

DETROIT BRANCH
FEDERAL RESERVE BANK OF CHICAGO

DETROIT 31, MICHIGAN

June 21, 1947

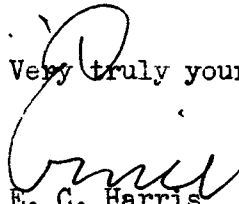
Mr. J. Leonard Townsend
Assistant General Counsel
Board of Governors of the
Federal Reserve System
Washington 25, D. C.

Dear Leonard:

The Michigan Bankers Association
at its executive session today, passed resolution
as per the attached.

This is a step in the direction which
you indicated and will give us some ammunition in
dealing with Mr. Ferguson of the steering committee
in the Senate and with Mr. Wolcott in the House.

Very truly yours,



E. C. Harris
Vice President.

*by reply seen
as Mr. Harris
by phone
E*

BANK HOLDING COMPANIES

WHEREAS, A bank holding company may sometimes be used to circumvent the existing Federal and State Banking Laws and to engage in lines of business which are prohibited to banking institutions; and

WHEREAS, the Michigan Bankers Association is opposed to such practices, and

WHEREAS, the Congress undertook to provide for the control and supervision of bank holding companies, and it appears that the present law is inadequate to accomplish the purpose for which it was enacted, and there is in existence no effective control of bank holding companies, and

WHEREAS, it is necessary in the public interest and in keeping with sound banking principles that the activities of bank holding companies be restricted solely to the banking business, and that they be regulated in the same manner as the activities of banks themselves,

NOW, THEREFORE, BE IT RESOLVED, that this convention urges the congress that legislation be enacted designed to supervise and effectively control bank holding companies, to regulate the creation of new bank holding companies, and to require the separation from such companies of all non-banking activities.