

March 5, 1945.

Honorable J. William Fulbright,  
United States Senate,  
Washington 25, D. C.

Dear Senator:

You may recall that when I was testifying before the Banking and Currency Committee in regard to the gold reserve requirement bill, I was questioned about the sharply rising prices of farms, homes, and other capital assets and asked what I thought could be done about it. My suggestion of a special war-time capital gains tax was widely misunderstood or misrepresented and, accordingly, I prepared an explanatory statement, a copy of which I am venturing to enclose because of your interest in and understanding of these problems of inflation control.

I am not taking the liberty of sending the statement generally to members of the Committee, but I am sending a copy to Senators Wagner, Taft, and Murdock from my State. I am also enclosing a copy of an illuminating letter in this connection written by an army sergeant.

Sincerely yours,

M. S. Eccles,  
Chairman.

Enclosures 2

✓ ET:b  
*ET*

*Fulbright*

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## United States Senate

COMMITTEE ON  
EDUCATION AND LABOR

CHARLES A. MURRAY, CLERK

March 8, 1945

Mr. M. S. Eccles, Chairman  
Board of Governors  
Federal Reserve System  
Washington 25, D. C.

Dear Mr. Eccles:

Thank you very much for sending me a copy of the explanatory statement you compiled in connection with your testimony before the Banking and Currency Committee. I appreciate your courtesy in sending me a copy as well as the communication from Sgt. Wilson.

With kindest regards and best wishes, I am

Sincerely yours,

*J. W. Fulbright*  
J. W. Fulbright

JWF/vmo