

August 6, 1946.

PERSONAL AND CONFIDENTIAL

Mr. Allan Sproul, President,
Federal Reserve Bank of New York,
New York 7, New York.

Dear Allan:

Your letter of July 31 commenting on my confidential memorandum to the White House is so much to the point and I so thoroughly agree with it that I wanted you to know that I regard your criticism as highly constructive. I was, of course, eager to keep my memorandum as short as possible considering the wide area it had to cover and if I had it to do over again, in the light of your letter, I would have stressed more heavily the basic need for increasing productivity per worker and emphasized less the fiscal program, though, as you agree, that is also of great importance even if the prospects are negligible for increasing the tax-take or substantially reducing appropriations. Anyway, in a further memorandum I am taking advantage of the opportunity to restate the emphasis in accordance with your excellent letter.

Sincerely yours,

M. S. Eccles,
Chairman.