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United States Senate

Special Committee to Study Problems of
American Small Business

December 3, 1945

Mr. Marriner S. Eccles, Chairman
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Mr. Eccles:

This is in confirmation of the telephone conversation which Mr. McBreen of the Senate Small Business Committee staff had with you last week regarding your appearance before the Committee to testify on price control and stabilization policies which are now being followed by the Federal government.

As you undoubtedly know, the Administration's price control policy has been severely criticized on the floor of the Senate and elsewhere during the last few weeks. Furthermore, during the last month, the Small Business Committee has received hundreds and hundreds of telegrams from all segments of small business -- manufacturers, wholesalers, jobbers, and retailers -- complaining about specific problems which they have in operating under price and stabilization controls.

In view of these facts, the Committee has decided to hold hearings beginning December 4, 1945, and extending through the next several weeks. As Mr. McBreen told you over the telephone, the Committee would appreciate your appearing before it on Tuesday, December 11, 1945, to discuss the problems of price control and stabilization problems from the standpoint of banking and small business.

The Committee will be extremely interested in any analyses which you may present bearing on the subjects of: (1) the relationship between the current economic picture and that which prevailed after World War I; (2) the inflationary conditions which are now present in the United States and the reasons why they are inflationary and why they must be controlled; (3) the current volume of bank deposits and the volume of credit which these deposits might be expected to generate; (4) the production possibilities which exist in the economic system at the present time and fiscal conditions which might either aid or hinder the full realization of these potentialities; (5) the relationship between the tax structure and production possibilities and the relationship of both of these factors to price control; (6) the relationship which wage controls and general wage levels bear to prices and production; and (7) any constructive suggestions you may have for improving existing price and stabilization controls.

Mr. Merriner S. Eccles

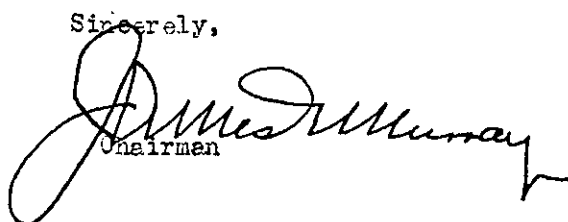
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For your information, the Committee will also hear during the course of its sessions testimony from: War Mobilization and Reconversion Director John W. Snyder, Economic Stabilization Director Caskie Collet, Office of Price Administrator Chester Bowles, Labor Secretary Louis B. Schwellenbach, Secretary of Treasury Fred W. Vinson, and Civilian Production Administrator John D. Small.

If you have any further questions about the scope of the hearings or the subjects to be discussed, either my office or Mr. McBreen will be glad to furnish additional information.

Sincerely,


Chairman