

August
Ninth
1948

File
F. C. B.

Mr. P. P. Butler, President
First National Bank in Houston
Houston, Texas

Dear Mr. Butler:

I appreciate your telegram of August 5, giving expression to your feeling in reference to extension of the Federal Reserve authority on bank reserves.

I am enclosing herewith an excerpt of my testimony before the House Banking and Currency Committee last week.

Sincerely,

jws:bp
enc:

JOHN W. SNYDER

K.WU15 NL PD

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HONORABLE JOHN W SNYDER, SECTY OF THE TREASURY

IN MY JUDGEMENT THE INFLATIONARY TREND IS NOT ATTRIBUTABLE TO
OVER EXTENSION OF BANK CREDIT BUT RATHER TO EXTRAVAGANT
SPENDING BY GOVERNMENT PLUS CONTINUED ACCEDING TO DEMANDS OF
LABOR FOR UNREASONABLE INCREASES. THE PROPOSED INCREASE IN
RESERVE REQUIREMENTS AND REGULATION OF CONSUMER CREDIT ARE
UNNECESSARY AND WILL SERIOUSLY IMPEDE NORMAL PROGRESS,
HANDICAP THE FINANCING OF OUR LARGE AGRICULTURAL CROP AND
WILL CONTRIBUTE LITTLE OR NOTHING TO CONTROL OF INFLATION.

I URGENTLY SUGGEST CONSIDERATION OF DELAYING THIS
LEGISLATION PENDING MORE THOROUGH STUDY

P P BUTLER PRESIDENT FIRST NATIONAL BANK IN
HOUSTON

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