

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE VICE CHAIRMAN

July 12, 1945

Honorable Marriner S. Eccles,
Hotel Ben Lomond,
Ogden, Utah.

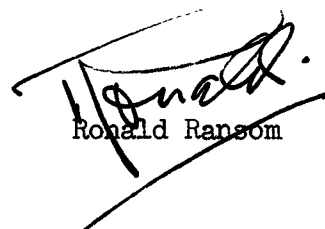
Dear Marriner:

The Advisory Board to the Office of Economic Stabilization met this morning. Vinson, Wallace, Schwellenbach, George Taylor, Purcell, and others were present. The enclosed letter outlines the subject for discussion.

Things rocked along pretty easily for a while on generalities, but the meeting was finally galvanized into action with a statement by Alan Haywood of the CIO (representing Philip Murray, who was not present) that we were all sitting on a keg of dynamite and did not appear to realize it. Haywood had just returned from a tour through Akron and Detroit and said that unless the Little Steel Formula was promptly scrapped we could count on trouble. He thought that the present situation had to be returned to collective bargaining to satisfy the labor group, that corporation profits were excessive and no effort was being made to distribute these in wages. He admitted that substandard wages could be taken care of but said that on general wages it was not necessary to increase prices in order to increase wages and that this would have to be fought out between OPA and the War Labor Board, and that the Office of Economic Stabilization had a job to do in reconciling these views. I had never seen him in action before. He is a forthright and decided Scotchman, who does not pull his punches, and the expression of his views immediately led to further statements by Vinson and Davis and views from Schwellenbach.

Apparently, the result of all of this was an agreement that the Government statisticians and research people should make a comparison of wages, prices, and the standard of living as of six months ago and now and a forecast for the next six months. I think some work has already been done along these lines. I will check with Thomas and Ken Williams.

Sincerely,


Ronald Ransom