

FEDERAL RESERVE BANK  
OF  
ST. LOUIS

OFFICE OF  
THE PRESIDENT

June 1, 1942

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

Dear Marriner:

I didn't have an opportunity to read your address to the District of Columbia Bankers until on the train going to Iowa last week. I think it is one of the best I have ever read. You did a magnificent job of compressing much into little space. The address had a fine press out here and I hope it will be widely read in full.

With personal regards, I am

Sincerely yours,



Chester C. Davis,  
President.

June 5, 1942.

Mr. Chester C. Davis, President,  
Federal Reserve Bank of St. Louis,  
St. Louis, Missouri.

Dear Chester:

Coming from a man who uses words as carefully as you do, your letter of June 1 commenting on my talk to the District of Columbia Bankers is gratifying and appreciated, though I have to admit that I prefer to make speeches that, while less agreeable and popular, take up a challenge or go more deeply to the root of current economic problems.

These being wartimes, one must be restrained and I, therefore, reluctantly refrained from saying what I really think about the inadequacy of the anti-inflation program. I was able in this talk to state the problem and perhaps by inference to suggest that the program falls short of meeting it. Anyway, as you know, I feel that the tax bill should be much stronger and go further in tapping the pocketbooks of all groups down to the subsistence level and that the so-called voluntary savings program will fail to touch the very groups whose pay envelopes are getting fatter and who are spending the bulk of the money for the shrinking supply of consumer goods. It seems to me naive to think you can draw off this buying power by exhortation or by anything short of compulsory savings in types of bonds that cannot be cashed until the emergency is over.

Anyway, I like a little flattery from you because you are discriminating and not given to it as a habit.

With best regards,

Sincerely yours,

(Signed) M. S. Eccles

ET:b