

FRANKLIN COLE & COMPANY
INCORPORATED
120 BROADWAY
NEW YORK 5, N.Y.

March 7, 1947

Mr. Elliott Thurston, Asst. to the Chairman
Board of Governors of the
Federal Reserve System
Washington, D. C.

Dear Mr. Thurston:

May I trouble you for a copy of the Chairman's testimony
before the House Banking Committee?

One of these days I should like to have your ear on the
subject of financing small and medium sized business. I note
that legislation again centers around guaranteed loans. It
is my conviction that small and medium sized business should
have equity capital and that investment banking mechanism
does not function properly - witness the drastic decline in
many of the stocks offered last year which are now selling at
less than 50 per cent and in a number of instances at only
one-third of the offering price, despite the fact the business
activity level is exceptionally high. This experience merely
repeats what took place in 1936 and in 1928-9 when security
offerings were large.

With best regards, I am,

Sincerely yours,



Rudolph L. Weissman

RLW:lg

March 10, 1947.

Mr. Rudolph L. Weissman,
Franklin Cole & Company, Inc.,
120 Broadway,
New York 5, New York.

Dear Mr. Weissman:

In accordance with your letter of March 7, I enclose a copy of Mr. Eccles' prepared statement on the second day of his appearance before the House Banking and Currency Committee. I do not have copies of the complete testimony.

I should like very much to have a talk with you about the problem of equity versus working capital.

With best regards,

Sincerely yours,

Elliott Thurston,
Assistant to the Chairman.

Enclosure

ET:b