

W. W. BURK
Religious Education

J. E. SIMPSON
Stewards

OMAR KEAR
Trustees

STANLEY BASH
Young People's Work

HELEN McVITTY
Missions

CLARA HUNE
Ladies Aid Society

PAULINE BASH
Religious Education

RUTH BASH
Missions

IRENE BURK
Finances

BLANCHE MEEKS
Ladies Aid Society

LOREN BAKER
Church Board

ESTHER SIMPSON
Music

METHODIST PROTESTANT CHURCH

JOHN K. CHANEY, Pastor

FOREST, OHIO

June 18, 1938

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

Dear Mr. Eccles,

Your letter to Senator Vandenberg as printed in the Record of June 16th has been read with great interest, especially your statement regarding "too severe restrictions due to examination policies."

Your statement is most encouraging. During past weeks I have asked officers of banks why they did not release surplus credit in their communities and help business men whom they knew to be sound risks. I found that all of them live in fear of the unsympathetic attitude of examiners.

"You have no damn business lending money to these farmers to buy tractors", was a statement made by an examiner and repeated to me.

If these farmers are good business men and good pay, why haven't they the right to borrow of the local bank for machinery?

The average small business man has no security acceptable unless he mortgages his automobile and his residence.

W. W. BURK
Religious Education

J. E. SIMPSON
Stewards

OMAR KEAR
Trustees

STANLEY BASH
Young People's Work

HELEN McVITTY
Missions

CLARA HUNE
Ladies Aid Society

METHODIST PROTESTANT CHURCH

JOHN K. CHANEY, Pastor

FOREST, OHIO

PAULINE BASH
Religious Education

RUTH BASH
Missions

IRENE BURK
Finances

BLANCHE MEEKS
Ladies Aid Society

LOREN BAKER
Church Board

ESTHER SIMPSON
Music

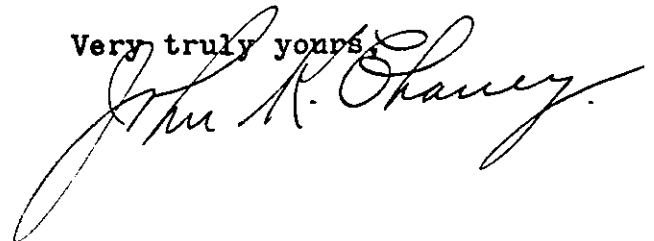
I think every 'average citizen' appreciates that we have a sound banking system which is standing the test of this depression, but is it not possible in the examination policies to bend backward too far?

I am of the opinion that word will have to come from the top before our banks will consider good notes along with cash in estimating soundness.

Thirty days or sixty days (between examinations if possible) are not the type of credit needed in a small business and agriculture.

I know nothing about banking and own no bank stock but I am glad that your informing letter was given to the public through the Record.

Very truly yours,



June 27, 1938.

The Rev. John K. Chaney,
Methodist Protestant Church,
Forest, Ohio.

My dear Mr. Chaney:

This is to thank you for your letter of June 18th with reference to my recent letter to Senator Vandenberg.

Your comments and your experience in your own community are of particular interest to me and reflect a condition that seems to have prevailed throughout the country, judging by letters which I have had from bankers, business men and others. While you state that you know nothing about banking, your letter reflects a clear understanding of the essence of the problem which, I hope, will be in a large part met by the agreement just announced changing policies and regulations heretofore prevailing with respect to bank lending and investment functions.

I very much appreciate your courtesy in writing.

Sincerely yours,

M. S. Eccles,
Chairman.

ET:b