

FIRST SECURITY TRUST COMPANY
SALT LAKE CITY, UTAH

FREDERIC E. SMITH
PRESIDENT

March 19, 1945

Dear Marriner:

I was very glad to receive a copy of the press release, which you so kindly had sent to me, with the statement of your views on a capital gains tax. The press had garbled your statement so badly that I was greatly pleased to have this full statement, which, I might add, is exactly along the lines that I think proper.

We have seen here, particularly in our Real Estate Department, fantastic prices at which medium-sized homes are selling for. We are constantly surprised at the absurd values placed on these homes and to find that they are snapped up just about as quickly as they are put on the market. In some cases prices are up almost 100%.

I think one of the most telling points of your statement is that made in the last paragraph where you refer to the reaction of the men returning from the armed forces to civil life and the problem that they will have to acquire a farm or home should these prices prevail. I congratulate you on the clarity of the statement and on its soundness.

George told me sometime ago that you were anticipating a trip home sometime in April and I assure you it will be a pleasure to see you at that time.

With my very best regards, I am

Very sincerely yours,



Fred E. Smith

P.S. I am enclosing a statement made by Dr. Marcus Nadler recently, which you have probably seen, but in case you have not, it might be of interest to you as this is the first time that Dr. Nadler has been concerned about the possibility of inflation, and this is quite a reversal of his former position.

Mr. Marriner S. Eccles, Chairman
Federal Reserve Board
Washington, D.C.