

W. M. CROOK
SUCCEEDING
CROOK & CUNNINGHAM
LAWYERS
SUITE 509 AMERICAN NATIONAL BANK BLDG.
BEAUMONT, TEXAS

W. M. CROOK
H. C. CUNNINGHAM
JOS. A. WISONG

June 17, 1938

Federal Reserve Board,
Washington, D. C.

Att'n: Hon. Marriner S. Eccles, Chairman

Dear Sir:

Associated Press dispatches this morning credit you with urging the relaxing of Government's restrictions on bank loans, stating that Secretary Morgenthau and other fiscal officers have been considering changes in, and a coordination of, bank examination and regulations in this connection.

I call your attention to an illustration of a wholly unnecessary threatened hardship upon a valuable bank customer by the present modus operandi of the Comptroller. The bank is satisfied and the customer's financial condition, income and expense accounts are superior to what they were at the time the loan was extended. Conservative banking would permit the bank to substantially enlarge the present loan. The Bank Examiners give as their reason for an exaction for loan reduction that the account has been running too long without reduction. The bank is in need of the incident interest revenue from the loan and has extraordinarily large liquid assets.

If you or the Comptroller, to whom I am sending a copy of this letter, are interested in names and figures, same will be provided.

The writer is Chairman of the Probate Division of the American Bar Association, Past-President of the Texas Bar Association, life member of the American Law Institute, etc.

Very truly,

WMC:R



June 24, 1938

Mr. W. M. Crook
American National Bank Building
Beaumont, Texas

Dear Mr. Crook:

This is to acknowledge receipt of your letter of June 17 with reference to restrictions on bank lending and investment. Your own experience is typical of that reflected by a large number of letters I have had from bankers and business men in all parts of the country. I shall not trouble you for names and figures as to specific cases but I appreciate your offering to furnish them. I am in hopes that the new coordinated program will put an end to these restrictive practices.

I wanted to thank you for your interest and your courtesy in writing.

Very truly yours,

M. S. Eccles,
Chairman.

ET:ead

Received in
Chairman's Office
JUN 20 1938
Board of Governors
of the
Federal Reserve System