

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date February 11, 1946

To Chairman Eccles

Subject: _____

From Woodlief Thomas

Friday evening I had a telephone call from Sherwin Badger, Economist of the New England Mutual Life Insurance Company, who wanted to be sure that you received a message from Mr. George W. Smith, President of that Company and also President of the Association of Life Insurance Presidents. Mr. Smith wanted to let you know that the insurance companies agree wholeheartedly with your statement issued at the time of the increase in margin requirements and feel that the matter of further expansion in bank credit presents a serious problem. Mr. Smith is sorry that he did not have an opportunity to see you Friday to deliver this message in person.

Mr. Smith conferred Friday with the Secretary of the Treasury. As I understand from Mr. Badger, the position they are taking is that the level of interest rates is not as important as the continued expansion of bank credit.

W. T.