

FOUNDED 1812

# THE PENNSYLVANIA COMPANY

FOR BANKING AND TRUSTS

MEMBER FEDERAL RESERVE SYSTEM

WM. FULTON KURTZ  
PRESIDENT

PHILADELPHIA 1

August 19, 1948


Dear Marriner,

Speaking "off the cuff," that was a darned good statement you made before the House Banking and Currency Committee and an excellent, terse explanation of the forces that have largely caused our present uncomfortable price level. While you may not agree, I am inclined to think we are bumping along the ceiling at the moment, and that there is some significance to the many soft spots that are beginning to appear. I hope we can have our corrective recession soon and without too much distress.

Again I want to say I very much miss our old Washington meetings and my chance to argue with you.

With all good wishes, I am

Sincerely yours,



Hon. Marriner S. Eccles  
c/o Board of Governors of the Federal Reserve System  
Washington, D. C.

*Handwritten notes:*  
They will be  
c) We don't get  
Federation Bank  
credit at Pennim  
of long-term deposits  
Bill  
think we will  
come to Pennsylvania  
the next year -

August 23, 1948.

Dear Bill:

Our erstwhile Chairman meant to write to you personally in response to your letter of August 19, but instead he requested me to send you this note of acknowledgment and appreciation. As you know, these have been crowded hours, with Regulation W and other urgent matters, so that it was late Friday evening before he had an opportunity to dictate a reply and as nobody around here can forge his signature it seemed most appropriate to have me tell you that he thinks you may be right about bumping along the ceiling, provided we do not get a further bulge in bank credit and a budgetary deficit, not to mention insurance company dumping of securities into the lap of the Open Market Committee. His best guess is that we will continue to bump along the ceiling until after the turn of the year. He is in complete accord with you that the sooner we have the "corrective recession" the less painful it will be.

Let me add that you are genuinely missed at the Advisory Council meetings.

Sincerely yours,

(Signed) Elliott Thurston

Mr. Wm. Fulton Kurtz, President,  
The Pennsylvania Company,  
Philadelphia 1, Pennsylvania.

ET:b