

Sunnyside
Franklin , Massachusetts

August, 3, 1948.

Marriner S. Eccles
U.S. Federal Reserve System,
Washington, D.C.

Why--A--1948--Stepping Stone--For--A--
Second Advanced--Long Range--MAJOR--
Financing--Employment--HOUSING--EDUCATION--HEALTH--
As--A--Rebirth--Bipartisan--Subject--
Nation-Wide--Is--So--VITAL--To--Be--LAID--NOW-

Dear Mr. Eccles:-

I was surprised to read in the Boston Herald - "WASHINGTON, July 30
That you were ditched by President Truman as federal reserve chairman--
testified--that you vigorously opposed as " inflationary" the long range
housing program asked by Mr. Truman and already passed by the Senate-48 to 37

I am surprised that a federal reserve member would base his conclusions
and make public his report from scrap information--instead of personally
making an examination as a responsible banker's duty to the public. and in
this case- explain to the public --WHY--it was a foolhardy program for the
millions of underprivileged children in the future of America.

I think that we were very fortunate to have 11 republicans and 37
democrats--whom were patriotic enough--to resist the \$ 53,000. the lobbyists
had to report..that might be the reason 36 republicans and one democrat
whom were hardhearted enough to refuse to give our future-^{children} an equal opportunity
for secondary and higher education-that has broken many parents and boys and
girls hearts. and you are gleeful to pull out the stopper and let it go
down the drain--before the Senate Committee-

I trust you will honor to admit that your " inflationary long range was
ill advised statement--or--will kindly specifically explain why you consider
it inflationary--and would be another tax burden on the U.S.A.

I trust this will have a kindly recognition--and a reply from you.

Sincerely yours
Hubert H. Gates.

August 20, 1948

Mr. Hubert H. Gates,
Sunnyside,
Franklin, Massachusetts.

Dear Mr. Gates:

It is apparent from your letter of August 3 that the newspapers did not give you an accurate impression of my testimony with respect to the housing feature of the program submitted by the President for the consideration of the Congress. I had previously presented the position of the Board of Governors of the Federal Reserve System at a hearing before the Joint Committee on the Economic Report on November 25, 1947, and when I was called upon to appear before the House Committee on Banking and Currency in connection with the credit and monetary aspects of the program I was asked some questions in regard to the proposed housing legislation. In these questions and in my answers distinctions were drawn between some features to which I had no objection and other features which I considered to be distinctly inflationary in their probable effects upon the economy. Since you are interested in the reasons for my position, and since I expressed them in this testimony, I am sending you a copy of the printed record and hope that you will find it helpful to you.

Very truly yours,

