

FEDERAL RESERVE BANK OF DALLAS

J. R. PARTEN
CHAIRMAN OF THE BOARD

May 23, 1946

Mr. Marriner S. Eccles, Chairman
Board of Governors of the
Federal Reserve System
Washington 25, D. C.

Dear Governor Eccles:

After so long a time I have been able to review your testimony on February 25 before the House Banking and Currency Committee on the extension of price controls, which Mr. Carpenter sent me on March 26.

I found your testimony to be very interesting and have been so much impressed that I have had our Economic Director, Dr. W. H. Irons, prepare a summary of it for mailing to the directors of the head office and branches.

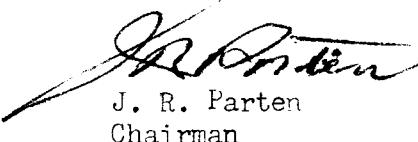
It is most disappointing to me that production has lagged so much. This, together with the hoarding of goods in anticipation of higher prices and the release of controls, has, in my opinion, done much to aid the powerful groups who have been fighting the extension of the OPA.

You and Chester Bowles are making a great fight against inflation, and I warmly congratulate you for your intelligent and valiant efforts. In my opinion, Congress has woefully confused the situation by its delay of positive and constructive action.

I have also reviewed with interest your testimony on March 8 before the Senate Banking and Currency Committee on the Anglo-American Financial Agreement, which Mr. Carpenter sent me. I think you made a strong case for the British loan.

With my personal good wishes, I am

Sincerely yours,


J. R. Parten
Chairman

May 29, 1946.

Dear Parten:

Your comment on my testimony on price controls and on the British loan is particularly appreciated.

I think you are right about hoarding of goods and inventory accumulation although, of course, it is extremely difficult to get any reliable statistical information as to how extensive this may be. I also agree that the delay of Congress in extending price controls has caused irreparable damage.

With best regards, I am

Sincerely yours,

Mr. J. R. Parten,
Chairman of the Board,
Federal Reserve Bank of Dallas,
Dallas 13, Texas.

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