

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON 25, D. C.

EDWIN G. NOURSE, CHAIRMAN  
LEON H. KEYSERLING, VICE CHAIRMAN  
JOHN D. CLARK

March 7, 1947

Dear Mr. President:

The Council has of course been closely watching the trend of developments since the submitting of your Economic Report to the Congress. During the last few weeks, we have become increasingly concerned because of the fact that prices, instead of being adjusted downward, have shown a pronounced uptrend. This is advancing the cost of living just at the time when new wage negotiations are being opened, thus making a highly unfavorable situation for the attainment of business stability and full employment in 1947.

We are directing our thinking and the work of our staff intensively to making an evaluation of this situation, of how serious its implications might be, and of whether there are any effective steps that the Government might take toward arresting these unfavorable developments. While we are extremely sorry that you had to forego your Caribbean trip, we are somewhat relieved that this will make it possible for us to lay before you, possibly some time next week, whatever findings we have made or any suggestions for action which may seem to us worthy of your consideration.

Sincerely yours,

Chairman

The President  
The White House