

Miss Benton:

Mr. Ransom says please
be sure that this
communication is
called to the attention
of the Chairman
when he returns.

ADD

9-16-46

CHAIRMAN ECCLES' OFFICE TO:

GOV. DRAPER

GOV. RANSOM ✓

GOV. EVANS

GOV. SZYMCZAK

GOV. VARDAMAN

**MR. BETHEA
MR. CARPENTER
MR. GARDNER
MR. HAMMOND
MR. KENNEDY
MR. LEONARD
MR. MORRILL
MR. MUSGRAVE
MR. NELSON
DR. PARRY
MR. PAULGER
MR. PISER
MR. SMEAD
MR. THOMAS
MR. TOWNSEND
MR. VEST
MR. WILLIAMS
MR. WOOD**

REMARKS:

ROBERT S. BEASLEY
PRESIDENT

FRED M. ROBERTS
VICE-PRESIDENT

M. F. JELINEK
SECRETARY

SUMNER DEITRICK
TREASURER

INDEPENDENT BANKERS ASSOCIATION

TWELFTH FEDERAL RESERVE DISTRICT

INCORPORATED

EXECUTIVE MANAGER — R. F. HOLLISTER

802 FAILING BUILDING
PORTLAND 4, OREGON

September 10, 1946

EXECUTIVE COUNCIL

J. R. MCEVOY, FIRST NATIONAL BANK, HOLBROOK, ARIZONA
ROBERT S. BEASLEY, BEVERLY HILLS NATIONAL BANK AND TRUST COMPANY, BEVERLY HILLS, CALIF.
LOUIS H. LOPES, PAJARO VALLEY NATIONAL BANK, WATSONVILLE, CALIF.
M. F. JELINEK, BANK OF OROFINO, OROFINO, IDAHO
A. R. DAWSON, CASSIA NATIONAL BANK, BURLEY, IDAHO
R. L. DOUGLASS, THE SECURITY NATIONAL BANK, RENO, NEVADA
SUMNER DEITRICK, BANK OF BEND, BEND, OREGON
ALF O. JOHNSON, FOREST GROVE NATIONAL BANK, FOREST GROVE, OREGON
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A. W. MCKINNON, CARBON EMERY BANK, PRICE, UTAH
N. A. DAVIS, BAKER-BOYER NATIONAL BANK, WALLA WALLA, WASHINGTON
FRED M. ROBERTS, BANK OF KIRKLAND, KIRKLAND, WASHINGTON

IN YOUR REPLY REFER TO

S 17-1

To the Bank Addressed:

The question of federal legislation affecting bank holding companies has been a serious problem before American bankers for many years. Under existing laws, bank holding companies are permitted to operate across state lines and to engage in non-banking activities, neither of which are banks allowed to do.

Arrangements have now been made for the Federal Reserve Board to introduce at the next session of Congress a bill to regulate bank holding companies, which will be substantially the same as H.R. 6225, which died with the session just closed. Hearings on the new bill will enable Congress to listen to both sides of the question and enact such legislation as they may see fit to meet the situation.

It is important that the independent unit banks at this time make known their desire for legislation along these lines. You can assist greatly in this matter by writing each of the three supervisory agencies in Washington, D.C., advising them that you desire to have the matter come up for hearing in Congress.

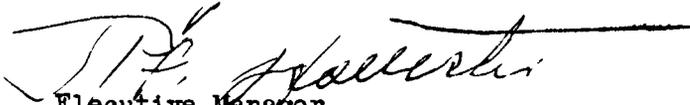
If the federal banking agencies, all of which have recommended some type of legislation, are assured that the banks of the nation themselves are desirous of legislation of this type, you may rest assured that they will see to it that hearings are had soon after the bill is introduced.

Those banks not faced with the problem of aggressive expansion of bank holding companies are unaware of the monopolistic features of this type of banking and do not realize that the ultimate outcome can result in but one thing--socialization of banking. If the present opportunity is not grasped, government ownership of banks at some future date appears certain.

Your cooperation will assist most materially in this all important subject.

RFH:fs

Very truly yours,


Executive Manager

EXCLUSIVE REPRESENTATIVE OF INDEPENDENT BANKS IN