

HOTEL LEWISTOWN

LEWISTOWN, PA.



February 26/46

Hon. Marriner S. Eccles
Chairman Federal Reserve System
Washington, D.C.

Dear Sir -

You are reported as re-
cently stating you considered hold-
ing price levels at a 40% increase
over the 1941 level as a "fairly
good job."

Will gamble you can
find very few who will agree
with you, and a throng who will
be inclined to give you the Bronx
cheer. The millions of pensioners
and those on a fixed income, will
be amazed to say the least.

With this nation in a state
of actual anarchy, with Labor re-
peatedly defying the Government with
impunity, when a few malcontents
can subject millions to discomfort,
financial loss, and actual dan-
gers, when the Supreme Court under
assault & presumably murder is
legal as long as the aggressor holds
a Union Card, when the Government
plays "Chamberlain at Munich",
and no one dares to oppose the
Labor Hierarchy, this nation is
definitely in greater danger than

HOTEL HUNTINGDON UNDER SAME MANAGEMENT

in 1861. And so far no Lincoln
has appeared, & no one recalls his
worrying about a divided nation.

Sincerely

P. J. Dunbar

P. J. Dunbar
817 No. 16th St
Harrisburg
Penna.

Received in
Chairman's Office

FEB 28 1946

Board of Governors
of the
Federal Reserve System

March 1, 1946.

Mr. P. J. Dunbar,
817 North 16th Street,
Harrisburg, Pennsylvania.

Dear Mr. Dunbar:

This is to acknowledge your letter of February 26. The press reports unfortunately misrepresented my testimony. I did not predict that there would be a 40 per cent increase in the cost of living over the 1941 level. However, I did say that if the degree of inflation were held to that level we would have done a fairly good job considering the enormous cost of the war and the way in which it was financed, and considering also the inflation that has taken place practically throughout the world, except where governments, as in Britain and Canada, have managed to control the situation. We have not done quite as well as the British and Canadians, but neither have we done much worse than they. You are, of course, right that increases in the cost of living bear most heavily on the fixed income groups.

I am venturing to enclose a copy of a prepared statement I made before the House Banking and Currency Committee which outlines in a general way the inflation problem as I see it and what should be done to deal with it.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

 ET:b