

NATIONAL HOUSING AGENCY

FEDERAL HOME LOAN BANK SYSTEM

FEDERAL HOME LOAN BANK BOARD BUILDING

FIRST & INDIANA AVENUE, N. W.

WASHINGTON 25, D. C.

OFFICE OF THE GOVERNOR

March 29, 1944


Honorable Marriner S. Eccles
Chairman, Board of Governors
Federal Reserve System
Washington, D. C.

Dear Marriner:

I have read your press release of March 24, embodying the statement which you made to the Banking and Currency Committee of the Senate on the same date. It is so compact and clear an outline of the fiscal problems confronting us as a result of the war, and the course of action necessary to meet them, that again I would ask for some fifteen copies for dissemination by me among our Bank Presidents. As you know, they are becoming an enthusiastic and influential segment of your "public". Your rather chill attitude toward their activities, and more particularly that of your noble associates, in no wise affects their genuine admiration for your grasp of the Nation's fiscal problems, and the consistent leadership which you are giving in the field of money, banking and credit, which, after all, is something like the metabolism of a capitalist system.

I am glad to spread the principles of enlightenment as you expound them from time to time, through the nation-wide extent of our System. I realize that in these matters, as well as all the major matters of Government policy in national and international affairs, the ultimate determination must depend upon the average understanding of our people and the mean level, so to speak, of their moral discipline and mature thought. Our so-called Democratic process may creak a little in this streamlined age, but none of us can escape the fact that the System is shrewdly designed to give us the government and the policies which we ask for and deserve. This fact may fill one with fighting hope, or with a deep-seated fear, dependent upon how truly a believer he may be in Democracy, but in any event, the all-important thing is the general spreading of information, regarding these major matters, in the most understandable way possible.

Sincerely yours


James Twohy
Governor

FEDERAL HOME LOAN BANK ADMINISTRATION
FEDERAL HOME LOAN BANK SYSTEM
FEDERAL SAVINGS & LOAN INSURANCE CORPORATION
HOME OWNERS' LOAN CORPORATION
UNITED STATES HOUSING CORPORATION



April 1, 1944.

Dear Jim:

Naturally your letter of March 29, commenting so generously on my statement to the Banking and Currency Committee of the Senate, tends to melt that chilled exterior which you imagine encases me and others, at least when we contemplate a youthful but ambitious institution like yours. I have had frequent occasions to admire your always diplomatic and deft touch, and your gratifying letter is no exception to your usual high standard.

Needless to add, I think you and I view the economic and political scene with much the same thought about it.

With kindest personal regards,

Sincerely yours,

Honorable James Twohy,
Governor,
Federal Home Loan Bank System,
First and Indiana Avenue, N. W.,
Washington 25, D. C.

ET:b