

SIXTEEN WALL STREET
NEW YORK

B. A. TOMPKINS

January 18, 1946

Mr. Marriner S. Eccles,
Federal Reserve System,
Washington, D. C.

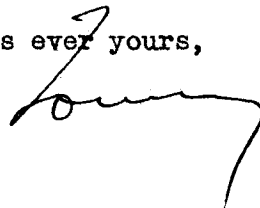
My dear Marriner:

Just a note to congratulate you on your statement issued in connection with the new 100% margin requirement. As you point out, the real trouble is, of course, the amount of the deficit and the large extent of its financing through the creation of commercial bank credit.

I am still of the opinion that the debt could be shifted in large measure from the commercial banks to the bona fide long term investor if the Treasury would make a tap issue available to the latter group. In my opinion the advantages of low service costs on the public debt are more than offset by the disadvantages to the entire economy, resulting from constant declines in the interest rate.

Take care of yourself and believe me

As ever yours,



BAT/H



January 28, 1946.

Mr. B. A. Tompkins,
16 Wall Street,
New York City.

Dear Tommy:

Your note of January 18 commenting favorably on the statement I gave out when we raised margin requirements to 100 per cent is particularly appreciated, the more so because most of the mail originating from your neighborhood lacks your statesmanlike vision, so to speak.

Of course the E, F. and G Bonds are on tap, but this is a large and complicated subject which I won't attempt to go into in a letter.

With best regards,

Sincerely yours,

ET:b