

1130 S. Spaulding Ave.,  
Los Angeles 35, Calif.  
January 24, 1946.

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

Dear Mr. Eccles:

I want to apologize for writing so many letters. Perhaps I have been something of a nuisance. However, I cannot pass the opportunity to express my sincere appreciation of your views in regard to our finances as contained in your recent statement. I have had a more complete statement since I wrote my last letter in regard to the position you took. I do believe that almost no one except yourself has regarded our national finances as anything but a means of making every one immediately happy. Perhaps my remarks concerning price control and changes in capital gains taxes were not exactly accurate. I agree with your view that a continuation of price control is necessary, and that whatever can be done to check the tendency of selfish men to use inflationary conditions for immediate profits by buying and selling, should be done. I think both policies are inconsistant with a free economy over the long term, and are not healthy. But as long as our financing has produced an excess of money and credit and buying power, we must retain them until we can correct that condition. In other words, I believe that we must continue price control for the present, and that an increase in capital gains taxes and the restriction obtained by a cash stock market, are sound for the present.

I certainly hope that you may give support by other elements in Washington, and that business men may be able to realize that their permanent interest requires prosperity which will last, rather than a temporary boom which will be followed by a depression when our great supply of money and credit has been spent for high priced consumer and capital goods, and when we must rely upon the earnings and the savings of the great majority of our citizens to supply the purchasing power necessary to keep business stable.

Yours truly,



January 28, 1946.

Mr. L. A. Fisher,  
1130 S. Spaulding Avenue,  
Los Angeles 35, California.

Dear Mr. Fisher:

Your letter of January 24 is particularly gratifying and I wanted you to know that I appreciated having your comment on what seem to me to be the appropriate precautionary measures that have long been and still are needed while the economy is faced with heavy inflationary pressures.

Sincerely yours,

M. S. Eccles,  
Chairman.

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