

Federal Savings and Loan Insurance Corporation

E. E. Byer - Special Representative

2832 West Cermak Road

Chicago 23, Illinois

January 26, 1951

Dear Marriner:

I listened with a great deal of interest to a Chicago commentator last night on TV who talked at some length on the views you expressed before the Senate Economic Committee regarding a 44 hour work week as a means to combat inflation. I suppose you get the news clippings, but am enclosing one from the Chicago Tribune.

Some months ago the banking publications carried stories about your contemplated resignation, but I assume that on account of the war and inflation you decided to stay to do your part in helping the National situation and I, among many others, am pleased with your decision. In analyzing the financial news with respect to the actions of the Federal Reserve Board and reading between the lines I have reached the conclusion that you are still, in a large way, dominating or perhaps I should say guiding, the policies of the Board and I see that even McCabe on occasions publicly disagrees with Truman and Snyder. Incidentally, Truman seems to be heartily disliked here and all the Chicago papers criticize him.

I am in Chicago on a temporary assignment, in charge of liquidating the assets of a five million dollar insured, state chartered savings and loan association. In this case the Insurance Corporation paid all shareholders in full and purchased the assets to avoid a long and probably costly liquidation by state officials. We had an estimated loss of several hundred thousand dollars, as the association had made construction loans to a speculative builder who turned out to be a crook. After all construction funds had been disbursed, the association discovered they had shells, only four walls and a roof, instead of completed houses. Through some very favorable deals and with the help of a good builder I have succeed in completing and selling the houses at a profit. As a result the liquidation will show a profit instead of the contemplated loss.

I have been on three liquidations to date and have been in charge of two which paid over a 100%. Am the senior liquidator for the Insurance Corporation and my job description states, in effect, that I shall have charge of large and important liquidations with full authority, etc., etc. I believe this rather refutes the theory or thinking of you or others that I lacked the ability to operate or to be placed in charge of a bank.

I expect to return to Washington in the early summer.

With best regards to you and Miss Egbert.

Sincerely



E. E. Byer

January 30, 1951.

Dear Ed:

It was thoughtful of you to write me and send the clipping from the Chicago Tribune relative to my testimony on January 25 before the Joint Committee on the Economic Report in its hearings on the President's Economic Program.

I was interested in hearing about your work with the Federal Savings and Loan Insurance Corporation and that you are now their senior liquidating officer. I am glad to know that you are doing so well and are handling such important liquidating jobs. I know it must be a great satisfaction to you to know you are accomplishing such good results.

With kind regards and best wishes,

Sincerely yours,

M. S. Eccles.

Mr. E. E. Byer,
Federal Savings and Loan Insurance Corporation,
2832 West Cermak Road,
Chicago 23, Illinois.

P.S. Thinking you may be interested in reading the full text of my statement, I am enclosing a copy herewith.

M.