

ALEXANDER WILEY, WIS., CHAIRMAN
WILLIAM LANGER, N. DAK. PAT MCCARRAN, NEV.
HOMER FERGUSON, MICH. HARLEY M. KILGORE, W. VA.
CHAPMAN REVERCOMB, W. VA. JAMES O. EASTLAND, MISS.
E. H. BORE, OKLA. WARREN G. MAGNUSON, WASH.
FORREST C. DONNELL, MO. J. W. FULBRIGHT, ARK.
JOHN SHERMAN COOPER, KY. J. HOWARD MCGRATH, R. I.

HAROLD R. WILDE, CLERK

United States Senate

COMMITTEE ON THE JUDICIARY

July 10, 1947

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

Dear Marriner:

It seems that you have become a very contro-
versial subject. I enclose another letter unsolicited
regarding your attitude, for your information.

With kindest regards, I am

Sincerely yours,


J. W. Fulbright

JWF:dw

EXECUTIVE OFFICES
COMMERCIAL INVESTMENT TRUST INCORPORATED
BANKERS

ONE PARK AVENUE NEW YORK 16, N. Y.

WILLIAM L. WILSON
VICE PRESIDENT

AFFILIATED WITH
C.I.T. FINANCIAL CORPORATION

July 8, 1947

The Honorable J. William Fulbright
Senate Banking and Currency Committee
Senate Office Building
Washington, D. C.

Dear Senator Fulbright:

I was present during the hearing of the Senate Banking and Currency Committee on the subject of Regulation W on July 2nd, and heard the line of questioning wherein you attempted to develop from Mr. Behrens, representing the Retail Credit Institute, the intentions of the Federal Reserve Board and Mr. Eccles regarding permanent control of this type of credit. You stated that you believed Mr. Eccles had asked your Committee for only temporary control, and inferred that you believed Mr. Behrens was not justified in stating that the objective proposed by Mr. Eccles was more permanent control.

After you left the hearing, I appeared before the Committee and read into the record a major portion of page 23 of Mr. Eccles' testimony before the Senate Banking and Currency Committee on June 25th. I believe this material fully set forth Mr. Eccles' advocacy of permanent control, and his conviction that only the present political and legislative situation prevented him from pressing this recommendation now. His testimony makes it very clear that the Board regards the one year extension of controls as a legislative expedient only. The testimony clearly opens the door for a further request for extension beyond July 30, 1948, and makes clear Mr. Eccles' strong opinion that this is desirable.

In the paragraph above, I cited page 23 as that which I read to the Committee. I have mislaid my notes, but I believe I can trust my recollections in this respect. In any event, I trust you will refer to the record, and I believe you will

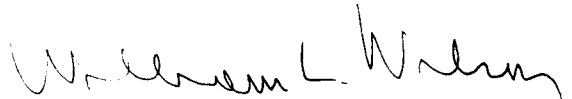
find Mr. Behrens was correct, although not armed with the facts, when he said that the program and policy of the Federal Reserve Board is definitely directed at securing permanent authority to control instalment credit.

I am also attaching copy of Mr. Eccles' testimony before the House Banking and Currency Committee, which makes clear this objective. On a separate sheet, there is a discussion of a "Consumer Credit Bill," not otherwise identified. This sheet was attached to the prepared copy of Mr. Eccles' testimony, which was distributed to newspaper men and all members of your Committee, prior to his testimony on June 25th. Your own files probably contain a copy. It shows, again, the objective of permanent legislative authority to control instalment credit.

Many of us are opposed to continuation of Regulation W for even a year. We do not believe in the validity of the argument that decontrol will affect prices or contribute materially to inflationary forces. However, we are more urgently opposed to continuance because we recognize fully that any continuation is only part of the strategy of Mr. Eccles and the Federal Reserve Board, who seek permanent authority over instalment credit against what we consider the best interests of the American economy, the American consumer and free competition.

There can be no doubt of this objective, as you will see, if you reread Mr. Eccles' testimony. In the light of this, I trust you will not be misled to the conclusion that your Committee is considering only a one year extension of an emergency character. The broad subject of perpetuating indefinitely this control, based on the planned-economy concept and directed against the durable goods buyer of limited means but worthy credit standing, is at stake.

Very truly yours,



William L. Wilson

WLW:db

July 16, 1947

Dear Bill:

The question in my mind is whether it is you or I who is the controversial subject. If I understand these unsolicited letters you are getting -- and I'm not certain that I do -- you made the comment that you thought I was only seeking a temporary authority over instalment credit and your correspondents are calling the record on me to show that I had, originally at least, urged a permanent authority. It is all academic, however, because the whole business is out the window, and good riddance, I say, from an administrative though not from an economic standpoint.

My innate modesty makes me hesitate to refer to my golf game, but I will say I have been doing slightly better lately without lessons. Naturally, I am nowhere near your class, but I can always hope.

With best regards,

Sincerely yours,

The Honorable J. William Fulbright,
United States Senate,
Washington, D. C.

ET:b

file

CHARLES W. TOBEY, N. H., CHAIRMAN	
C. DOUGLASS BUCK, DEL.	ROBERT F. WAGNER, N. Y.
HOMER E. CAPEHART, IND.	BURNET R. MAYBANK, S. C.
RALPH E. FLANDERS, VT.	GLEN H. TAYLOR, IDAHO
HARRY P. CAIN, WASH.	J. W. FULBRIGHT, ARK.
JOHN W. BRICKER, OHIO	A. WILLIS ROBERTSON, VA.
JOSEPH R. MCCARTHY, WIS.	JOHN SPARKMAN, ALA.

United States Senate
COMMITTEE ON BANKING AND CURRENCY

July 18, 1947

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

Dear Marriner:

The letters about your attitude toward Regulation W were very enlightening. You will see that in these letters there is a fairly general suspicion, among the businessmen, that if the Chairman of the Board is not a communist, he is at least a socialist.

I think that you have entirely too much innate modesty. From now on, I think you should stand up like a man and play even.

I hope to see you soon.

With kind regards, I am

Sincerely yours,

J. W. Fulbright
J. W. Fulbright

JWF:pn

After last week I can't see any reason for so damn much modesty.

July 24, 1947.

Dear Bill:

While your letter of July 18 demands no reply, it tempts me to remark that one of the troubles with you statesmen is that you have an office full of labels which you try to apply to life and men and which get you into trouble when you deal with a simple, unassuming and uncomplicated character like myself. I am really just a plain businessman and country banker, and dub golfer.

Trying to paste one of those vague labels on me on the basis of my plain, early-American economics gets you all confused, and likewise trying to label me a Leo Worsham or a Sam Snead gets you all mixed up about golf. I am flattered, but undeceived. Simple fairness requires that you give me a large number of strokes.

Anyway, you continue to have my kind regards.

Sincerely yours,

The Honorable J. William Fulbright;
United States Senate,
Washington, D. C.

ET:b