

American National Bank

R. D. MCCOOK, PRESIDENT
H. T. SLATER, EXECUTIVE VICE-PRES
W. S. SHEPARDSON, VICE-PRESIDENT
EARNIST MCCOOK, CASHIER
O. R. ERVIN, ASSISTANT CASHIER
R. N. MCCOOK, ASSISTANT CASHIER

San Bernardino, California

October 8, 1943

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

Dear Mr. Eccles:

The independent bankers throughout the United States are considerably concerned because of your apparent interest in the further extension of branch banking. This country grew up under the independent system, and has done fairly well. It is difficult to understand why particularly any government banking agency should wish to encourage getting away from our American system.

Branch banking has been promoted by branch bankers themselves - if there ever was any demand for it on the part of the public, such demand was not in evidence. Furthermore, I believe, it is a perfectly safe assertion to state that not many people outside of the branch bankers themselves, are interested in its further extension.

The independent bankers in California have been on the front line for years, watching the absorption of banks one after the other until there are only a few of us left. The rest of the country has only to take a look at California to realize what will happen to banking throughout the United States unless the branch banking trend is stopped. The Hitler - Mussolini control attitude is so apparent as to leave no doubt of the purpose to, in the end, monopolize banking in this country.

Yours very truly,


R. D. McCook
President

RDMCC
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The
American National Bank
of San Bernardino
SAN BERNARDINO
CALIFORNIA



STATEMENT OF CONDITION
JUNE 30, 1943

The American National Bank

OF SAN BERNARDINO, CALIFORNIA

CONDENSED STATEMENT OF CONDITION, JUNE 30, 1943

RESOURCES

Loans and Discounts.....	\$3,262,886.42	
Stock in Federal Reserve Bank.....	7,350.00	
Bank Premises, Furniture and Fixtures.....	137,186.91	
Other Real Estate.....	3,704.68	
Other Assets	2,150.51	
Reserve for Trusts.....	2,000.00	
United States Bonds.....	\$1,869,220.49	} 6,005,418.80
Municipal and Other Bonds	506,515.43	
Cash and Due from Banks	3,629,682.88	
		<u>\$9,420,697.32</u>

LIABILITIES

Capital Stock (Common).....	\$ 135,000.00
Capital Stock (Preferred).....	40,000.00
Surplus and Profits.....	203,223.33
Reserve for Retirement of Preferred Stock..	40,000.00
Other Reserves	15,750.00
Interest Collected, unearned.....	15,249.48
DEPOSITS	<u>8,971,474.51</u>
	<u>\$9,420,697.32</u>

Interest Paid on Savings Accounts

**MEMBER
FEDERAL RESERVE SYSTEM**

**MEMBER
FEDERAL DEPOSIT INSURANCE FUND**

DEPARTMENTS

COMMERCIAL	SAFE DEPOSIT
SAVINGS	COLLECTION
TRUST	ESCROW
EXCHANGE	
AUTO FINANCE	



OFFICERS

R. D. McCOOK	<i>President</i>
H. T. SLATER	<i>Executive Vice-President</i>
W. S. SHEPARDSON	<i>Vice-President</i>
EARNIST McCOOK	<i>Cashier</i>
M. L. STEPHENS	<i>Trust Officer</i>
O. R. ERVIN	<i>Assistant Cashier</i>
R. N. McCOOK	<i>Assistant Cashier</i>

DIRECTORS

W. S. SHEPARDSON	FRED B. MACK
JOS. E. RICH	DR. P. M. SAVAGE
R. D. McCOOK	CHARLES GABRIEL
EARNIST McCOOK	

October 15, 1943.

Mr. R. D. McCook, President,
American National Bank,
San Bernardino, California.

Dear Mr. McCook:

This is to acknowledge your letter of October 8 in regard to my recent talk to the State Bank Supervisors, a copy of which I am taking the liberty of sending to you because I think a reading of it will indicate to you that I am interested in protecting, not doing away with the independent private banking system. The proposals I have long advanced with regard to branch banking would, I am confident, safeguard the interests of independent banks. I have ventured to mark the passages in the speech which are especially pertinent to the problems of the independent unit bank and my own view as to the extension of branch banking.

You face, of course, a unique situation in California, one that I had in mind in making my own proposals, for under them, any branch banking setup would have to be confined to the Los Angeles area or to the San Francisco area. Your own situation would be protected under the proposals I have set forth, whereas today you have no such safeguard. What you as a banker and what the supervisory authorities have had to contend with in the special situation in California is not a branch banking problem as such, but a holding company situation that is beyond the reach of the authorities under present law. That is why, as one step in improving the banking structure, I favor legislation that will reach this holding company device and ultimately put an end to it, but the rational solution is through branch banking legislation such as I have tried to set forth.

Sincerely yours,

M. S. Eccles,
Chairman.

Enclosure

ET:b

American National Bank

San Bernardino, California

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R. N. MCCOOK, ASSISTANT CASHIER

November 9, 1943

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

Dear Mr. Eccles:

Thank you for your nice letter of October 15th enclosing copy of your address to the State Bank Supervisors, in reply to my letter of October 8th. I have read your address with much interest, and am pleased to note that your attitude is not favorable to nation-wide branch banking. Your attitude in regard to legislation that will reach the holding company is also pleasing, as this angle needs immediate legislative attention.

Branch banking restricted to small areas might not be objectionable if it could be definitely held to small areas. There would be, however, the urge always by branch bankers to expand. Branch banking started just that way in California. If there is one independent bank left in the state that the Bank of America has not tried to buy, I have not yet heard of it.

The branch banking menace is becoming as acute as it was when Andrew Jackson went to bat, headed it off and saved the American system. It is a safe conclusion that the American people themselves would be willing to forego the doubtful benefits claimed by the branch bank advocates in order to perpetuate the system of banking under which this country grew up, and under which a banking monopoly would be most difficult.

You refer in your address to failures of banks in this country as compared with England and Canada. Is it not a fact that the difference in the manner of examinations in the two countries may have something to do with this unfavorable comparison? It is my understanding that in Canada and England, examiners do not appraise the assets of a bank, but only assure themselves the assets and liabilities are accounted for. C.P.A. audits are made in the same manner. It is, therefore, not surprising under such a system that their banks are not closed. In this country, the market value of assets determine the sound capital of a bank, even at times when all assets may be depressed below true value.

#2.

Nov. 9, 1943

Mr. M.S. Eccles, Chairman

The American system is so superior from the standpoint of the people that its preservation is worth all of the mistakes and casualties that have occurred, and is worth all of the time and effort that may be necessary to further develop and perfect it. Area branch banking, very much restricted as to territory, limited to one city or community, I would say, might not be harmful or dangerous, with proper safeguards to head off any possibility of further expansion by ambitious men or groups of men.

Formerly and during the last bank emergency, the Federal Reserve Bank was so restricted as to loans acceptable for rediscount, that little practical use could be made of the Federal Reserve by member banks. The additional classes of paper which may now be rediscounted have so increased the volume which the average bank would have available for rediscount, as to enable banks in any locality to take care of local needs, and is the answer, it would seem, to your debit-area — credit-area argument. There has of course been no occasion for banks to make use of these more liberal Federal Reserve rediscount facilities, but it is comforting to know that they are available.

There are many interesting paragraphs and thoughts in your able address, and I wish again to thank you for sending it to me.

Yours very truly,


R. D. McCook
President

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