

April 16, 1935.

Hon. James F. Byrnes,  
Room 360, Senate Office Building,  
Washington, D. C.

Dear Senator Byrnes:


In accordance with our conversation this afternoon, I am inclosing herewith separate memoranda on a number of legal questions which may be raised in connection with the confirmation of Hon. Marriner S. Eccles as a member of the Federal Reserve Board.

There is one memorandum discussing briefly the five most prominent cases regarding the liability of shareholders in two different forms of group banking organizations. In addition, there are separate memoranda containing more detailed discussions of each of these cases and also memoranda on separate pages regarding other cases which may be cited erroneously for the proposition that a stockholder in a holding company which owns bank stock is liable for a stockholders assessment on such stock.

Your especial attention is invited to the quotations from the colloquy on the floor of the Senate on January 9, 1933 between Senator Glass and Senator Wheeler regarding group banking, wherein Senator Glass stated that in group banking there is no double liability of stockholders and also praised very highly the Detroit Bankers Company, which failed less than two months later and precipitated the nationwide bank holiday.

I expect to be tied up all day Wednesday, April 17th, with the House Committee on Banking and Currency which is considering Title II of the pending Banking Bill; but, if you need anything further along this line, I can prepare it for you Wednesday night. If you need anything from us during the day, you can reach me in Mr. Steagall's office, or you can obtain it through Mr. George B. Vest, Assistant Counsel to the Federal Reserve Board.

Cordially yours,

  
Walter Wyatt,  
General Counsel.

Inclosures.

WW:cba  
4/16/35