

June 27, 1944.

Mr. Chester C. Davis, President,
Federal Reserve Bank of St. Louis,
St. Louis 2, Missouri.

Dear Chester:

Ralph Flanders is coming in to see me on Thursday, and while I don't know what he wishes to discuss, I assume from your letter and from one I had from him enclosing a copy of his speech on postwar taxation that this is the subject he would like to talk about. I have been discussing it in a general way with our tax experts, but my time has been pretty much taken up with preparations for this conference at Bretton Woods. Needless to say, I appreciate your kind personal references in your note of June 20 to Ralph, a copy of which you enclosed.

I note that Bob Taft is going to balance the budget by reducing taxes. My own conjuring with the problem has not produced in my mind as yet a solution as easy as he makes that one sound. Doubtless it is good politics, even if impossible economics.

With kind regards,

Sincerely yours,

ET:b

FEDERAL RESERVE BANK OF ST. LOUIS

ST. LOUIS 2, MISSOURI

OFFICE OF
THE PRESIDENT

June 20, 1944.

Personal

Honorable Marriner Eccles, Chairman,
Board of Governors of the
Federal Reserve System,
Washington, D. C.

Dear Marriner:

I am enclosing copy of letter I have just written Ralph Flanders. I wish I had sense and judgment enough to advise him. I really hope you and he can get together.

It was another boy for the Edmistons; born on the 15th. All doing well although with Henry off for your International Monetary Conference today, he will have to start exercising his authority by remote control.

With personal regards, I am

Sincerely yours,



Chester C. Davis,
President.

June 20, 1944

Personal

Mr. Ralph Flanders,
Thirty Pearl Street,
Boston 6, Massachusetts.

Dear Ralph:

I am very grateful to you for sending me a copy of the talk you gave at the meeting of the New England Council on June 15. The question of balancing the national budget at \$120 billion versus \$140 billion is too difficult for me to attempt to pass judgment on, particularly since I have been compelled to miss so much of the discussion. I wish that you could find time to sit down and talk this over with Marriner Eccles. He is back in Washington now but will probably go to Bretton Woods before July 1. I have a lot of respect for his judgment in this field. He is not the "wild eyed spender" many people think him, but he has thought a lot about the budget in relation to a high national income.

If, after reading your talk and some other material I have gathered here, I reach any worthwhile stage in thinking, I will write you my conclusion.

With many thanks and personal regards, I am

Sincerely yours,

Chester C. Davis,
President.

Received in
Chester C. Davis's Office

JUN 23 1944

Board of Governors
of the Federal Reserve System