

8E1  
June 19, 1981

STATE BANK HALES CORNERS

CHAIRMAN'S OFFICE  
RECEIVED  
JUN 21 1981  
7101  
SEC. & TRCH. COUN.

The President  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. President:

I am just a junior executive in a small town bank, but I have backed your economic program to the hilt, and am still preaching it to the public.

Today, disappointment really hit home when we were advised that Donald Regan and Paul Volcker and Richard Pratt apparently are going to vote in favor of reimposing a quarter percent differential to the savings and loan industry as well as a six month lead time to offer new instruments.

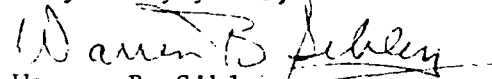
THIS DOES NOT MAKE ANY ECONOMIC SENSE, NOR DOES IT COINCIDE WITH YOUR PROGRAM.

Granted, the savings and loans are having severe problems. However, BANKS WILL BE IN THE SAME POSITION ONE YEAR FROM NOW IF THIS REGULATION IS PASSED!

You promised us de-regulation so that we can compete on an equal basis. Even with de-regulation we will never be able to compete with the MONEY MARKET MUTUAL FUNDS that are injuring both the banking and savings and loan industries. The little guy that used to be happy keeping his money in a savings account has now become a sophisticated investor that is used to and expects a large return on his investment. This has already stunted our deposit growth since this small investor moved his money from the savings account to the money market certificate, and then found he could get a greater return on his money in the market funds. Therefore, this money has moved out of our bank and community, which we used to be able to serve even with home mortgages. Now, we can do this no longer.

Please help us. Convince the above named officers that further regulation is not in the best interest of the public. We sure do not want banks to go down hill as fast as savings and loans did. Do we?

Very truly yours,

  
Warren B. Sibley  
Assistant Vice President

eal