

LYLE T. ALVERSON
NEW YORK

120 East 79th Street,
New York City,
February 1, 1951.

Honorable Marriner Eccles,
Federal Reserve Board,
Washington, D.C.

Dear Marriner,

If available I should awfully glad to have of your recent testimony before the Joint Committee on the subject of interest rates and credit expansion.

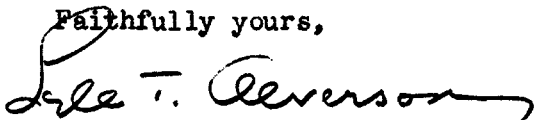
It seems to me that the real villain up to this date is the expansion of commercial loans by the private banks. In case that "ceilings" are the answer, an absolute ceiling on the quantity of loans, regardless of reserves, and relating to the total of loans as of an historic date, would be the best of all possible ceilings.

When the expansion of check money resulting from government spending hits us, we will have received the "one-two," and the result will be bad.

I am wholly in accord with your ideas as expressed in the newspaper reports of what you said.

With kind regards, I am

Faithfully yours,

A handwritten signature in dark ink, appearing to read 'Lyle T. Alverson', with a long, sweeping horizontal stroke at the end.

Lyle T. Alverson.

February 13, 1951

Mr. Lyle T. Alverson,
120 East 79th Street,
New York City, New York.

Dear Lyle:

Thank you for your letter of February 1. Enclosed is a copy of my statement before the Joint Committee on the Economic Report, which I am glad to make available to you.

I was interested in your views about the type of "ceilings" on bank loans which might be imposed if our broader efforts to curb expansion of the money supply are thwarted. The primary disadvantage of quantitative loan ceilings, it seems to me, is that, unless innumerable exceptions are to be permitted, they do not make allowance for changed geographic or industrial requirements for bank credit resulting from the defense program.

Very truly yours,

M. S. Eccles.

Enclosure

ES:dm