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Honorable Thomas F. Ford -- 2

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limitations and vest in the Federal Reserve Board the power to prescribe the necessary limitations by regulations which could be modified from time to time to meet changing conditions. If my proposed substitute section is adopted, the Federal Reserve Board can prescribe regulations which will meet the point raised by Mr. Macdonnell with respect to the 60 per cent limit on the aggregate amount of real estate loans that may be made by State member banks.

I trust that the foregoing answers the objection of Mr. Macdonnell and others who may be similarly situated. In accordance with your request I am returning the letter to you from Mr. Macdonnell. I also inclose a copy of my letter to Mr. Macdonnell in answer to his letter to me dated March 11, 1935. As you will note, I have inclosed a copy of this letter in my letter to him.

With best wishes, I am,

Yours sincerely,

(Signed) Marriner S. Eccles

Marriner S. Eccles,  
Governor.

GENERAL COUNSEL'S OFFICE,

Dictated by *JSD*

Approved by *JSD*

Revised by .....

Inclosure

JTC:am

Copy sent to Mr. J.S. Macdonnell

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