

October 1, 1947

Dear Mr. President:

We hand you herewith our review of the national economy at the close of the third quarter.

The price situation continues to be the focal point of our national economic problem. We do not, however, believe that it as yet threatens to get out of hand if measures within our power are wisely used.

1. We believe that the approach through education and voluntary cooperation will go far toward checking prices, sharing equitably such scarcities as cannot be avoided, and continuing the stimulus for future production.

2. We believe, however, that in the face of uncertainty as to future needs, future supplies, and the precise effectiveness of the voluntary program, a full armory of control measures should be carefully studied and prepared for prompt use if needed.

3. While we are meeting immediate emergencies, we must always consider the needs of long-time economic stabilization and make short-run measures fit into that program rather than upset it.

The subject-matter of this memorandum was considered up to last Friday with Mr. Clark. His subsequent absence in Wyoming has prevented his checking the final draft or signing this letter.

Respectfully,

Edwin G. Nourse, Chairman

Leon H. Keyserling, Vice-Chairman

The President
The White House