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THE ATTORNEY GENERAL
WASHINGTON

March 4, 1947

Dear Mr. Chairman:

This will acknowledge your letter of February 26, relative to proposed legislation to tighten controls over bank holding companies generally, with particular reference to the Transamerica Corporation.

I will be glad to give this situation further careful consideration and get in touch with you sometime soon.

With kind regards,

Sincerely,

(Signed) Tom C. Clark

Attorney General

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

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April 15, 1947.

Honorable John W. Snyder,
Secretary of the Treasury,
Washington, D. C.

Dear John:

For almost two years the Board has been closely following an investigation by the Department of Justice into the Transamerica situation. The Antitrust Division has made use of certain of the Board's files in connection with this investigation, and I have had one or two talks with Tom Clark about the matter. At one of those talks and in a letter which he sent me in October 1945 he pointed out that, while the statistical picture respecting Transamerica might justify a proceeding under the antitrust laws, nevertheless he felt there was not sufficient evidence available to demonstrate an abuse of power by Transamerica either in attaining its dominant position or in perpetuating it. Hence, he felt at that time that ultimate success in a legal proceeding against Transamerica was very doubtful.

On February 26th last I wrote Tom asking whether his Department had considered the recent decision of the Supreme Court in the American Tobacco case in relation to the Transamerica matter, in particular inquiring whether the effect of that decision might not eliminate the need for the type of proof to which he had referred in our earlier discussions. I talked with him again about a week ago and he told me that he had asked you to consider the entire matter and to give him the benefit of your views.

While I know how extremely busy you are, I nevertheless hope that you will be able to give this subject your early consideration. The Board is very anxious to obtain a decision from Justice on this subject just as soon as possible so that it may determine its own future course of action in dealing with this vexing problem. I do not know whether Tom sent you a copy of my letter of February 26th. A copy is enclosed herewith. If there is any other information touching this matter which we can supply you, please let me know.

Sincerely yours,

(signed) Marriner

M. S. Eccles,
Chairman.

Enclosure

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April 15, 1947.

Honorable A. L. M. Wiggins,
Under Secretary of the Treasury,
Washington, D. C.

Dear Lee:

I have today written to John Snyder concerning certain phases of the Transamerica problem, enclosing a copy of a letter which I recently wrote to Tom Clark on the subject. Knowing of your interest in this general situation, I am sending you herewith copies of these letters.

Sincerely yours,

(signed) Marriner

M. S. Eccles,
Chairman.

Enclosures