

February 26, 1941

Mr. Ransom

Minutes of January 22, 1941.

Mr. Eccles

In connection with the revision of the minutes of the meeting of January 22, I would like to suggest to you a modification of your revision which I hope will be consistent with your position as well as with my recollection of the long distance telephone conversation you had with me respecting the meetings at the Treasury and the RFC subsequent to the morning session of March 10, 1938. Will you see whether the following would serve as a basis for satisfying us both?

After the word "Congress." at the end of the 9th line from the bottom of your memorandum to Mr. Carpenter, strike out the balance of your memorandum and substitute the following:

In connection with the President's monopoly message, it had been indicated to Mr. Ransom and the other members of the subcommittee that the President contemplated at all events a statement on bank holding companies which would include a death sentence and that the committee was not asked to express views as to whether the President should include a death sentence in his message but only to recommend language in which the bank holding company problem, including the death sentence, should be stated. Mr. Ransom said further that, so far as he was personally concerned, he could not take any position regarding the problems involved that was in conflict with the report of the subcommittee including the recommended text for the President's monopoly message. He pointed out that there were substantial differences between the then pending legislation on the subject and the new bill; also that the subcommittee's report did not cover all of the matters in the legislation in question and showed disagreement on the part of the committee respecting some important phases of the problem.

You will note that the last two sentences of the above contain slight modifications from the last sentence in your memorandum to Mr. Carpenter. These changes are for the purpose of relating your commitment to the subcommittee's entire report rather than to the recommended text for the President alone. In the light of the reference to branch banking in Jesse Jones' report for the subcommittee and considering that reference in connection with these words used by the President, "time enough for it to be done in an orderly manner and without causing inconvenience to communities served by holding company banks", I take it that your commitment is conditioned on some modifications in Federal branch banking statutes. It is pertinent to point out also that the

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Secretary's letter to the President transmitted Mr. Jones' report for the subcommittee so that the President himself was put on notice that the members of the subcommittee all agreed that any death sentence for bank holding companies, when imposed, would require a consideration of branch banking. I feel that this aspect of the situation is important inasmuch as you have included in your suggested amendment of the minutes the statement that you had at the time informed the other members of the Interdepartmental Committee that you had "no reason to anticipate that the Board, as a whole, would have any reason to take issue with the views that he (meaning yourself) had expressed."

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