

Sears, Roebuck and Co.
Executive Offices
Chicago

R. E. Wood
President

November 23, 1937.

Thurston

Hon. M. S. Eccles, Chairman,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

Dear Gov. Eccles:

Since writing you Saturday, I have been reading a speech delivered by S. Parker Gilbert at the Academy of Political Science Annual Dinner on November 10th. Probably you have seen it, but in case you have not, I am quoting the following extract from the speech:

"For the same reasons, and to avoid deflation, it seems to me time that the Federal Reserve System, and the Treasury itself, should take note of the cessation of deficit financing and relax the series of deliberately deflationary measures which were put into effect in 1936 and early 1937, and which are still operating (though the reason for them has ceased) to deflate not merely the country's banks and business activity but also agricultural prices and general employment. In other words, we want neither inflation nor deflation, both of which are harmful to the welfare of the country and to be avoided."

Sincerely yours,

