

Mr. Ransom

Wish you'd
take note of
this one - it
just came in.

Noted -

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PLANTERS BANK AND TRUST COMPANY

MEMBER FEDERAL RESERVE SYSTEM

HOPKINSVILLE, KY.

Oct. 6, 1943.

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

Dear Mr. Eccles:

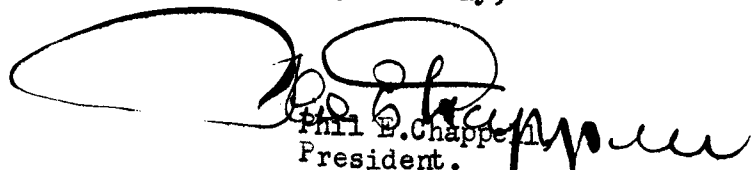
The press credited you with a statement you made in Cincinnati favoring Branch Banking restricted to certain areas. I heartily agree with you on this statement and I think you are exactly right and you will get cooperation from the people later on when gradually the small Banks are closed or removed from small towns on account of lack of profits.

In this County, which is a large agricultural county, we had at one time nine Banks and at the present time we only have three Banks, and that is true of all the adjoining Counties. Within the last year there was a Bank in a small town close to us which had been very successfully and profitably operated for some thirty odd years, but their loans decreased and their expenses increased and it was necessary that they discontinue operation. They not only immediately paid the depositors in full 100%, but in less than a year they have paid the Stockholders 150%. This Bank, as well as the others mentioned, was not closed on account of mismanagement, but only from lack of profit and some of these days there will be a demand made by the small town for banking service of some kind. This service could be supplied easily by some Parent Bank. I am afraid you will have more of this as time goes on. The smaller Banks do not have sufficient volume and on top of that they are not able to employ the proper management.

I think your viewpoint was well taken and I agree with you fully, as a country banker. I know how the American Bankers Association feels about the matter, but it is rather amusing to me to see that Bankers are very similar to a bunch of sheep, one makes a statement and then the others follow.

With best regards, I am

Yours truly,


Phil B. Chapman
President.

October 13, 1943.

Mr. Phil E. Chappell, President,
Planters Bank and Trust Company,
Hopkinsville, Kentucky.

Dear Mr. Cappell:

Your thoughtful letter of October 6, which was on my desk upon my return from a visit to the west, was particularly gratifying to me, and I wanted you to know how much I appreciated it. What has happened in your own county has, as you know, been duplicated in many other communities and I agree with you that the trend is bound to continue.

I am venturing to enclose a copy of the entire talk to the Bank Supervisors because it is evident that your experience and my own and our general viewpoints are much the same.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b