

**FEDERAL RESERVE BANK
OF NEW YORK**

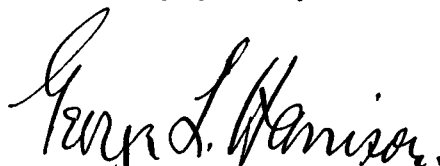
June 9, 1938.

Dear Chairman Eccles:

I have read your letter of May 26, in reply to mine of May 20, with great interest. I am delighted that we are so much in accord with respect to current recovery problems, though I feel you have misconstrued our reference to income tax revision. I had not intended in my letter to deal with the longer range future, with which much of your letter is concerned.

What the valid conclusions for policy are in this complex field is still, we feel, very much an unsettled question. We plan to do some further work on it, and if we reach conclusions which we feel may be helpful, we hope to send them to you later.

Faithfully yours,


George L. Harrison,
President.

Hon. M. S. Eccles, Chairman,
Board of Governors of the Federal Reserve System,
Washington, D. C.