



NATIONAL BANK EXAMINER

TREASURY DEPARTMENT

OFFICE OF
COMPTROLLER OF THE CURRENCY

Post Office Box 1584
Waco, Texas

April 2, 1944

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

Dear Mr. Eccles:

Your address in the March issue of the Federal Reserve Bulletin on the subject of Possibilities of Post-War Inflation and Suggested Tax Action is a classic.

It is so regrettable that the major portion of the American business men and bankers and those who make our laws do not really understand the seriousness of the present growth of inflationary tendencies.

Many billions of dollars of losses by inflation, which are certain under our present "sins-of-omission" policy, can yet be prevented if we act in time.

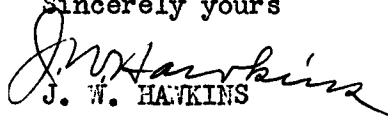
The American people should not be permitted to save (after taxes) \$100 billion (or more) in three years (\$27 billion in 1942, \$36 billion in 1943, and \$37 billion, or more, in 1944) while our sons and brothers are spilling their hot blood in all parts of the world.

Why should the people add \$100 billion (in three years) to the \$400 billion or \$500 billion savings, all their savings for one hundred sixty-eight years?

We who are engaged in our daily duties--and feel that we understand where ~~we~~ we are headed--do not have an opportunity to contribute much toward a sounder course. If we lose our past savings by inflation, with them we will also lose the financial backing of so many of our American institutions.

Proper tax action is our greatest weapon against inflation.

Sincerely yours


J. W. HAWKINS

(This is written as an individual and not as a National Bank Examiner. Please do not quote me by name.)

FOR DEFENSE



April 11, 1944.

Mr. J. w. Hawkins,
P. O. Box 1584,
waco, Texas.

Dear Mr. Hawkins:

This is to acknowledge your letter of April 2 in regard to my discussion of postwar fiscal policy as an instrument in helping to attain economic stability. I wanted you to know that I appreciated your taking the trouble to write me your always thoughtful and penetrating comments. I am particularly impressed with your recognition of the importance of proper tax policy.

You may be sure that I shall regard your letter as entirely personal and not for quotation by name.

With kindest personal regards,

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b