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March 6, 1946

Governor Marriner S. Eccles, CHAIRMAN
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Mr. Eccles:

WE GIVE NO WARRANTY, EXPRESS OR IMPLIED, AS TO PURITY, DESCRIPTION, QUALITY, PRODUCTIVENESS OR ANY OTHER MATTER OF ANY SEED WE SELL, AND WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE CROP.

While I am no longer a member of the Federal Reserve "family", in view of my services of nearly nine years as a Director of the New Orleans Branch of the Atlanta Bank, I shall always be interested in your public statements.

I wish to commend your recent statement before the Congressional Committee. It was sound and timely. I don't believe I would go as far as you do with reference to the matter of the retention of governmental price control. It seems to me it should be definitely understood that these controls should be abandoned when the national economy is no longer menaced by disastrous inflation. The continuance of price control indefinitely, as some in Washington seek, will destroy private enterprise, because there can be no lasting private enterprise with controlled prices; in fact, freedom is a "sine qua non" of a true price.

If you have not read Professor Harper's booklet on "Free Price", I believe you will be interested in it. As you probably know, he is Professor of Marketing at Cornell.

Pardon another gratuitous intrusion upon your time and attention.

Yours sincerely

Alexander Fitz-Hugh
ALEXANDER FITZ HUGH

*Low cost
farmers
above ceiling
cut some time ago
by Fed - 9 others
I feel this and
subsidies -
system -
acting as backbone of
under an old card -
means to raise
get some attention
exp sales
for us any other
made in
has been
important
what is*

March 11, 1946.

Mr. Alexander Fitz-Hugh, President,
P. P. Williams Company,
Vicksburg, Mississippi.

Dear Mr. Fitz-Hugh:

This is to thank you for your letter of March 6 commenting on my recent statement in regard to inflation controls. I was not aware that anyone, certainly anyone in a responsible position in the Government, proposed to retain the controls when the inflation pressures have passed. Chester Bowles, Paul Porter and others have been explicit in saying that they should be removed as soon as these dangers disappear.

While I have not seen Professor Harper's booklet, I take it that he is arguing for completely free interplay of prices. You are aware, however, that the most influential pressure groups representing labor and farmers do not want to leave wage rates or agricultural prices to any such free interplay. I doubt that Congress is likely to go contrary to their wishes generally speaking.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b