

## Office Correspondence

FEDERAL RESERVE  
BOARDDate November 4, 1935

Governor Eccles

Subject: Quotation from Mr. GrimmFrom J. M. Daiger

... 16-882

*file*

I do not know whether I have told you that it has been evident for some time that Mr. Peter Grimm has gone in for publicity in a big way and that it has gone to his head in a big way. He still seems to me to be very much confused and to be jumping from bush to bush without any sense of direction.

The week-end releases of real-estate publicity contain some material from the American Builder, the Eastern editor of which regards Mr. Grimm's prophecies of a "big building push" in 1936 as "startlingly encouraging." Among other things in the article on Mr. Grimm's predictions is a summary of "facts which the Treasury is now taking steps to make clear to the banks and lending institutions of the Nation" in regard to mortgage loans insured by the FHA. One of these Grimm facts is quoted as follows:

"These mortgages may be discounted with the Federal Reserve and are therefore liquid assets. This most important feature is included in the Banking Act of 1935 and is an epochal step forward in transforming mortgage loans from frozen to liquid assets."