



BUFFALO CHAMBER OF COMMERCE ★ BUFFALO 2, N. Y.

November 21, 1947

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

Dear Mr. Eccles:

Everyone agrees that the rise in the general price level must be checked.

In adopting methods, the government will do well not to confuse symptoms with causes by applying "controls" that merely conceal causes.

The Buffalo Chamber of Commerce respectfully submits the attached statement of Federal policies needed to bring down the high cost of living.

Sincerely yours

Charles C. Fichtner

Charles C. Fichtner
Executive Vice President

CCF:SZ

December 3, 1947.

Mr. Charles C. Fichtner,
Executive Vice President,
Buffalo Chamber of Commerce,
Buffalo 2, New York.

Dear Mr. Fichtner:

This is to thank you for your letter of November 21 enclosing a copy of the statement on controlling inflation adopted by the Economic Affairs Committee and approved by the Board of Directors of the Buffalo Chamber of Commerce.

I was interested in noting the ten points cited, with most of which I could agree, except points 6 and 7 with regard to taxation. I undertook to discuss some of the points which you make in a statement I presented before the Joint Committee on the Economic Report and I enclose a copy for your information.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b

STATEMENT ON CONTROLLING INFLATION
ADOPTED BY THE ECONOMIC AFFAIRS COMMITTEE NOVEMBER 10, 1947
APPROVED BY THE BOARD OF DIRECTORS
BUFFALO CHAMBER OF COMMERCE

President Truman has issued a call for a special session of Congress beginning November 17, 1947, in order to consider measures to combat the current high price level of cost of living items, popularly known as inflation.

The relatively rapid depreciation in the purchasing power of the American dollar in recent years has its origins in Federal government policies that date as far back as 1933 and, particularly, in methods which were used in financing World War II. Now that the natural consequences of these policies have become apparent to everyone, the problems of arresting the trend of events are exceedingly difficult and complicated. There is no easy way to check inflation. The attack on inflation will require action on many fronts and for persistent periods of time.

Among policies approved by the Buffalo Chamber of Commerce which would tend to curb inflation are the following:

1. A radical reduction in the current level of Federal government expenditures.
2. A reduction in the Federal debt.
3. Federal policies which encourage ownership of Federal government bonds by thrift institutions and private individuals rather than by commercial banks.
4. Curtailment of all state and Federal public works projects except those of an emergency character.
5. Increase of production, productive effort and efficiency of all agents of production, including labor, capital and management; and the abandonment of make-work, feather-bedding and other devices for collecting pay for work not done.
6. Reduction of business and personal tax rates to the maximum extent feasible under a balanced budget with adequate provision for debt reduction.
7. A retention by business enterprises of an adequate part of their earnings for improvements and expansion of their productive equipment and a prompt revision of Federal tax laws to permit such retention.
8. The abandonment of Federal subsidies.
9. Restraint on the unduly free lending of government funds to foreign countries and the exporting of American wealth without adequate control of the use of the funds.
10. Encouraging imports from other democracies we are trying to rehabilitate, particularly with reference to strategic and critical materials.