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March 15, 1951.

Mr. George C. Bass,
Director of the Technical Staff,
U. S. Treasury Department,
Washington, D. C.

Dear George:

I am enclosing herewith photostatic copies of an article which appeared in the March 7, 1951, issue of the American Banker and of my letter to Mr. Clinton B. Axford, Secretary and Editor of the American Banker, replying to the article. I have asked Mr. Axford to publish my letter. I think you will find the enclosures interesting as well as clarifying.

I understand that certain people in the Treasury are responsible for the article in the American Banker.

Sincerely yours,

M. S. Eccles.

Enclosures

VE:dls

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March 15, 1951.

Mr. Edward F. Bartelt,
Fiscal Assistant Secretary of
the Treasury,
U. S. Treasury Department,
Washington, D. C.

Dear Ed:

I am enclosing herewith photostatic copies of an article which appeared in the March 7, 1951, issue of the American Banker and of my letter to Mr. Clinton B. Axford, Secretary and Editor of the American Banker, replying to the article. I have asked Mr. Axford to publish my letter. I think you will find the enclosures interesting as well as clarifying.

I understand that certain people in the Treasury are responsible for the article in the American Banker.

Sincerely yours,

M. S. Eccles.

Enclosures

VE:dls

COPY

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

March 15, 1951.

Dear Bill:

If you have an opportunity in your crowded life to look at the attached it might be of interest to you because I think it clears up what seems to be a very wide-spread misunderstanding, or rather an assumption, that there is inconsistency in not supporting the long-term 2-1/2 per cent bonds now when we did support them in 1948.

I don't know the origin of the American Banker story but I have been told that it emanated from your side of the street. It doesn't matter very much but I did feel I should answer.

Sincerely yours,

M. S. Eccles

Enclosure

The Honorable William McChesney Martin, Jr.,
Assistant Secretary of the Treasury,
Washington, D. C.

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March 17, 1951.

Dear Allan:

I am sending to you herewith photostatic copies of an article which appeared in the March 7 issue of the American Banker and a copy of my letter to Mr. Axford under date of March 15, which was in answer to the article and which he published in the March 19 issue of the American Banker. The article covering what I said in Iowa in 1948 makes it appear that I and those who supported the $2\frac{1}{2}$ long-term bonds at that time are inconsistent in being opposed to support at the present time. You will note that I referred to you as taking the same position in 1948 in justifying the support of the $2\frac{1}{2}$ s.

I am leaving for the West this weekend and expect to return to Washington around the middle of April. I hope you are feeling much better than you were the last time I saw and talked to you, and that you will take good care of yourself.

With kindest regards,

Sincerely yours,

M. S. Eccles.

Mr. Allan Sproul, President,
Federal Reserve Bank of New York,
New York 45, New York.

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March 19, 1951.

Mr. Joseph A. Erickson, President,
Federal Reserve Bank of Boston,
Boston, Massachusetts.

Dear Leif:

Mr. Eccles asked me to send you a copy of the attached letter which was printed in the American Banker this morning answering the charge that he and other members of the Open Market Committee were inconsistent in supporting the 2-1/2 per cent long-term yield in 1948 and in pursuing a different policy now.

Sincerely,

Elliott Thurston.

Enclosure

IDENTICAL LETTERS TO PRESIDENTS OF NEW YORK, PHILA., CLEVELAND, RICHMOND,
CHICAGO, ST. LOUIS, MINNEAPOLIS, KANSAS CITY, DALLAS, SAN FRAN.
AND 1ST VICE PRESIDENT OF ATLANTA.

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Office of the Chairman

April 10, 1951

Dear Marriner:

I appreciated your letter of March 15 with respect to the apparent inconsistencies in your position of 1948 and today. I think you are correct that this did come from Treasury sources and am glad to have your general thinking.

I delayed answering because I knew you were out of town, and I am looking forward to chatting with you at the first opportunity. In the meantime, my best as always.

Sincerely yours,

(Signed) Bill

Wm. McC. Martin, Jr.

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