

HERALD CHICAGO AMERICAN

EVENING AND SUNDAY

326 W. MADISON ST.
CHICAGO

TELEPHONE
ANDOVER 1234

June 3, 1941

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

Dear Mr. Eccles:

I am very much afraid that unless the inflationary trend now in progress is attacked at its roots more seriously than it has been so far the pressure will increase until before we know it the lid will be blowing off.

Taxes could do a lot, but while Congress talks the threat of taxes now operates exactly in the opposite manner, fanning the consumptive demand.

Congress seems to have given no active consideration to the Federal Reserve program which would put it in a position to use its influence against the inflationary trend.

Of vital importance, it seems to me, is the necessity for radical amendment to the Wage and Hour Act. We are fast reaching a point where the forty-hour week represents instead of advance social legislation chains around our defense efforts and, maybe even more important, the greatest single force toward dangerous inflation.

I had a long talk with Leon Henderson here last week. He admitted, off the record, that he is afraid of the price situation. Personally, I fear that he is sitting on a keg of dynamite.

I fear the result is likely to be all sorts of controls and regulations that might have been avoided if the situation had been attacked more intelligently.

Sincerely yours,


Robert P. Vanderpoel
Financial Editor

RPV:J

June 10, 1941.

Mr. Robert P. Vanderpoel,
Financial Editor,
Chicago Herald-American,
326 W. Madison Street,
Chicago, Illinois.

Dear Mr. Vanderpoel:

I have your letter of June 3 and find myself, as is usually the case, in agreement with your viewpoint. While it is entirely understandable, nevertheless, the fact that the President is so much engrossed with the international scene to the exclusion of economic problems at home, operates against getting action on some of these fronts that you mention, for, of course, those of us here who are interested in such action cannot get anywhere without his active support.

I trust you have fully recovered from the disabilities which afflicted you some time ago and that you will be making a trip to Washington one of these days. I shall look forward to seeing you if you come here and in case I stop over in Chicago -- though I have no present plans for being there -- I shall get in touch with you.

Sincerely yours,

M. S. Eccles,
Chairman.

 ET:b