

October 12, 1934.

Mr. Eccles

Mr. Viner

The following is an excerpt from a letter which I recently received from Charles L. Smith, President of the First National Bank of Salt Lake City, which bank is the second largest in that territory, with total resources of between \$13,000,000 to \$14,000,000. I thought you would be interested in what he has to say regarding bank credit policies.

"One thing which has disturbed me has been the continued criticism of bank credit policies. I presume there have been too many cases of banks throughout the country attempting to combat the Administration's plans but I do feel on the whole banks have been anxious to extend all reasonable credit wherever possible and that the real difficulty lies in a lack of confidence among business men in general rather than in a holding back by the banks.

"Some time ago I secured some information from George which I passed on to you and we have within the last few days again had occasion to check somewhat the same information. We find that during the year we have granted credit lines of \$1,500,000 but that only \$500,000 of this is now in use. During the first six months of this year we made new loans aggregating \$948,000, this figure having been taken from our report to the Federal Reserve Bank. We not only are not attempting to restrict credit but are doing everything in our power to find proper channels through which to loan our money. In spite of all this the total of our loans continues to decrease."

M SE:VE