

March 12, 1937.

The Honorable,  
The President of the United States,  
Warm Springs, Georgia.

Dear Mr. President:

On Page 4 of the memorandum I left with you on Thursday, preliminary estimates, prepared by Mr. Lubin, of the effect of the recent wage and price advances in the steel industry were quoted. I understand that since giving us these figures Mr. Lubin has revised his estimate of the probable increase in gross income of the steel industry from \$450 million to \$386 million. I understand, moreover, that the estimates are subject to further revision and have initiated a study of this matter in our own Division of Research.

Although the broad fact is unquestionably true that the rise in steel prices has been greatly in excess of the rise that would be sufficient to compensate for the wage advance, so that profits will be considerably enlarged, it would appear unsafe as yet to quote any specific figures.

Respectfully yours,

M. S. Eccles  
Chairman.

LBC+em  
APC.

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