

F. R. VON WINDEGGER, PRESIDENT



THE PLAZA BANK OF ST. LOUIS
1230 OLIVE STREET
SAINT LOUIS

JOHN R. KIRK, JR.
VICE-PRESIDENT

February 3, 1947

Mr. Marriner S. Eccles, Chairman
Board of Governors
Federal Reserve System
Washington, D. C.

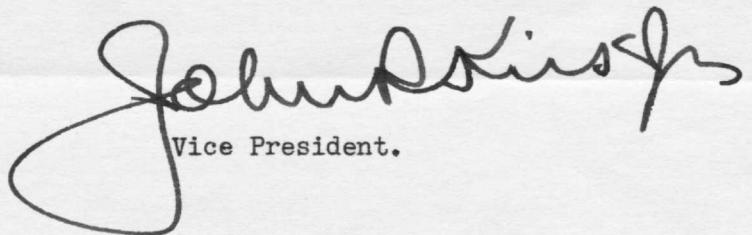
Dear Mr. Chairman:

At the suggestion of my president, Mr. von Windegger, I am sending a blind copy of my letter to the Reconstruction Finance Corporation relating to their proposed new loan participation program.

There are numerous other arguments which can be brought to bear on this proposition but it is not possible to state some of them in a diplomatic manner, so I have limited my letter to generalities.

I should like to take this opportunity to express my admiration for the courageous way in which you have discharged your heavy responsibilities of office.

Yours very truly,



Vice President.

JRK:sam
Enclosure

February 3, 1947

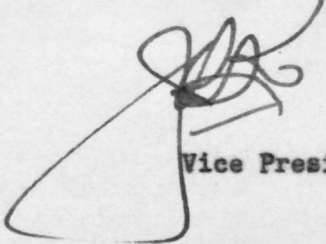
Reconstruction Finance Corporation
407 North Eighth Street
Saint Louis 1, Missouri

Gentlemen:

This will acknowledge receipt of your letter of January 29, covering the new Deferred Participation Loan Arrangement. We do not plan to execute this agreement in behalf of our bank, but on the other hand would like to take this opportunity to express our feelings in the matter.

We do not believe that such an arrangement on the part of the Reconstruction Finance Corporation is needed at this time, it being our opinion that business generally is able to obtain its legitimate credit needs without participation by the Reconstruction Finance Corporation. It further seems to us that the banking structure should avoid the appearance of depending on Federal aid at this time. There is no question in our mind but that the Reconstruction Finance Corporation played a most important part in salvaging our financial structure in the period following 1933, by strengthening the capital structure of individual banks, but we do not feel that present conditions are in any way comparable to that distressed period. Barring events of a catastrophic nature, we feel that the facilities of the Federal Reserve Banks are sufficiently adequate to take care of banking needs. We freely concede that it is important to continue the life of the Reconstruction Finance Corporation, as its aid may some day again be desperately needed, but we cannot subscribe to the theory that it is needed as a permanent lending agency.

Yours very truly,


Vice President.

JRK:san

BC to Mr. Marriner S. Eccles, Chairman
Board of Governors
Federal Reserve System
Washington, D. C.

February 5, 1947.

Dear Mr. Kirk:

This is to thank you for your letter of February 3 enclosing copy of the one you wrote to the FPC. I was particularly interested and gratified to read it because you so well express a viewpoint in which I concur completely.

With best wishes to you and to Mr. von Windegger, I am

Sincerely yours,

Mr. John R. Kirk, Jr.,
Vice-President,
The Plaza Bank of St. Louis,
1230 Olive Street,
St. Louis, Missouri.

 ET:b