

November 5, 1946.

Dear John:

It occurred to me that you might be interested in seeing just what the Chairman said in his Boston talk about margins and, accordingly, I am enclosing a copy. It seems to me that it focuses the thing at the point that appeals to you, as it does to me, as the important one, that is, the function of the stock market in channeling capital into new productive enterprise.

I am glad you took occasion to emphasize again your own slant on the problem, including the matter of rights.

Faithfully,

Mr. John K. McKee, President,
Continental Bank and Trust Company,
New York City.

Enclosure

ET:b

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The Continental Bank & Trust Company of New York
Thirty Broad Street
New York 15, N.Y.

JOHN K. McKEE
PRESIDENT

November 6, 1946.

Dear Elliott:

Many thanks for your kind letter of November 5, and its enclosure. I shall be glad to read Marriner's speech in full, as I only saw excerpts from it in the press. What remarks I made to you and your associates while visiting Monday, were my honest opinion of what would do the most for all concerned at this time. If you will bear in mind that we could use a lot of loans adequately secured by marketable securities, you can understand that my remarks were not made with any selfish motive in mind.

It was good to see you all again, and I enjoyed your hospitality. When you come to New York, maybe I can buy you a lamb chop, so that you may stick to your diet.

Sincerely yours,



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