

1514 Henry Clay Avenue  
New Orleans, Louisiana  
February 27, 1951

Hon. Harry S. Truman  
President of the United States  
White House  
Washington, D. C.

My dear Mr. President:

I am a graduate student at Tulane University in the field of economics. Because of my interest in and study of monetary control, I am taking the liberty of writing you concerning a present national problem which has me, and I'm sure others in the country, somewhat worried.

The problem is the present dispute between the Federal Reserve Board and the Treasury Department regarding purchase and sale of government securities. I am sure you are thoroughly familiar with the positions held by each of these government agencies. However, it is hard to understand how the Executive Office supports the stand of the Treasury Department when many, many economists, a great deal more learned and familiar with fiscal control than Mr. Snyder, or even Mr. Eccles, have pointed to the inevitable disaster that will result from continued purchasing of government securities. This question is continually discussed among graduate students and economics professors here, and their opinions agree with those of the other economists.

It is evident from your messages to the peoples of the world that you fervently desire peace, as do the rest of us. But the peace of the world depends directly upon the strength, economically as well as militarily, of the United States and her allies. This strength can only be maintained if the economy of this country is stable. And one prime requisite of a stable economy is a money, credit, and price structure that is also stable. This stability cannot continue if the Federal Reserve System buys government securities, for, although apparent interest rates may stay low, real interest rates will rise due to reduced money values. It is this point that Mr. Snyder seems to overlook in the defense of his position.

It is hoped, Mr. President, that you view this letter as a sincere opinion of the government's present fiscal policy. The results of such policies will have to be shouldered by my generation a decade or so from now, and it is our sincere hope that our problems will not be as formidable as those that face you today.

Very sincerely yours,  
/s/ Streuby L. Drumm, Jr.

cc: Hon. T. Hale Boggs, Hon. Robert L. Doughton, Mr. Marriner S. Eccles, Hon. Allen J. Ellender, Hon. Walter F. George, Hon. F. Edward Hebert, Hon. Russell B. Long, Mr. Thomas B. McCabe, and Hon. John W. Snyder