concession that employers make. If the monopoly power of trade unions is to be substantially checked, this large subsidy which the government now gives employers for yielding to the demands of unions ought to be substantially reduced. I point out the need for reducing this subsidy in my piece in the Harvard Business Review.

Incidentally, you are in error when you state that my major thesis is "that the advantages of creeping inflation outweigh its disadvantages". My thesis is not that creeping inflation is an advantage. On the contrary, my thesis is that creeping inflation is a disadvantage, but that it is a smaller disadvantage than some of the proposals for dealing with it. In other words, it is not a state of health; it is a disease. It is a disease, however, that is less serious than some of the proposed remedies for it, such as direct price and wage controls or unemployment.

Sincerely yours,

*Samuel H. Roberts*

September 10, 1957.

Dear Clif:

On my return from a short vacation I was pleased to find the copy of your letter to Professor Slichter with your nice note penned to me. It is good to know of your interest and your approval of our policies and I very much appreciate your taking the trouble to write to Slichter and to me.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Charles C. Fichtner,  
Executive Vice President,  
Buffalo Chamber of Commerce,  
Buffalo, New York.

Buffalo Chamber of Commerce

Office of  
EXECUTIVE VICE-PRESIDENT

*copy*

September 3, 1957

Professor Sumner H. Slichter  
Harvard University  
Cambridge, Massachusetts

Dear Professor Slichter:

I have read your article, "Thinking Ahead," in the September-October 1957 issue of the Harvard Business Review. Your major thesis, that the advantages of creeping inflation outweigh its disadvantages, is contrary, in my judgment, to all lessons of historical financial experience.

Although one could point out fallacies in reasoning throughout your article, it seems to me that William McChesney Martin's statement to the Senate Committee, published in the August 1957 issue of the Federal Reserve Bulletin, is a rather complete refutation of your line of argument.

I agree with you that labor union domination of public policy is likely to result in creeping inflation and its concomitants of capital shortages and rising interest rates. In that connection I append a statement of the Buffalo Chamber of Commerce made more than five years ago which forecast the situation now developing.

Sincerely

*C. C. Fichtner*

Charles C. Fichtner  
Executive Vice President

CCF:jw  
enclosure

*Bill: Our highest commendations  
on your statement to the Senate  
Finance Committee; Cef.*



STATEMENT OF THE BUFFALO CHAMBER OF COMMERCE  
ON  
MONOPOLY POWER OF LABOR UNIONS

We regard it as self-evident that the public interest must prevail over every special interest, including industry and labor. The controlling interest in every instance is that of the people of whom they both are a part.

There was a time when public interest required protection against monopoly practices by some branches of industry. Congress provided such protection in the form of the Sherman Anti-Trust Act later supplemented by the Clayton Act. The Sherman Act prohibited restraint of trade and monopoly among business and industrial enterprises. It became and remains the guardian of competitive free enterprise, curbing the excessive concentration of economic power.

When the Clayton Act was passed, trade unionism in the United States was in its infancy. Congress at that time could not foresee that the same dangers lurked behind monopoly in unions as in industry. Consequently the Clayton Act exempted unions from the ban against monopolies.

Today we are confronted by unionism grown monopolistic. Labor unions exercise more oppressive monopoly powers than those ever held by any business monopoly. Labor monopoly is potentially the more dangerous because of its legislatively and judicially created immunities. Labor leadership has accepted greater and greater powers without comprehending its obligation to use them for the welfare of the public which created them. With the backing of central government, grown strong beyond the dreams and fears of the founding fathers, Big Labor in its industry-wide bargaining practices has in recent years repeatedly jeopardized the public safety and welfare.

If monopoly unionism is allowed to continue its excessive demands without regard to the economy's capacity to meet such demands, the American economic system will have to change. That change would likely take some form of a collectively controlled system. This is true because private saving, discouraged by the loss of purchasing power under union-monopoly pressure for ever-higher wages, will fall short of the amount a progressive economy needs for capital expansion. The sole alternative then would be to have the government, as in Russia, supply the necessary plant, machinery, etc. by taxation or other means of preemption from its productive citizens. When enough of the means of production is supplied and controlled by the government, socialization of the economy will have approached culmination. Such investment by government will inevitably be attended by the fixing of wages and prices and, thus, the fundamental freedoms of American society will have been lost.

It is too much to expect the heads of unions to impose restraint upon their own monopolistic power. These leaders retain their control in direct proportion to the short-run gains they win for their members. Under such motivation union monopoly must inevitably end in public bondage.

Our Constitution reposed in Congress the power to protect us against the abuse of power by any special interest. It has not hesitated to protect us against industrial monopoly. No more should Congress hold back before the evil of union monopoly.

sd  
5/16/52



TREASURY DEPARTMENT

WASHINGTON

June 21, 1957

*File in my personal*

Dear Mr. Martin:

In connection with the hearings of the Senate Finance Committee, we may want to have several witnesses testify.

Except for yourself, most of the first few will probably be Administration officials, but we may have a few men who specialize in particular fields of importance, such as housing, agriculture, municipal finance, etc. We may, at the end, have one or two witnesses of more general experience and interests.

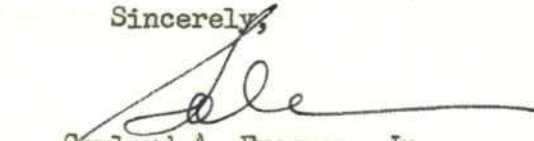
In a recent letter from Wilson Hardy, President of the Hardy Trust Company, Rome, Georgia, to the Secretary of the Treasury, Mr. Hardy volunteered the name of Malcomb Bryan, President of the Atlanta Federal Reserve Bank, as a possible witness.

Would you consider that Mr. Bryan would make a good witness? If so, would you think he would be particularly fitted to speak primarily on Federal Reserve matters? Would you suggest him as a witness on the general subject of fiscal and monetary policy?

I would appreciate it if, when available, you could send me a copy of your proposed testimony. I hope that the hearings will give me an opportunity to see some more of you as time goes by.

With best regards.

Sincerely,

  
Gaylord A. Freeman, Jr.  
Consultant to the Secretary

Honorable William McChesney Martin, Jr.  
Chairman, Board of Governors of the  
Federal Reserve System  
Washington 25, D. C.

*6/2/57*

**September 12, 1957.**

**Dear Fred:**

**I wanted you to know how much I  
appreciate your nice letter with respect to  
my Senate Finance Committee statement.  
It is thoughtful of you to write me about it.**

**With all good wishes,**

**Sincerely yours,**

**Wm. McC. Martin, Jr.**

**Mr. Frederick N. Goodrich,  
Vice President,  
United States Trust Company of New York,  
37 Broad Street,  
New York, New York.**

**United States Trust Company of New York**

45 WALL STREET  
NEW YORK 5, N. Y.

FREDERICK N. GOODRICH  
VICE PRESIDENT

37 BROAD STREET  
LOCATION UNTIL COMPLETION  
OF NEW BUILDING AT 45 WALL STREET

September 11, 1957

Mr. William McC. Martin, Jr., Chairman  
Board of Governors of the  
Federal Reserve System  
Washington, D. C.

Dear Bill:

I am writing to add my word of congratulations for your marvelously clear statement "Winning the Battle Against Inflation". To explain such an important but complex subject so clearly is more than just a notable achievement. It is a work of art.

With my best wishes for your continued success,

Cordially,



FNG/emc

September 10, 1957.

Dear Jim:

How nice to find your letter of August 20 on my return from a short vacation.

I was interested to read the Ben Davis report and appreciate your sending it along.

It is nice to hear from you and I hope things are going well with you.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. James A. Healy,  
Chebeague Island,  
Maine.

August 22, 1957.

Mr. James A. Healy,  
Chebeague Island,  
Maine.

Dear Mr. Healy:

In Mr. Martin's absence from the office,  
I wish to acknowledge receipt of your letter  
to him of August 20. On recess of the Senate  
Finance Committee hearings Mr. Martin left  
on a short vacation but I know he will be  
pleased to see your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

14

JAMES A. HEALY  
MEMBER NEW YORK STOCK EXCHANGE  
11 WALL STREET  
NEW YORK 5, N. Y.

Chebeague Island  
Maine  
August 20, 1957

Hon. William McChesney Martin, Jr.  
Chairman  
Federal Reserve Board  
Washington, D. C.

Dear Bill:-

Thought the first couple of paragraphs herein  
might give you a smile.

I've heard a lot of expressions re the stock  
market, but this is the first time I've heard of it getting  
a bit of a "what-ho".

If the radio is as good as I think it is in  
giving its audience a speaker's "number" I'd get real enjoy-  
ment out of seeing that fellow Kerr from Oklahoma get not a  
what-ho, but a heave-ho back into private life - at least.

I trust you are keeping well in that world of  
politics, so much of it the kind that fits Dr. Gogarty's  
definition, and with kind personal regards, I am

Sincerely

*Jim Healy*  
James A. Healy

**This article is protected by copyright and has been removed.**

**Author:** Davis, Benton W.

**Article Title:** A New Approach to the Stock Market

**Journal Title:** Ben Davis says...

**Date:** August 16, 1957



September 10, 1957.

Dear Walter:

On my return to the office from a short vacation I was pleased to find your letter of August 28 and appreciate your kind remarks and your thoughtfulness in taking the trouble to write. It was good to hear from you.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Walter B. Jacobs,  
President,  
The First National Bank of Shreveport,  
Shreveport, Louisiana.



August 28, 1957

WALTER B. JACOBS  
PRESIDENT

Mr. William McChesney Martin, Jr., Chairman  
Board of Governors of the Federal Reserve System  
Washington, D. C.

My dear Bill:

Watrous Irons, of Dallas, sent me the statement made by you before the Committee on Finance in the Senate on August 13 and I think it a remarkably clear presentation of one of the most pressing questions of today.

I have been deeply impressed with not only the clear-cut statements that you have made to these various committees, but your ability to discuss a question that is usually so misunderstood in a frank and good humor manner, and, as one of your questioners told me recently "he never talks down to anyone".

This ability to discuss a subject that one knows so well, but that others in many instances are not well acquainted with at all, and make them feel that they really know more than they do is a God-given gift. I wish I had a little of it.

Sincerely,

Walter B. Jacobs

*81st Year*  
EST. 1877

September 10, 1957.

Dear Bill:

On return from a short vacation  
I was pleased to find your nice letter of  
August 20. I appreciate your kind remarks  
and your thoughtfulness in taking the trouble  
to write.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. William J. Korsvik,  
Assistant Vice President,  
The First National Bank of Chicago,  
Chicago, Illinois.

August 21, 1957.

Mr. William J. Korsvik,  
Assistant Vice President,  
The First National Bank of Chicago,  
Chicago, Illinois.

Dear Mr. Korsvik:

In Mr. Martin's absence from the office,  
I wish to acknowledge receipt of your letter of  
August 20 to him. On recess of the Senate Finance  
Committee hearings he left for a short vacation,  
but I know he will be pleased to see your letter  
on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

THE FIRST NATIONAL BANK OF CHICAGO  
CHICAGO, ILLINOIS

August 20, 1957

Mr. William McC. Martin, Jr.  
Chairman, Board of Governors  
of the Federal Reserve System  
Washington 25, D. C.

Dear Mr. Martin:

Your testimony before the Congressional Committees has been excellent. As usual, your sincere, candid and disarmingly frank manner have been successful.

While I am certain that most of the public, especially those in the financial community, share this view, too few let you know about it. I assure you, however, that there are many of us out here in the hinterland who have applauded your performance.

Sincerely yours,



William J. Korsvik  
Assistant Vice President

WJK:nl

September 10, 1957.

Dear Bill:

On my return from a short vacation  
I was very pleased to find your nice letter of  
August 19.

It is very thoughtful of you to write  
and your kind comments are gratifying to me.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. J. W. Marriott,  
5161 River Road, N.W.,  
Washington, D.C.

August 21, 1957.

Dear Mr. Marriott:

In Mr. Martin's absence from the office,  
I wish to acknowledge receipt of your letter to  
him of August 19. On recess of the Senate Finance  
Committee hearings Mr. Martin left for a short  
vacation, but I know he will be pleased to have  
your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Mr. William Marriott,  
c/o The Anchorage,  
Mirror Lake, New Hampshire.



THE ANCHORAGE  
MIRROR LAKE, NEW HAMPSHIRE

Monday

Dear Mr. Martin -

Sam Carpenter gave me  
a copy of your speech to  
the Finance Committee of the  
Senate on the Federal Reserve  
and inflation. It is the  
best presentation of both  
subjects I have ever read -  
so comprehensive yet so  
simple anyone could  
understand. Both our  
business men as well as  
citizens would read it.



You are doing a great  
job = a much sensitive  
spot: on gov. and economy -

Best personal regards  
to you

Sincerely

Bice Marriott

September 12, 1957.

The Honorable Edward Martin,  
United States Senate,  
Washington 25, D. C.

Dear Senator Martin:

On my return to the office from a brief vacation I received your nice letter of August 21 and appreciate very much your taking the trouble to write.

You were most helpful and constructive during the time I was before the Senate Finance Committee and I was glad if I could be of some assistance.

With all good wishes,

Cordially,

(Signed) Bill 

Wm. McC. Martin, Jr.

August 22, 1957.

Dear Senator Martin:

In Mr. Martin's absence from the office,  
I wish to acknowledge receipt of your letter  
to him of August 21. Mr. Martin is away  
on a short vacation but I know he will be  
pleased to see your letter and appreciative  
of your thoughtfulness in writing.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

The Honorable Edward Martin,  
United States Senate,  
Washington 25, D. C.

EDWARD MARTIN  
PENNSYLVANIA

COMMITTEES:  
FINANCE  
PUBLIC WORKS

GEORGE I. BLOOM  
ADMINISTRATIVE ASSISTANT

MRS. LUELLA M. BOESCHEN  
SECRETARY

United States Senate  
WASHINGTON, D. C.

August 21, 1957

My dear Chairman:

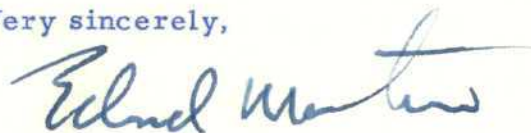
I want you to know how greatly I appreciate your testifying before the Finance Committee. You gave us a fund of information that will be very helpful in forming our conclusions.

You were a wonderful witness and have made a real contribution. I hope what you have said may be studied by a great many Americans.

We were very sorry that you were held so long on Monday afternoon.

With kind, personal regards and again thanking you, believe me

Very sincerely,



EDWARD MARTIN

Mr. William McC. Martin, Jr.  
Chairman, Federal Reserve System  
Board of Governors  
Federal Reserve Building  
Washington, D. C.

September 10, 1957.

Dear Vince:

On my return from a short vacation  
it was good to find your nice letter of  
August 23 and enclosed editorial. I very  
much appreciate your kind comments  
and it was thoughtful of you to take the  
trouble to write.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Vincent O'Neill,  
The Plaza,  
Fifth Avenue at 59th Street,  
New York 19, New York.

August 26, 1957.

Mr. Vincent O'Neill,  
The Plaza,  
Fifth Avenue at 59th Street,  
New York 19, New York.

Dear Mr. O'Neill:

As Mr. Martin is out of the office  
on a short vacation, I wish to acknowledge  
receipt of your letter of August 23 to him.  
I know he will be pleased to see it on his  
return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.



# The Plaza

A HILTON HOTEL

At Plaza Circle overlooking beautiful Central Park

FIFTH AVENUE AT FIFTY-NINTH STREET • NEW YORK 19, N. Y.

Friday 9/23

Dear Bill  
Read this fine editorial after getting back from the theatre and it delighted me for the intelligent and very complimentary way it referred to your fine statement.

I don't know whether Meet the Press would prove the best vehicle, but I certainly would like to hear you deal with this vital subject of "creeping inflation" on a national-wide program.

Your easy-to-follow logical exposition and your easy manner should keep your audience "tuned-in" and good old U.S.A. would have a little more strength woven into its economic fibres.

Sincerely

Vince O'Hall

So I silently applauded your patience and skill in handling Muttet & Patman the morning I saw you, in action before the House B & C Committee.

Jim  
(2am)

## INFLATION AND APPEASEMENT

The Senate Finance Committee, which has been conducting hearings for several weeks on the subject of inflation, has recessed. The inquiry is to be resumed, but not in the near future. Thus far it has confined its questioning to Administration officials.

It is too early to appraise intelligently the over-all results achieved by the committee to date. Generally speaking, the only testimony generally available in full is in the prepared statements of the principal witnesses. The last of those was the introductory statement of William McChesney Martin Jr., Chairman of the Board of Governors of the Federal Reserve System.

Mr. Martin's opening statement, a twenty-six-page paper, is not a "defense" of Federal Reserve policies. Essentially it is an essay on the basic nature of inflation, and why inflation resembles our most unscrupulous enemies in that a policy of appeasement is, for practical purposes, as ineffective as a policy of nonresistance.

There is not room here to present all the highlights of Mr. Martin's essay, but one key is to be found in his observation—all too widely neglected or underestimated—that "one of the most harmful effects of inflation stems from the expectation of inflation."

While a price rise in itself, notes Mr. Martin, "may cause serious dislocations and inequalities, other and more serious effects occur if the price rise brings with it an expectation of still other increases. Expectations clearly have a great influence in economic and financial decisions. In fact, decisions to spend or invest too much in a year's time are both a result and a direct cause of inflation."

It is this element of "expected inflation," Mr. Martin points out, that renders completely invalid proposals to "appease" inflation by holding it down to a walk. This is the theory usually referred to as the acceptance of "creeping inflation."

Addressing himself specifically to the arguments of the "creeping inflationists," Mr. Martin concludes: "Once the assumption is made that a gradual increase in prices is to be expected, and this assumption becomes a part of everybody's expectations, keeping a rising price level under control becomes incomparably more difficult than the problem of maintaining stability when that is the clearly expressed goal of public policy. Creeping inflation is neither a rational nor a realistic alternative to stability of the general price level."

If we could believe that this essay of Mr. Martin's would be read by even a small percentage of the people of this country we would feel, for this reason alone, that the Senate Finance Committee's inquiry had been worth while.



August 19, 1957.

Dear Colonel:

Thank you for your kind comments in  
your note of August 16. I very much appreciate  
them and your taking the trouble to write me.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Edward J. W. Proffitt,  
One Wall Street,  
New York 5, New York.

**This article is protected by copyright and has been removed.**

**Article Title:** Outlook is 'Good' Reserve Head Says

**Journal Title:** unknown

**Date:** 1957

ONE WALL STREET  
NEW YORK 5

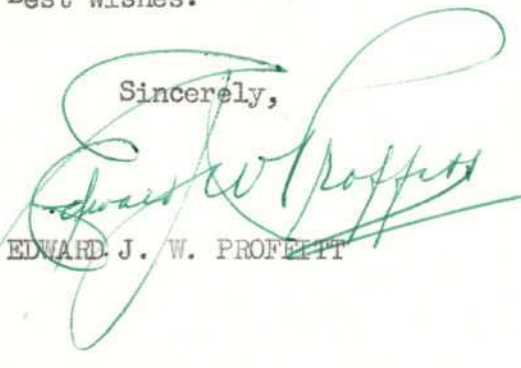
16 August '57

My dear Mr. Chairman:

As I expected - very  
timely, quite reassuring, - and  
most courageous.

Best wishes.

Sincerely,



EP:1W

EDWARD J. W. PROFFITT

Hon. William M. Martin, Chairman,  
Federal Reserve Board,  
Washington, D.C.

Mr. Martin

Doctor Reitz is Chairman of the Jacksonville  
Branch.

mnm

September 10, 1957.

Dear Doctor Reitz:

I was very pleased on my return to the office to find your nice letter of August 26 and appreciate your comments with respect to my statement before the Senate Finance Committee.

All of us here are very appreciative of your fine service in the System and always welcome your comments and suggestions.

With all good wishes,

Sincerely yours,

SIGNED: Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Dr. J. Wayne Reitz,  
President,  
University of Florida,  
Gainesville, Florida.

August 29, 1957.

Dr. J. Wayne Reitz,  
President,  
University of Florida,  
Gainesville, Florida.

Dear Doctor Reitz:

In Mr. Martin's absence from the office on a short vacation, I wish to acknowledge and thank you for your letter to him of August 26. I know that Mr. Martin will be pleased to see your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

UNIVERSITY OF FLORIDA  
GAINESVILLE

OFFICE OF THE PRESIDENT

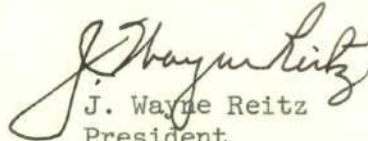
August 26, 1957

Dear Mr. Martin:

I have just read your statement of August 13 before the Committee on Finance of the United States Senate. You are to be congratulated on the clarity of your statement and the excellent manner in which you covered the Federal Reserve structure and how the Federal Reserve System operates. More particularly I want to commend you on your analysis of the problem of inflation, not only in this statement but in others you have made from time to time. You occupy a position of almost overwhelming responsibility. On the basis of your actions in the past and your current analyses, it is comforting to have you where you are.

Keep up the good work.

Cordially yours,



J. Wayne Reitz  
President  
and Member of the Jacksonville  
Branch, Federal Reserve Bank

Mr. William McChesney Martin, Jr.  
Chairman  
Board of Governors  
Federal Reserve System  
Washington, D. C.

September 10, 1957.

**Dear Oscar:**

On my return from a short vacation  
I am pleased to find your nice letter of August 19.  
I very much appreciate your kind comments and  
your thoughtfulness in taking the trouble to  
write.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. O. W. Rexford,  
Vice President,  
St. Louis Public Service Company,  
St. Louis 10, Missouri.



August 21, 1957.

Mr. O. W. Rexford,  
Vice President and Operating Manager,  
St. Louis Public Service Company,  
St. Louis 10, Missouri.

Dear Mr. Rexford:

In Mr. Martin's absence from the office  
I wish to acknowledge receipt of your letter to  
him of August 19. On recess of the Senate Finance  
Committee hearings Mr. Martin left for a short  
vacation but I know he will be pleased to see  
your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.



O. W. REXFORD  
VICE PRESIDENT  
AND OPERATING MANAGER

3869 PARK AVENUE

ST. LOUIS 10, MISSOURI

August 19, 1957

Dear Bill:

Having followed in detail every newspaper article I could find on your recent testimony before the Senate Finance Committee, I just want you to know that I think you have done and are doing one of the most outstanding jobs. You not only are completely sound in your basic monetary and economic policies, but have the ability to express yourself in a clear and concise manner. Furthermore, being able to remain calm and effective as you do under harassing cross-examination is a most important asset on which you are to be congratulated.

I have written you in the past as to how much I respect the policies of the Federal Reserve System and the job which it is doing, but did not feel that I had succeeded in letting you know how greatly I admire you personally.

Keep up the good work which at times must be exceedingly trying but, nevertheless, is right.

With all best wishes and kindest regards,

Sincerely,

A handwritten signature in blue ink, appearing to read "O. W. Rexford", with a long horizontal flourish extending to the right.

OWR:jsh

Mr. William McChesney Martin, Jr.  
Chairman of the Board  
Federal Reserve Bank  
Washington, D. C.

September 19, 1957.

Dear Jim:

It is nice to hear from you and I, too,  
enjoyed our dinner. Cynthia and I will look  
forward to a visit with you and Dottie as in  
the old days.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. James J. Saxon,  
The First National Bank of Chicago,  
Chicago,  
Illinois.

CHARTER NUMBER 8

# The First National Bank

OF CHICAGO.

TELEPHONE  
FRANKLIN 2-6800

*Chicago,*

September 17, 1957

Mr. William McChesney Martin, Jr.  
Chairman, Board of Governors  
Federal Reserve System  
Constitution Avenue  
Washington, D. C.

Dear Bill:

I have been reading your answers to Senator Byrd as they have appeared in the Report for Executives. The thirteen which I have seen constitute a remarkable and well presented analysis. Some of the statements contained in these answers may very likely become classics. I am writing Charley Molony to ask him to send me a complete set.

The prestige of the Fed and the general confidence in it under your Chairmanship continue to grow. Even if grudgingly in some cases, the courage and balance of the Fed's performance is increasingly conceded. The wide circulation of the answers to Byrd is going to have a useful, even if temporary, balancing influence.

I greatly enjoyed getting together with you at your house for dinner recently, and I regret that I did not have a chance to see Cynthia.

Cordially,

  
James J. Saxon

JJS:ft

October 11, 1957.

Dear Carrol:

Many thanks for your encouraging letter of October 7 and I appreciate very much the help you and the Life Insurance Association has been giving us in dealing with the problems which arise when inflation gets a little bit ahead of us.

I am keeping in touch with Jim O'Leary and the help you are giving in connection with the survey of business loans made by life insurance companies is very helpful.

With all good wishes,

Sincerely yours,

Wm. McG. Martin, Jr.

Mr. Carrol M. Shanks,  
Life Insurance Association  
of America,  
433 Madison Avenue,  
New York 22, New York.

American Life Convention  
230 N. MICHIGAN AVENUE, CHICAGO 1, ILL.  
Life Insurance Association of America  
488 MADISON AVENUE, NEW YORK 22, N. Y.

October 7, 1957

Mr. William McC. Martin, Jr.  
Chairman, Board of Governors  
of the Federal Reserve System  
Washington, D. C.

Dear Bill:

A few days ago, at the meeting of the Joint Committee on Economic Policy of the American Life Convention and the Life Insurance Association of America, the members spoke in highest terms about the excellent statement you made recently before the Byrd Committee. Realizing that you probably hear often from your opponents, and seldom from your friends, our Committee suggested that I, as Chairman, write you to express our commendation of your statement. Although it has wide circulation, we are planning to have your statement reproduced and to send it widely throughout the life insurance business because we believe you have set forth clearly and concisely the basic causes of inflation, the hardship it works, and the need to redouble our efforts to combat it.

Our Committee agrees wholeheartedly with you that much of the current discussion of whether inflation arises as the result of "cost-push" or "demand-pull" involves oversimplification, and that no matter how much "cost-push" there is, demand must exist to keep the spiral going. In view of this, there is no question in our minds of the vital importance of monetary policy. We also know from our own business experience how correct you are in stressing the fact that the demand for capital funds has been out-running the supply of savings, and that under these circumstances the Federal Reserve cannot permit an undue increase in the money supply to fill the gap without bringing on ruinous inflation. As you may know, this was the crux of several statements representatives of the life insurance business made this year before Congressional Committees in the housing field. I was particularly interested in the emphasis you placed upon the psychological aspects of inflation - "expectations of continuing inflation."

Mr. William McC. Martin, Jr.  
Chairman, Board of Governors  
of the Federal Reserve System

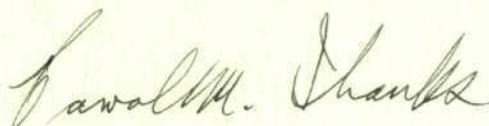
October 7, 1957

- 2 -

Our Committee greatly admires the courage and intellectual integrity displayed by the Board in matters of such vital concern to the nation. If there are ways in which we can be of help to you, we would like to have you tell us. I believe Jim O'Leary has told you of the survey we have conducted of business loans made by life insurance companies during the period 1953-1956. We intend to give you the results as soon as they are available because we think they have a bearing on questions of interest to the Board.

With best regards,

Sincerely yours,



Carrol M. Shanks, Chairman of the  
Joint Committee on Economic Policy  
of the American Life Convention and  
the Life Insurance Association of America

September 10, 1957.

Dear John:

It was certainly nice to see your letter of August 19 on my return from vacation. I am pleased to hear you think our policies are accepted. It has been a difficult summer but we will continue to do the best we can.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. John A. Sibley,  
Chairman of the Board,  
Trust Company of Georgia,  
Atlanta 2, Georgia.



August 21, 1957.

Mr. John A. Sibley,  
Chairman of the Board,  
Trust Company of Georgia,  
Atlanta 2, Georgia.

Dear Mr. Sibley:

On recess of the Senate Finance Committee  
hearings Mr. Martin left for a short vacation. He  
will return about the second week in September  
and I know he will appreciate your letter of  
August 19.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

# TRUST COMPANY OF GEORGIA

MEMBER FEDERAL RESERVE SYSTEM

ATLANTA 2, GA.

JOHN A. SIBLEY  
CHAIRMAN OF THE BOARD

August 19, 1957

Dear Bill:

You have certainly had a siege of hearings. I believe they are all tending to establish in the public mind the soundness and strength of your position.

I was out on the West Coast for a couple of weeks at a meeting in the Bohemian Grove. Afterwards I visited Los Angeles. I am both delighted and surprised at the unanimity with which your policy is accepted.

With best regards.

Cordially yours,



Mr. Wm. McC. Martin, Jr.  
Board of Governors  
Federal Reserve System  
Washington, D. C.

September 10, 1957.

Dear Rudie:

How nice to find your letter  
of August 27 on my return from a short  
vacation. I appreciate your kind comments  
and will hope to see you soon.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Rudolf Smutny,  
48 Wall Street,  
New York 5, New York.

August 28, 1957.

Mr. Rudolf Smutny,  
48 Wall Street,  
New York 5, New York.

Dear Mr. Smutny:

In Mr. Martin's absence on a short vacation, I wish to acknowledge receipt of your letter of August 27 to him.

I am sending along a copy of his prepared statement before the Senate Finance Committee and I know he will be pleased to see your letter on his return.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Enclosure

RUDOLF SMUTNY  
48 WALL STREET  
NEW YORK 5, N. Y.

August 27, 1957

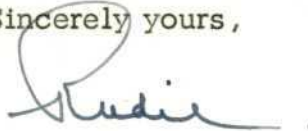
Dear Bill:

It certainly was heart-warming to see how well you acquitted yourself before the Senate Finance Committee. I certainly hope you will accept my most sincere congratulations.

Would you please be kind enough to send me a copy of your prepared statement which you presented at the time of the Senate hearings.

Looking forward to seeing you in the near future and again my heartiest congratulations. With warmest personal regards.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Rudie", with a large, looping initial "R" and a period at the end.

Rudolf Smutny

Mr. William McChesney Martin  
Chairman of the Board of Governors  
Federal Reserve System  
Constitution Avenue and 20th Street  
Northwest  
Washington, D. C.

September 30, 1957.

Dear Dud:

Your September 26 letter is very  
flattering and very much appreciated.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Dudley Swim,  
Box 1590,  
Monterey, California.

Box 1590  
Monterey, California  
26 September 1957

Dear Bill:

Last month I got up one morning at 5:00 o'clock and read your statement before the Congressional Committee. It was a masterpiece. Until the union monopoly is broken and wages are related to productivity on the one hand, and on the other, colossal waste in Government is stopped or reasonably arrested, how can there be any hope for stopping inflation. Of course a depression would bring about a temporary halt.

Very forceful measures to eliminate either of the two causes are not conspicuous in the current highly political program of the Eisenhower Administration.

Just hope that the present squeeze on money rates will not prove to have been only an accelerator to a general break in business.

You are tremendously able and most courageous -- and every success to you, despite all the political stumbling blocks which are bound to be thrown your way.

Best always,



Mr. William McC. Martin, Jr.  
Chairman, Federal Reserve System  
Washington 25, D. C.

DS:bp

September 10, 1957.

Dear Mr. Thomas:

On my return from a short vacation I find your nice letter of August 28 and wanted you to know that I very much appreciate your thoughtfulness in writing me. It is especially gratifying coming from one who is working with me in the System.

With all good wishes,

Sincerely yours,

(Signed) *Wm. Th.*

Wm. McC. Martin, Jr.

Mr. Alex R. Thomas,  
Chairman,  
San Antonio Branch of the Federal  
Reserve Bank of Dallas,  
San Antonio, Texas.



SAN ANTONIO BRANCH  
FEDERAL RESERVE BANK OF DALLAS  
SAN ANTONIO TEXAS

August 28, 1957

Mr. Wm. McC. Martin, Jr., Chairman  
Board of Governors of the  
Federal Reserve System  
Washington, D. C.

Dear Mr. Martin:

I would like to compliment you on the very fine  
statement made before the Senate Finance Committee. It is  
not only very clear but presents extremely sound principles.

Sincerest regards.

Yours very truly,



Alex R. Thomas  
Chairman of the Board

8/1

Mr. Molony

Mr. Martin wanted you to see his reply before we send it. If it is all right with you Mr. Martin said he would sign it.

*fine —  
mm*

mnm

August 19, 1957.

Dear Mr. Thompson:

I appreciate very much your  
sending me your nice column of August 14  
with respect to curbing inflation.

It is certainly thoughtful of  
you to do this and I appreciate your taking  
the trouble.

With all good wishes,

Sincerely yours,

(SIGNED) WM. McC. MARTIN, JR.

Wm. McC. Martin, Jr.

Mr. Hal Thompson,  
Financial Columnist,  
The Chicago American,  
326 W. Madison Street,  
Chicago 8, Illinois.

August 14, 1957

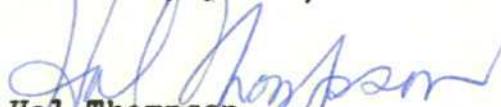
Mr. William MacChesny Martin, Jr.  
Chairman, Federal Reserve Board  
2861 Woodland Drive  
Washington, D.C.

Dear Mr. Martin:

Attached is a column of mine of today on a subject  
which I know you are very much interested in now.

In my opinion it would be the height of stupidity  
to cut interest rates at this time as the Senator  
from Oklahoma suggested recently during a television  
panel show. I rather suspect you share this viewpoint?

Sincerely yours,

  
Hal Thompson  
Financial Columnist

HT:cg

**This article is protected by copyright and has been removed.**

**Author:** Thompson, Hal

**Article Title:** Kerr's Suggestion for Inflation Curb Challenged

**Journal Title:** Chicago American

**Date:** August 14, 195

August 20, 1957

Dear A. K.:

Thank you for sending me the  
Wall Street Journal editorial which I  
am glad to see. It is nice of you to  
write me about it.

With all good wishes,

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

Mr. A. K. Tigrett,  
711 Fourteenth Street, N. W.,  
Suite 805,  
Washington 5, D.C.

711  
Fourteenth Street, N. W.  
Suite 805  
Washington 5, D. C.

August 19, 1957

Personal

Mr. William McChesney Martin  
Federal Reserve Board  
Washington, D. C.

Dear Mr. Martin: *Piece*

I know you have seen the attached comment and I  
congratulate you on being the basis for it.

As ever,



A. K. Tigrett

**This article is protected by copyright and has been removed.**

**Article Title:** The Price of Stability

**Journal Title:** Journal of Commerce and Commercial

**Date:** August 16, 1957



September 12, 1957.

Dear Pollard:

I received your nice letter of September 3 on my return from a brief vacation and appreciate your taking the trouble to write.

It is indeed discouraging to see the public ignorance in high and low places we are constantly dealing with in an effort to preserve a sound dollar. It is part of the same problem we are tackling in the Berry Schools from a different angle and so it is doubly pleasant to have your assistance.

I will hope to see you before too long.

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Pollard Turman,  
J. M. Tull Metal & Supply Company, Inc.,  
285 Marietta Street, N. W.,  
P. O. Box 4628,  
Atlanta, Georgia.

# J.M. Tull Metal & Supply Company, Inc.

*Corrosion Resistant Metals - Industrial Supplies*

285 MARIETTA STREET, N. W. P. O. BOX 4628

ATLANTA, GEORGIA

TELEPHONE JACKSON 5-3871

September 3, 1957

Mr. William M. Martin, Jr., Chairman  
Board of Governors  
Federal Reserve System  
Washington, D. C.

Dear Bill:

I received from the Federal Reserve Bank of Atlanta the statement you made August 13 before the Committee on Finance of the United States Senate. I read it with much interest and thought it was an excellent presentation. The August 19 issue of THE WALL STREET JOURNAL carried an editorial adjacent to an abridged version of your statement, which I thought was complimentary. That was gratifying to me. I hope you saw the editorial under the heading, "Review and Outlook" August 19.

Recently I have had the feeling that people generally have had a greater appreciation of the necessity of holding inflation in check, and that has made me feel much better. I got that impression from several trips I made to other cities in the South where I talked with bankers and businessmen. However, much of my good feeling disappeared yesterday when the young senator from Washington, whose name at the moment escapes me, was on the program entitled "Face the Nation." He was talking about the difference between the accomplishments of the United States and the Soviet Union in the field of guided missiles. At the conclusion of the program one of the newspaper reporters asked him how he felt about the political situation as regards the successful party in 1960. He replied that the present administration was not doing a good job and the people were going to elect a Democratic president, and he cited several reasons--the first two of which were the tight-money policy of the present administration and inflation. Others were farm problems and foreign affairs. However, in commenting on tight money, he said something to the effect that it was working a hardship on everyone. Immediately after that statement he said also that something has to be done about inflation. This showed me he did not have the first understanding of what the so-called tight-money policy was trying to do.

The best I can do for him in my own mind is to say that his comments were motivated by politics rather than ignorance. That's not much of a

Mr. William M. Martin

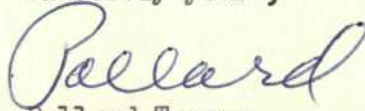
-2-

September 3, 1957

compliment to him.

With highest personal regards and best wishes, I am

Sincerely yours,

A handwritten signature in cursive script that reads "Pollard".

Pollard Turman

PT:jw

September 10, 1957.

Dear Norfleet:

On my return from a short vacation  
I was pleased to find the copy of your letter to  
Darryl Francis with your nice penned note to  
me. I wanted you to know I appreciate your  
kind comments.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Norfleet Turner,  
President,  
The First National Bank of Memphis,  
Memphis, Tennessee.

THE FIRST NATIONAL BANK  
OF MEMPHIS  
MEMPHIS, TENN.

August 30, 1957  
"Our 94th Year"

Mr. Darryl R. Francis, Manager  
Memphis Branch  
Federal Reserve Bank of St. Louis  
Memphis 1, Tennessee

Dear Darryl:

Your kindness in sending me a copy of Chairman Martin's statement before the Committee on Finance of the United States Senate August 13 is very much appreciated.

It is not only interesting and informative, but also clearly reflects his sound thinking and great wisdom. I wish more American citizens, particularly the politicians knew how fortunate we are to have Bill Martin at the helm of the Federal Reserve.

Thanks again, Darryl, for your thoughtfulness.

Sincerely,

President

NT/bb

cc: Mr. William Martin, Jr.

*Hi! Bill -  
Keep up the good work!  
Regards - Haystack*

August 20, 1957.

Dear Ed:

Thank you for sending me Friday's  
editorial and your and Doctor Luedicke's  
regards are gratifying to me.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Ed Tyng,  
Associate Editor,  
The Journal of Commerce,  
80 Varick Street,  
New York 13, New York.

Our Ed., Dr. Heinz  
Luedicke, likes you. So do we  
all - Ed Tyng

WORTH 6-3000

The Journal of Commerce  
New York

ED TYNG  
ASSOCIATE EDITOR

80 VARICK STREET  
NEW YORK 13, N.Y.

**This article is protected by copyright and has been removed.**

**Article Title:** The Price of Stability

**Journal Title:** Journal of Commerce and Commercial

**Date:** August 16, 1957



August 14, 1957.

Dear Eddie:

Hearty congratulations. I think the show went over fine and both Bob Fentress and George McKinney did a good job of backstopping. It seems to me it went over very well and you couldn't have handled it better.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. Edw. A. Wayne,  
First Vice President,  
Federal Reserve Bank of Richmond,  
Richmond 13, Virginia.

August 19, 1957.

Dear Lee:

How nice of you to wire me with respect to my statement before the Senate Finance Committee. It is good to have your commendation and I appreciate your taking the trouble to give me your views.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

Mr. A. L. M. Wiggins,  
Chairman,  
Atlantic Coast Line Railroad Company,  
Hartsville, South Carolina.

Telefax

# WESTERN UNION

Telefax



A HVA013 CAK=HARTSVILLE SOCAR 19 1005ANE=  
WILLIAM MCC MARTIN, CHAIRMAN=

Sheet 192

BOARD OF GOVERNORS FEDERAL RESERVE SYSTEM WASHDC=

IT IS AN INSPIRATION TO ALL SOUND THINKING AMERICANS TO  
HAVE YOU PRESENT WITH SUCH CLARITY, FORCEFULNESS, LOGIC,  
COURAGE AND STATESMANSHIP THE FINANCIAL AND ECONOMIC  
PICTURE IN THIS COUNTRY AS WAS GIVEN IN YOUR PRESENTATION  
TO THE SENATE COMMITTEE LAST WEEK. AT THE MOMENT IT MAY  
SEEM THAT YOUR VOICE IS AS ONE CRYING IN THE WILDERNESS  
BUT YOU ARE SO ETERNALLY RIGHT IN YOUR ANALYSIS THAT

1957 AUG 19 AM 10 23

1270 (1-51)

Telefax

# WESTERN UNION

Telefax



A HVA013 SHEET 2=

Sheet 272

ONLY TIME IS NEEDED TO CONFIRM THE CORRECTNESS OF YOUR  
VIEWS. MY CONGRATULATIONS AND GOOD WISHES FOLLOW YOU=

A L M WIGGINS=

1957 AUG 19 AM 10 24

FAX

General  
Corres.

JOHN T. DALY  
36-15 West Drive  
Douglaston 63, N. Y.

THIS SIDE OF CARD IS FOR ADDRESS



Hon. William Mc C. Martin, Jr.

Aug. 27, 195

Dear Senator ROBERT S. KERR:

"IKE has no fiscal brains," you said. As regards the present pension-destroying inflation. You're right!

When you also say this inflation "is caused by higher interest rates," you have no brains either.

The real cause? TIGHT MONEY is caused by our thieving income taxes wasted on your Senatorial many years' throwaways all over the spineless, beggarly world.

The result? A dog-chasing-tail "prices-wages" delusion! No one benefits but bureaucrats and beggars. It's not a credit-speculative inflation, like 1920 and 1929, as you night-mare it. It's a Marxist-Socialist depressionary inflation.

If governments, world-wide, would quit monkeying with money, taxes and price-propped gluts, the cost of living would stabilize. Until then, you're only playing with the symptoms, while leaving the disease to build up a depression of a never-before-seen magnitude.

Sincerely yours,  
John Daly

Dear Mr. Martin:

This is the way I honestly see the picture.

Sincerely  
John Daly

September 13, 1957.

Mr. John T. Daly,  
36-15 West Drive,  
Donglaston 63, New York.

Dear Mr. Daly:

Thank you for the copy of your  
letter to Senator Kerr and I appreciate  
your taking the trouble to forward it.

With all good wishes,

Sincerely yours,

Wm. McC. Martin, Jr.

September 9, 1957.

Mr. Abraham Wetner,  
1002 American Building,  
Baltimore 2, Maryland.

Dear Mr. Wetner:

As Chairman Martin is temporarily away, I wish to acknowledge and thank you on his behalf for your letter of September 5 and the enclosed Baltimore Sun clipping and Janeway report. I know Mr. Martin will be interested to see them on his return. Perhaps you may have some interest in the enclosed text of Mr. Martin's recent statement to the Senate Finance Committee.

Sincerely yours,

[Signed] Chas. Molony

Charles Molony,  
Special Assistant to the Board.

Enclosure

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly



September 9, 1957.

Mr. Maury M. Travis,  
121 Sherman Plaza,  
901 Sherman Street,  
Denver 3, Colorado.

Dear Mr. Travis:

As Chairman Martin is temporarily away, I wish to acknowledge and thank you on his behalf for your letter of September 6 and the enclosed reproduction of pages from Mr. Garrett's book. I know Mr. Martin will be interested to see them on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 9, 1957.

Mrs. Robert Cummings,  
1060 Laurel Way,  
Beverly Hills, California.

Dear Mrs. Cummings:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter of September 5. I know he will be interested to see your comments on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

*Copy in the file  
of Board  
files*

FOR FILES  
N. B. Kelly

September 9, 1957.

Mr. Thomas M. Orr, President,  
Orr Screw Machine Products, Inc.  
Greensburg, Pennsylvania.

Dear Mr. Orr:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter of September 6. I know he will be interested to see your comments on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 5, 1957.

Mr. Thomas P. Brown,  
615 Alvarado Street,  
San Francisco 14, California.

Dear Mr. Brown:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter of September 3 and the enclosed copy of your booklet "Colorful California Names!" I know Mr. Martin will be interested to see them on his return.

Enclosed is the copy you requested of the text of Mr. Martin's recent statement to the Senate Finance Committee. I am also enclosing a copy of the booklet "The Federal Reserve System: Purposes and Functions", and a copy of a talk Mr. Martin made in 1956 which deals with the Federal Reserve operations in which you expressed an interest.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

Enclosures 3

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 5, 1957.

Mr. Herbert D. Seibert, Editor,  
Commercial and Financial Chronicle,  
25 Park Place,  
New York, New York.

Dear Mr. Seibert:

As Chairman Martin is temporarily away, I am enclosing, in accordance with your telegraphed request of September 4, a copy of the answers he submitted to the Senate Finance Committee in response to questions propounded by Senator Byrd.

These answers were given to the Committee, for its hearings record, and released by it rather than the Federal Reserve, as is customary in hearings proceedings.

Sincerely yours,

(Signed) Chas. Molony.

Charles Molony,  
Special Assistant to the Board.

Enclosure

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 5, 1957.

Miss Helen Slade,  
Managing Editor,  
The Analysts Journal,  
400 East 57th Street,  
New York 22, New York.

Dear Miss Slade:

As Chairman Martin is temporarily away, I am enclosing a copy of his recent statement to the Senate Finance Committee, in response to your letter requesting it. You are welcome to use it as you desire.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

Enclosure

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 4, 1957.

Mr. F. E. Atkinson,  
Extension Economist,  
State of Arkansas,  
Little Rock, Arkansas.

Dear Mr. Atkinson:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter of August 29.

We do have reprints of the remarks you mention since they were, in fact, a statement by Mr. Martin recently to the Senate Finance Committee.

You did not specify the number of copies you would like, but, as you did speak of wishing to "put a copy into the hands of our county staff members in all counties" in Arkansas, I am sending under separate cover 80 copies in the hope that this will meet your requirements.

I know Mr. Martin will be interested to see your letter on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

September 4, 1957.

Dr. Donald McCaskey,  
Nipton,  
California.

Dear Dr. McCaskey:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter and the sprightly item on Nipton you sent with it. I know Mr. Martin will be interested to see them on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly



September 4, 1957.

Mr. J. V. Paulson, Sr.,  
161 Santa Fe,  
Houston 17, Texas.

Dear Mr. Paulson:

As Chairman Martin is temporarily away, I should like to acknowledge and thank you on his behalf for your letter of August 28. I know he will be interested to see it on his return.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

CM:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 30, 1957.

Mrs. Freda Seberg,  
3401 N. E. Sandy Boulevard,  
Portland, Oregon.

Dear Mrs. Seberg:

As Chairman Martin is on vacation I wish to acknowledge and thank you for your letter of August 25. I enclose a copy of the prepared statement which Mr. Martin presented recently before the Senate Finance Committee since it discusses a number of the points which you list in your letter.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 30, 1957.

Mr. R. V. Walker,  
Executive Vice President,  
First Federal Savings and  
Loan Association of Miami,  
100 N. E. First Avenue,  
Miami 32, Florida.

Dear Mr. Walker:

On behalf of Chairman Martin, who is on vacation  
I want to thank you for your letter of August 28. I know  
that on his return he will be gratified by your generous  
comments.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 29, 1957.

Dr. R. G. James,  
Assistant Director,  
Economics and Statistics Division,  
Continental Oil Company,  
P. O. Box 2197,  
Houston 1, Texas.

Dear Dr. James:

This is to acknowledge your letter of August 23 addressed to Chairman Martin who is absent from the city.

The memorandum to which you refer was an informal one that Mr. Martin had with him and read into the record, but unfortunately we do not have any copies available. It will, however, appear of course in the printed hearings in due course.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

FOR FILES  
N. B. Kelly

August 29, 1957.

Mr. Lawrence L. Gellerstedt,  
P. O. Box 4899,  
Atlanta 2, Georgia.

Dear Mr. Gellerstedt:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 27.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

FOR FILES  
N. B. Kelly

August 29, 1957.

Mr. Robert P. Skinner,  
2 Congress Street,  
Belfast, Maine.

Dear Mr. Skinner:

As Chairman Martin is away on vacation I should like to acknowledge and thank you on his behalf for your letter of August 22.

Although Mr. Martin had left before your letter arrived, he had, as it happened, been asked on August 19, at a hearing before the Senate Finance Committee, substantially the same question as you pose: "Why not return to the convertible gold dollar?"

Mr. Martin's answer to the question, asked by Senator George Malone of Nevada, was that he would "favor ultimately the redeemability of the currency in gold," but does "not see it in the foreseeable future" because of "the unsettled international situation."

Mr. Martin further said: "I think you have to have more stable world conditions than you have today, and we have to be certain that we are managing our monetary affairs in a way which will warrant confidence, and I think we are making progress in that direction."

There was, of course, a good bit more discussion of the subject than that, and as it should appear in full in the transcript of the Senate Finance Committee's "Investigation of Financial Condition of the United States," it might be that you would like to communicate with the Committee to obtain a copy of the transcript when it is printed.

In view of your reference to seeing an extract from Mr. Martin's opening statement to the Committee on August 13, I am enclosing a copy of the complete text of the statement in the thought that it, too, may possibly be of some interest to you.

Sincerely yours,

(Signed) Chas. Molony

Charles Molony,  
Special Assistant to the Board.

Enclosure.

FOR FILES  
N. B. Kelly

CM:cd

August 28, 1957.

Mr. James L. Beebe, Chairman,  
State and Local Government Committee,  
Los Angeles Chamber of Commerce,  
404 South Bixel Street,  
Los Angeles 54, California.

Dear Mr. Beebe:

As Chairman Martin is absent on vacation I wish to thank you for your letter of August 27. I am very pleased to send, under separate cover, 75 copies of his prepared statement from which the digest in the Wall Street Journal was taken.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston,  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 28, 1957.

Mr. Fred De Golyer,  
106 West 78th Street,  
New York 24, New York.

Dear Mr. De Golyer:

As Chairman Martin is absent on vacation I wish to acknowledge and thank you for your letter of August 26.

Although you ask for no acknowledgment, because of your interest I am enclosing a copy of the prepared statement which Mr. Martin presented before the Senate Finance Committee hearings. The spirit in which you write is very much appreciated.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly



August 27, 1957.

Mr. Pericles J. Polybius,  
4 East 28th Street,  
New York 16, New York.

Dear Mr. Polybius:

As Mr. Martin is out of the office on a short vacation, I am pleased to comply with your request for a copy of his statement before the Senate Finance Committee.

I know Mr. Martin will be pleased to see your kind comments.

Sincerely yours,

(Miss) Margaret Muehlhaus,  
Secretary to Mr. Martin.

Enclosure

New York, Aug. 23, 1957.

Honorable Chairman:

I read with great interest in the N.Y. Times of to-day your valuable and authoritative statement before the U.S. Senate Finance Committee on the more disquieting subject of inflation exhibiting as Hydra most menacing heads and tentacles, and I like to have - if of course possible, a copy of said statement. May I have the indiscreet request that your secretary furnish me with such copy or inform me where it is possible to have one. Thanks in advance. I am one of your admirers. Faithfully yours,

Dr. J. S. ... in St. Pol. & Econ. (Paris) ... (London, England); S.P. & W.R.A., ... (Cleveland, Ohio).

New York, Aug. 30, 1957.

Dear Miss Margaret Muehlhaus:

I wish to thank you for the attention given to my request and furnishing with a copy of the statement of Mr. Chairman before the Senate Finance Committee. On this occasion I got one more example of the admirable efficiency of Secretaries of outstanding Heads of big organizations. So helping them for multifarious occupations. I remember of course of an old Persian poet studying in the classes of a mental languor as he reflects: When all the admiration and respect go to the father or mother of a bride dressed up in resplendent silk gown, and some pearls go to the tailor, but no

New York, Aug. 23, 1957.

Honorable Chairman:

I read with great interest in the N.Y. Times of to-day your valuable and authoritative statement before the U.S. Senate Finance Committee on the more disquieting subject of inflation exhibiting as Hydra most menacing heads and tentacles, and I like to have - if it were possible, a copy of said Statement. May I have the indiscreet request that your Secretary furnish me with such copy or inform me where it is possible to have one. Thanks in advance. I am one of your admirers.

Faithfully yours,

J. G. Polyzius,  
Dr. in Sc. Jur. & Dr. in Sc. Pol. & Econ. (Paris); B. Sc. (in Law)  
(Oxford, England); S. L. B. (W. R. N., Cleveland, Ohio).

New York, Aug. 30, 1957.

Dear Miss Margaret Muehlhaus:

I wish to thank you for the attention given to my request and furnishing with a copy of the Statement of Mr. Chairman before the Senate Finance Committee. On this occasion I got one more example of the admirable efficiency of Secretaries of outstanding Heads of big Organizations, so helping them for multifarious occupations. I remember of a verse of an old Persian poet studied in the classes of Oriental languages to reflect: When all the admiration and praises go to the father or mother of a bride dressed up in resplendent silk gown, and some praises go to the tailor, but no-

body seems to think of that spindle and that  
needle responsible for the marvel! they don't  
wonder in their all self-effacing mind in the gen-  
eral happiness!

Respectfully Yours,

Pericles J. Polybius

P. J.  
Please convey my  
regards to Mr.

Chairman

New York City

Pericles J. Polybius

4 East 28th Str., New York 16, N.Y.

New York City

August 27, 1957.

Mr. Waldo Steiner,  
Pandora,  
Ohio.

Dear Mr. Steiner:

As Chairman Martin is on vacation I wish to acknowledge and thank you on his behalf for your letter of August 24.

The problem of restraining excessive credit expansion without precipitating a serious decline is, as you say, terribly complex and it is true that credit and monetary policy alone cannot assure a stable dollar. Mr. Martin did refer to the highly controversial subject of the wage price spiral in the prepared statement which he presented to the Senate Finance Committee as well as in answer to various questions.

Because of your interest I am enclosing a copy of Mr. Martin's prepared statement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 27, 1957.

Mr. Henry G. Cornelius,  
245 East 21st Street,  
New York 10, New York.

Dear Mr. Cornelius:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 23.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 27 , 1957.

Mr. Charles C. Kelley,  
135 Westford Avenue,  
Springfield, Massachusetts.

Dear Mr. Kelley:

As Chairman Martin is absent on vacation I wish to acknowledge and thank you on his behalf for your letter of August 22.

While you would not agree with the views expressed, because of your interest I am enclosing a copy of the prepared statement which Mr. Martin presented before the Senate Finance Committee at the recent hearings.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

*Handwritten signature*  
FOR FILE  
N. B. Kelly

August 27, 1957.

Mr. Irving Rosenthal,  
Vice President and Actuary,  
The Guardian Life Insurance  
Company of America,  
50 Union Square,  
New York 3, New York.

Dear Mr. Rosenthal:

As Chairman Martin is absent on vacation I wish to acknowledge and thank you on his behalf for your letter of August 26.

In accordance with your request I am enclosing a copy of Mr. Martin's statement. I know that he will very much appreciate your comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILE  
N. B. Ke  
*Copy in  
the file  
J. L.*

August 27, 1957.

Mr. Victor I. Cruser,  
Frolic Farm,  
Mountainville, New Jersey.

Dear Mr. Cruser:

As Chairman Martin is on a vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 26.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. G. M. 1957



August 26, 1957.

Mr. Ralph F. Hess,  
2628 Kingston Road,  
Cleveland Heights 18, Ohio.

Dear Mr. Hess:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 23.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957

Mr. E. L. Gruver,  
W. E. Burnet & Co.,  
11 Wall Street,  
New York 5, New York.

Dear Mr. Gruver:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 23.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. C. B. Coleman,  
Morgan & Coleman,  
Volunteer Building,  
Chattanooga 2, Tennessee.

Dear Mr. Coleman:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 23.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Dr. Robert G. James,  
Assistant Director,  
Economics and Statistics Division,  
Continental Oil Company,  
P. O. Box 2197,  
Houston 1, Texas.

Dear Dr. James:

As Chairman Martin is on vacation I wish to acknowledge your letter of August 21. In accordance with your request I enclose a copy of his recent statement before the Senate Finance Committee. I regret that the transcript of oral testimony is not yet available.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. John F. Haviland,  
811 Esther Street,  
Vancouver, Washington.

Dear Mr. Haviland:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you for your letter of August 20.  
I am sure he will be interested to read your comments  
when he returns.

The Wall Street Journal's abridgement was very  
good but you may be interested in seeing the entire text  
of that statement to which you refer and accordingly I  
am enclosing a copy.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. Harry Kessel,  
105 East Front Street,  
Monroe, Michigan.

Dear Mr. Kessel:

As Chairman Martin is on vacation I wish to acknowledge and thank you on his behalf for your letter of August 23. I am sure that Mr. Martin on his return will be interested to read your comments. You may be interested to see the text of his recent statement before the Senate Finance Committee and accordingly I am enclosing a copy.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. Maurice C. Peters,  
R. F. D. #2,  
North Bennington, Vermont.

Dear Mr. Peters:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you on his behalf for your letter  
of August 23.

I know that he will very much appreciate your  
comments and encouragement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. Stanley K. Platt,  
2002 W. Lake of the Isles Blvd.,  
Minneapolis 5, Minnesota.

Dear Mr. Platt:

As Chairman Martin is on vacation I wish to  
acknowledge and thank you for your letter of August 23.  
I am sure he will be interested to read your comments  
when he returns.

The Wall Street Journal's abridgement was very  
good but you may be interested in seeing the entire text  
of that statement to which you refer and accordingly I  
am enclosing a copy.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:CD

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly



August 26, 1957.

Mr. Harold Quinton, President,  
Southern California Edison Company,  
Edison Building,  
P. O. Box 351,  
Los Angeles 53, California.

Dear Mr. Quinton:

As Chairman Martin is on vacation I wish to acknowledge and thank you on his behalf for your letter of August 21. I am sure he will be interested to have your comments and the enclosed copy of the proceedings at your annual meeting when you discussed inflationary developments. The abridgement to which you refer in the Wall Street Journal was very good. You may be interested in seeing the entire text of that statement and accordingly I am enclosing a copy.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 26, 1957.

Mr. Elmer C. Fay,  
140 North Pleasant Avenue,  
Ridgewood, New Jersey.

Dear Mr. Fay:

As Chairman Martin is on vacation I wish to acknowledge your letter of August 23. In accordance with your request I am forwarding a copy of our System booklet "The Federal Reserve System--Purposes and Functions" and I also enclose a copy of Mr. Martin's prepared statement which he presented before the Senate Finance Committee. He has not published material on this subject.

Very truly yours,

*(Signed) Elliott Thurston*

Elliott Thurston  
Assistant to the Board.

Enclosures 2

ET:cd

cc: Miss Muehlhaus

FOR FILES  
N. B. Kelly

August 23, 1957

Mr. L. F. Wegner  
Wegner Auto Company  
110 South Euclid Avenue  
Pierre, South Dakota.

Dear Mr. Wegner:

As Chairman Martin has finally gotten away on a short vacation, I wish to acknowledge and thank you on his behalf for your letter of August 20.

While you say it needs no reply, it is encouraging to have comments like yours, and I am sure Mr. Martin will appreciate them.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET"nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 23, 1957

Mr. Anthony G. Masucci  
185 Townsend Avenue  
Pelham Manor, New York.

Dear Mr. Masucci:

As Chairman Martin is away on a vacation,  
I wish to acknowledge and thank you on his behalf  
for your letter of August 21.

You may be interested in the enclosed copy  
of a prepared statement which Mr. Martin presented  
before the Senate Finance Committee at the recent  
hearings.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure  
ET:nbk  
cc: Miss Muehlhaus



August 23, 1957

Mr. Charles A. Beasley  
Fort Smith  
Arkansas.

Dear Mr. Beasley:

As Chairman Martin has at last gotten  
away on vacation, I wish on his behalf to acknowledge  
and thank you for your post card of August 20.

I know he will very much appreciate  
your generous comment.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

EK:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 21, 1957

Mr. Clarence Axman  
President and Editor  
The Eastern Underwriter  
93-99 Nassau Street  
New York 38, New York.

Dear Mr. Axman:

As Chairman Martin has been under especially heavy pressure, he did not have an opportunity to acknowledge and thank you for your letter of August 15 before leaving yesterday on a belated vacation.

Needless to say, he is heartily in favor of what you are doing to help in this battle against inflation and regrets that he is so pressed for time that he must forego the opportunity to prepare a statement such as you suggest. There have been so many requests for statements that he has had to make a rule to decline because, as you can understand, you can't accept in one instance and decline in another.

Sincerely yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:nbk  
cc: Miss Muehlhaus

FOR  
M. MUEHLHAUS

August 21, 1957

Mr. J. A. Sorensen  
1223 North 6th Street  
Springfield, Illinois.

Dear Mr. Sorensen:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge and thank you for your letter of August 19. He was interested to see your comments, and suggested that I send to you the enclosed prepared statement which he presented before the Senate Finance Committee on August 13.

Very truly yours,

(Signed) Elliott Thurston

**Elliott Thurston**  
Assistant to the Board.

Enclosure

ET:nbk

cc: Miss Muehlhaus

FOR MR.  
M. MUEHLHAUS

August 21, 1957

Mr. Ernest C. Roth  
Twin Oak Road  
Peru, Illinois.

Dear Mr. Roth:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge and thank you for your letter of August 19, which he was especially interested to read because of that amusing conversation which you recounted. He very much appreciated your generous comments and encouragement.

Sincerely yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

ET:nbk

cc: Miss Muehlhaus

FOR FILES  
E. Muehlhaus



August 21, 1957

Mr. Orrin S. Good  
316 N. Fairview Street  
Lock Haven, Pennsylvania.

Dear Mr. Good:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge and thank you for your letter of August 16.

He suggested that you might be interested in the enclosed copy of the statement he presented before the Senate Finance Committee during the recent hearings.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure  
ET:nbk

cc: Miss Muehlhaus

FOR FILES  
M Muehlhaus

August 21, 1957

Mr. C. E. Linduff  
Vice President and Secretary  
First National Bank and Trust Company  
Steubenville, Ohio.

Dear Mr. Linduff:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge and thank you for your letter of August 19. He was interested to see your comments and suggested that I send to you the enclosed copy of the prepared statement which he presented before the Senate Finance Committee.

Your encouragement is very much appreciated.

Sincerely yours,

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:nbk

cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

**August 21, 1957**

**Mr. H. M. Arthur  
President  
Arthur State Bank  
Union, South Carolina.**

**Dear Mr. Arthur:**

**Before leaving on a belated vacation,  
Chairman Martin asked me to acknowledge and thank  
you for your letter of August 19 with regard to  
U. V. Wilcox's weekly letter.**

**Mr. Martin very much appreciates  
your kindness and encouragement.**

**Sincerely yours,**

**(Signed) Elliott Thurston**

**Elliott Thurston  
Assistant to the Board.**

**ET:nbk  
cc: Miss Muehlhaus**

**FOR FILES  
M. Muehlhaus**

August 21, 1957

Mr. Louis W. Rabe  
425 Third Street  
East Greenville, Pa.

Dear Mr. Rabe:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge and thank you for your interesting letter of August 15.

He appreciated having your comments, and suggested that you might be interested in the enclosed copy of the prepared statement he presented before the Senate Finance Committee.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure

ET:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 22, 1957

Mr. Harry W. Levy  
Teakettle Spout Road  
Mahopac, New York.

Dear Mr. Levy:

Before leaving on a belated vacation, Chairman Martin asked me to acknowledge your letter of August 15, and suggested that you might be interested in the enclosed copy of the prepared statement he presented before the Senate Finance Committee since the subjects which you mentioned are referred to in the course of the statement.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board

Enclosure  
ET:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 22, 1957

Mr. J. S. Mitchell  
Nobbe and Mitchell  
231 South Fifth Street  
Louisville, Kentucky.

Dear Mr. Mitchell:

Thank you for your letter of August 15.

Mr. Martin was interested to have your observations.

He thought you might want to read the enclosed copy  
of a statement he presented before the Senate Finance  
Committee during the recent hearings.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board

Enclosure

ET:nbk

FOR FILES  
M. Muehlhaus

August 22, 1957

Mr. A. E. Grassby  
Winnipeg Piano Co. Ltd.  
383 Portage Avenue  
Winnipeg, Manitoba, Canada. '

Dear Mr. Grassby:

Before leaving on a belated vacation, Chairman Martin asked me to say that he was interested to see the material you enclosed in your letter of August 16.

Because of your interest, he suggested that I send you the enclosed copy of his statement which was presented before the Senate Finance Committee during its recent hearings, since it touches on a number of points to which you referred.

Very truly yours,

(Signed) Elliott Thurston

Elliott Thurston  
Assistant to the Board.

Enclosure  
ET:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 20, 1957

Mr. John Betolatti  
51 Liberty Avenue  
Danbury, Connecticut.

Dear Mr. Betolatti:

Thank you for your postcard of August 15.

I appreciate your words of encouragement.

Because of your interest, I am enclosing  
a copy of the statement I presented before the  
Senate Finance Committee.

Very truly yours,

(SIGNED) WM. McC. MARTIN, Jr.

Wm. McC. Martin, Jr.

Enclosure

ET:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus



August 20, 1957

Mr. William B. Joyce  
115 B5oadway  
New York 6, New York.

Dear Mr. Joyce:

This is to thank you for your interesting  
letter of August 15.

I appreciate having your suggestions and  
words of encouragement. Because of your interest,  
I am enclosing a copy of the statement I presented  
before the Senate Finance Committee.

Sincerely yours,

(SIGNED) WM. McC. MARTIN, JR.

Wm. McC. Martin, Jr.

Enclosure  
ET:nbk  
cc: Miss Muehlhaus

MISS JANE  
MUEHLHAUS

August 20, 1957

Mr. Albert W. Harris  
115 West Monroe Street  
Chicago, Illinois.

Dear Mr. Harris:

This is to thank you for your letter of August 15,  
and the enclosures which I was interested to read. I  
had in mind some of the points you make when preparing  
the statement for the Senate Finance Committee.  
Because of your interest in the subject, I am enclosing  
a copy.

Sincerely yours,

(SIGNED) WM. McC. MARTIN, JR.

Wm. McC. Martin, Jr.

Enclosure

ET:nbk

cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 20, 1957

Mr. James W. Henning  
Leland,  
Michigan.

Dear Mr. Henning:

This is to thank you for your letter of August 15. Because of your interest, I am enclosing a copy of the statement I presented before the Senate Finance Committee on August 13.

Your encouragement is very much appreciated.

Very truly yours,

(SIGNED) WM. McC. MARTIN, JR.

Wm. McC. Martin, Jr.

Enclosure  
ET:nbk  
cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

**August 20, 1957**

**Mr. William Warren  
7 North Seventh Street  
St. Louis, Missouri.**

**Dear Mr. Warren:**

**This is to thank you for your letter of August 16.  
Because of your interest, I am enclosing a copy of the  
statement I presented before the Senate Finance  
Committee August 13.**

**Your encouragement is very much appreciated.**

**Very truly yours,**

*(SIGNED) WM. McC. MARTIN, JR.*

**Wm. McC. Martin, Jr.**

**Enclosure  
ET:nbk  
cc: Miss Muehlhaus**

**FOR FILES  
M. Muehlhaus**

**August 20, 1957**

**Mr. David M. Figart  
Box 239, R. 1  
Briarcliff Manor, N. Y.**

**Dear Mr. Figart:**

**This is to thank you for your letter of  
August 14.**

**I was interested in your comments and  
greatly appreciate your encouragement.**

**Very truly yours,**

(SIGNED) WM. McC. MARTIN, Jr.

**Wm. McC. Martin, Jr.**

**ET:nbk**

**cc: Miss Murhlhaus**

**FOR FILES  
M. Murhlhaus**

August 20, 1957

Mr. Curt F. W. Liebe  
45-06 156th Street  
Flushing 55, New York.

Dear Mr. Liebe:

This is to thank you for your letter of  
August 15.

I was interested to read your comments  
and appreciate your encouragement.

Very truly yours,

(SIGNED) WM. McC. MARTIN, Jr.

Wm. McC. Martin, Jr.

ET:Nbk

cc: Miss Muehlhaus

FOR FILES  
M. Muehlhaus

August 20, 1957

Mr. David H. Goeppinger  
Boone,  
Iowa.

Dear Mr. Goeppinger:

This is to thank you for your letter of August 15. Because of your interest, I am enclosing a copy of the statement I presented before the Senate Finance Committee.

Your encouragement is very much appreciated.

Very truly yours,

(SIGNED) WM. McC. MARTIN, JR.

Wm. McC. Martin, Jr.

Enclosure  
ET:nbk  
cc: Miss Muehlhaus

FOR FILE  
M. Muehlhaus

August 19, 1957

Mr. L. M. Ganier  
612 West Franklin Street'  
Richmond, Virginia

Dear Mr. Ganier:

This is to thank you for your letter of August 15.  
Because of your interest, I am enclosing a copy of the state-  
ment I presented before the Senate Finance Committee as  
press accounts were necessarily very brief.

Your encouragement is greatly appreciated.

Very truly yours,

SIGNED: WM. McC. MARTIN, Jr.  
Wm. McC. Martin, Jr.

Enclosure

ET:nbk

cc: Miss Muehlhaus

FOR MISS  
M. Muehlhaus



**August 19, 1957**

**Dr. Bruno L. Griesman  
33 East 66th Street  
New York 21, New York.**

**Dear Doctor Griesman:**

**Your letter of August 14, addressed to the  
Editor of the New York Times , has been forwarded  
to me and I appreciate having your comments.**

**Because of your interest, I am enclosing a copy of  
the statement I presented before the Senate Finance  
Committee, inasmuch as the newspaper accounts  
were necessarily brief.**

**Very truly yours,**

(SIGNED) WM. McC. MARTIN, Jr.

**Wm. McC. Martin, Jr.**

**Enclosure  
ET:mbk**

**cc: Miss Muehlhaus**

**FOR MISS  
M. Muehlhaus**