

UNION TRUST COMPANY OF MARYLAND

MEMBER FEDERAL RESERVE SYSTEM

BALTIMORE 3

THOMAS B. McADAMS
CHAIRMAN OF THE BOARD

November 26th, 1947

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

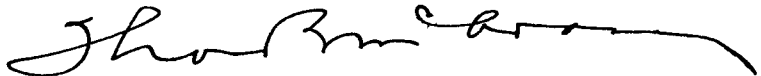
My dear Marriner:

I read with much interest your testimony to the
Joint Congressional Econnomical Committee.

While I note your reference to making credit terms
less liberal under the Veterans Administration, etc., I am wondering
why there is any justification at present (except possibly for veteran
houses where there is a shortage) for loans to be authorized which would
not be discountable or salable except for Government guarantee.

In other words, with the possible exception of a limited
number of loans to help veterans get back on their feet, why should we
continue procedures which were created for inflationary purposes fifteen
years ago through such agencies as the R. F. C., F. H. A., Federal Farm
Mortgage Corporation , Federal Intermediate Credit Bank, etc. If these
activities were greatly limited in scope or actually done away with (except
insofar as the collection of outstanding obligations is concerned) it
would save the Government a lot of money and do more to stop inflation than
any other one thing that could be done.

Sincerely yours,



Chairman.

TBMCA.K.

December 8, 1947.

Dear Tom:

I very much appreciate your letter of November 26 with reference to my recent testimony before the Joint Committee on the Economic Report.

You might be interested in seeing the text of the revised statement I placed in the record with regard to housing credit and, accordingly, I enclose a copy.

Sincerely yours,

Mr. Thomas B. McAdams,
Chairman of the Board,
Union Trust Company
of Maryland,
Baltimore 3, Maryland.

Enclosure

ET:b