

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

HENRY T. BODMAN
MEMBER OF THE BOARD

October 19, 1948

Dear Marriner:

Apropos of our conversation this noon, the August issue of The National City Bank Letter in discussing the President's anti-inflation program, states as follows:

"Given these conditions of tightness in the building field, it seems probable that passage of the Taft-Ellender-Wagner bill, or similar legislation, would result, as suggested in these columns a month ago, not in more housing but only in more expensive housing for most people, with inflationary effects spreading throughout the entire economy. On the latter point, no one has been more emphatic than Mr. Marriner Eccles, of the Federal Reserve System and formerly its chairman. Testifying before Congress last Fall, Mr. Eccles described the expansion in 'excessively easy mortgage credit for housing' as 'perhaps the most inflationary single factor in the present situation.'

"Again, testifying before Congress last month on the President's recent proposals, Mr. Eccles vigorously opposed as 'inflationary' the long-range housing program."

This may not be quite as much of a plug as I had recollected but, considering the source, it's quite a concession.

With kindest regards,

Sincerely yours,



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

October 22, 1948.

Dear Harry:

Thanks for your letter of October 19 giving me the quotation, in which reference is made to me, from the August issue of the National City Bank Letter discussing the President's anti-inflation program. I agree with you that the reference is a favorable one, and considering the source it is all, if not more than, I could expect.

I was glad you came over to lunch the other day. We all enjoyed visiting with you. Be sure to do it again.

With kind personal regards.

Sincerely yours,

Honorable Henry T. Bodman,
Member of the Board,
Reconstruction Finance Corporation,
Washington, D. C.

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