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TELEGRAM  
LEASED WIRE SERVICE  
RECEIVED AT WASHINGTON

1948 AUG 13 AM 11 58

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WU J006 DL PD 6 EXTRA

WASHINGTON DC AUG 13 924A

MARRINER S ECCLES

FEDERAL RESERVE BOARD

FOLLOWING IS EXCERPT FROM TRANSCRIPT MEETING OF SENATE COMMITTEE ON BANKING AND CURRENCY, AUGUST 6, 1948 ENTERED IN RECORD BY SENATOR CAPEHART WITHOUT OBJECTION MEMBERS PRESENT. TEXT SUPPLIED BY SENATOR CAPEHART'S OFFICE. RESPECTFULLY SUBMITTED TO YOU FOR ITS SIGNIFICANCE AND VALUE TO THE BOARD IN CONSIDERING NEW POLICIES ON INSTALLMENT CREDIT CONTROL. "THE COMMITTEE, IN ITS HEARINGS AND DISCUSSIONS ON THE CONSUMER INSTALLMENT CREDIT CONTROL PROVISIONS OF THE RESOLUTION, HAS AT ALL TIMES BEEN CONCERNED OVER THE EFFECTS OF THE CONTEMPLATED REGULATION ON SALES, PRODUCTION AND EMPLOYMENT IN THE AFFECTED DURABLE-GOODS INDUSTRIES. WE RECOGNIZE THE PROBABILITY THAT ALL OF THESE WILL BE INFLUENCED UNFAVORABLY BY ANY EFFECTIVE REGULATION.

"HOWEVER, IT IS NOT THE COMMITTEE'S INTENTION TO RECOMMEND A MANDATE TO THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE BOARD FOR THE RE-INSTALEMENT OF THE IDENTICAL TERMS WHICH PREVAILED THROUGH MOST OF THE WAR PERIOD UNDER REGULATION W, WHEN THE AVOWED INTENT OF REGULATION WAS TO THROTTLE THE DEMAND FOR DURABLE GOODS. THE COMMITTEE WISHES TO LEAVE THE QUESTION OF DOWN PAYMENTS AND TERMS EXCLUSIVELY TO THE DISCRETION OF THE BOARD BUT WISHES TO ADVISE THE BOARD OF ITS EARNEST INTEREST IN ASSURING THAT REGULATION BRINGS ABOUT THE LEAST POSSIBLE DISLOCATION OF INDUSTRY. IT IS TO BE HOPED THAT THE BOARD WILL ADOPT FLEXIBLE AND SENSITIVE POLICIES WHICH WILL MAINTAIN THE HIGHEST POSSIBLE LEVEL OF PRODUCTION AND EMPLOYMENT IN THE DURABLE GOODS INDUSTRIES, ON WHICH SO MUCH OF THE NATION'S STANDARD OF LIVING AND WELL-BEING DEPEND." COPY OF THIS HAS BEEN DELIVERED TO GOVERNOR R. M. EVANS

WILLIAM L WILSON VICE PRESIDENT COMMERCIAL INVESTMENT TRUST  
INCORPORATED NEW YORK NEW YORK

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