

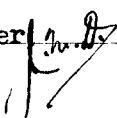
Office Correspondence

FEDERAL RESERVE
BOARD

Date March 29, 1935

To Governor Eccles

Subject: Bodfish, etc.

From J. M. Daiger 

G.P.O. 16-852

The fact that Bodfish did not testify before the House committee yesterday, as Mr. Steagall on Thursday had told me he would do, does not mean that we are to count him out of the picture. What it means is simply that there has been a hitch in the plan to have the life insurance companies, the savings banks, and "the other thrift institutions," as Hancock calls the building and loan associations, present something like a solid front in opposition to Section 210.

The plan was to call a representative of each of these three groups, but the groups that Mr. Steagall and Mr. Hancock had been talking about for several days was Bodfish's. Apparently the only available spokesman besides Bodfish was former Congressman Luce, of Massachusetts, whose interest is in both the savings banks and the building and loan associations of New England. It is still possible that Luce and Bodfish will testify some time next week.

I doubt very much that the big insurance companies will send anyone to testify. I had some first-hand information about a week or ten days ago that these people are more concerned about staying out of ^{the} Washington limelight than getting into it. They are apprehensive that there will yet be a Congressional investigation of insurance-company practices. And my information from New York is that the savings banks are not disposed to go along with Bodfish, though they know of the plan that has been under discussion here.

I do not want to give the impression that Mr. Steagall and Mr. Hancock are the only ones who are especially interested in the building-and-loan people. I think that a substantial majority of the committee, both Democrats and Republicans, are usually inclined to go along on matters that Bodfish initiates. Horace Russell told me a couple of weeks ago that Bodfish had got through the House committee four amendments to the HOLC-FHA bill that the HOLC did not want.

The House Committee held an executive session yesterday afternoon in Mr. Steagall's office, and there will be another executive session Monday morning. The matter of further hearings will be taken up at that time.