

August  
Ninth  
1948

*File  
7.13.13.*

Mr. Bert Harris  
Vice President  
The First National Bank  
Konawa, Oklahoma

Dear Mr. Harris:

I appreciate your letter of July 31, giving expression to your feeling in reference to extension of the Federal Reserve authority on bank reserves.

I am enclosing herewith an excerpt of my testimony before the House Banking and Currency Committee last week.

Sincerely,

jws:bp  
enc:



No. 7633

# THE FIRST NATIONAL BANK

F. P. SWAN, PRES.  
BERT HARRIS, V. PRES.  
E. DOUTHIT, V. PRES.  
H. W. COURTNEY, CASHIER  
W. TUCKER, JR., ASST. CASHIER

CAPITAL & SURPLUS  
\$80,000.00

KONAWA, OKLAHOMA

July 31, 1948.

Secretary-Treasury,  
Washington, D. C.

Dear Mr. Snider:

I notice in the paper of last night, you are urging that the Federal Reserve Banks, increase their requirements for the reserve from banks, 10% more than they now are.

We of course, in a small bank, can't understand this attitude, and just wonder why you wanted to penalize the banks, who are trying to carry on commerce and business, we believe in a practical and safe way.

I don't believe very many banks, if any, loan money without ample security, and certainly we are not responsible for inflation, as I believe if you will check into the matter carefully, you will find that Government lending agencies are a great deal more responsible for inflation than any bank, as the ones in our communities are loaning about three times as much, on the same security as we would loan.

I don't believe we would object to depositing more money in the Federal Reserve Bank, if it were not used by Government lending agencies, to come right back in our territory, and lend out in a more hazard way, which is being done right along. That certainly will not stop inflation, and at the same time making it very hard on the banks, who have reasonably good customers who are tempted in this kind of loans, at a much cheaper rate than the banks make.

The banks have been penalized a great deal too much already, as our expenses are getting higher, and income taxes have increased so much, that it is hard to make anything for the stockholders, and I believe if you will check into the banking situation, you will find their employees are about the lowest paid of any other business concern, mostly for the reason they just don't make the money to pay the larger salaries. I still believe in free enterprize, and certainly think inflation is caused from anywhere else but the banks, and if all the banks are like they are in our communities, they are doing everything they can now to hold down inflation.



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I am writing this letter simply as an explanation of the bank situation, and it is not meant at all as criticism, but I believe is the expression of practically all bankers, that I know of.

Yours very truly,

A handwritten signature in cursive script that reads 'Bert Harris'.

Bert Harris,  
Vice-President.

BH: amc