

BRAZEA BRAZEAU BANK

CAPITAL \$10,000.00

BRAZEAU, MO.

June 25, 1938.

Chairman Marriner S. Eccles,
Federal Reserve Board
Washington, D. C.

Dear Mr. Marriner:

Recently we were examined by the FDIC examiners, and while the matter of our examination was still fresh on our minds, we read an article in the "St. Louis Post-Dispatch" bearing date June 17th, with the heading: "Easier Credit At Banks Urged By Reserve Head." The writer read each word of it, wishing there had been more of it, it so completely expressed the attitude so many bankers are taking now.

Before I go any further, just one glance at this letter-head will prove to you that we are very small. So small that we should not even be considered worthy of expressing an opinion as to what we think about banking or anything else, however, there is no restriction, so far, on a person saying what he or she thinks, even though it may not cause any comment. Laying all that aside, it is good to know that someone thinks "soundly" on the banking situation.

We all appreciate what the FDIC has done for us. In our particular case, at the time of the banking holiday, things were very discouraging. We were miserably small, are yet very small. Banks around us were closing each day, some very large banks, and all of us, large and small, wondering what the outcome would be. The good Samaritan, in form of the FDIC came along and rescued us all. Confidence was restored, both to banks and their depositors, but that credit belongs to Mr. Roosevelt, and nobody else. At any rate, we all took a new start, both large and small, but where are we headed?

At present, all of us have too much idle money, even us, who are so small. The question confronts us as to what to do with that idle money. Lend it? Surely, why not? So we go on and lend it. We think we know the people to whom we lend it, and we rest a little easier, thinking we have made a reasonably good loan until-----FDIC examiner pays us a visit, then to our sorrow, we find that we have made a serious blunder, and if we aren't careful, we get an invitation to throw out that note. And the next year, the same invitation is again extended, only it becomes a demand. To be sure, a thrown-out note is not to be burned, it may be collected at any time, but as the supply grows each year, the game loses its glamour or magic influence, and it would take a man with a steel constitution not to become discouraged and say "What is the use to try and lend money", but that won't do, idle money draws no revenue, and you are critisized severely again, so what is a fellow to do, have you a solution? We all need one.

Once in a while, or twice in a while a "small man" comes in and asks for a loan. He needs it to operate his business with, or to meet a necessity. He can't give large amount of security, bet he can give enough to satisfy the

M. S. E. # 2.

banker, whom he has known all his life. He gets his money and goes on about his business of whatever it is, and all is well until the banker is obliged to notify him that he MUST pay up AT ONCE. Not because the banker himself is not satisfied, but because of the restrictions placed upon him. The man is defeated, he rightfully feels that all is against him, and that a bank is the place where he must shy around, he is not welcome there for they were meant for big men and big concerns, and very big at that, and the time has come when some very good people hesitate to borrow from banks for the simple reason that they may be called upon to meet their obligation at a time when it is not convenient and they are politely informed by the banker that their note is "rotten", and ~~he is~~^{they are} a poor risk.

I am not objecting to FDIC examiners. In most cases they are a nice sort of people to deal with, and the blame is not to be placed on their shoulders as they must meet the requirements of the Corporation, regardless of who it hurts, but it does seem that the Corporation's restrictions are rather severe, with the result that bankers are becoming discouraged.

Oh yes, you are going to look up in the "Blue Book", and you will find that the writer is a woman Cashier of one of the smallest banks in the state of Missouri, and that fact will likely cause a good broad smile to appear on your face, as well as on the faces of those around you, which is well and good, I wouldn't want you to cry, so get all the "gang" together, call in Mr. Roosevelt, the man whom we have all been, and are still so proud of, and the man with broadest smile of any man in whole United States, and take a good hearty laugh over the fact that your opinion, expressed on "Easier Credit At Banks Urged By Reserve Head" is responsible for these few lines, simply because that opinion runs along the same line as that of the writer, only you had sense enough to express yours, and I didn't have, and wouldn't be heard anyway. I do not propose to know anything about the Federal Reserve System, but I believe that most of us recognize sound judgment when we come in contact with it, and I also believe that after reading the above mentioned article, every banker who read it wanted to shout "Hallelulah, Brother, that is what we have all been thinking but just hadn't said it."

Being one of the smallest banks in the state, we were proud that we were able to live through the Hoover administration, or the depression, or anything else you may desire to call it, and we have said that we WOULD NOT give up the fight during the Roosevelt administration (the entire board happens to be Democrats), but since our last examination, we are not so sure of it. If the Cashier can regain enough grit and encouragement to keep fighting, we may make it, if they will permit us to bury the note case before another annual FDIC examination.

If you have read this, I want to say "Thank You" for your time. If you have not, well, I didn't expect you to in the first place, but I have it out of my system, and if you have any more good opinions to express, please put force to them.

Again thanking you, I am

Yours for less restrictions,



Serena A. Barber.

Cashier of one of the unimportant banks in U. S.