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# INDEPENDENT BANKERS ASSOCIATION

TWELFTH FEDERAL RESERVE DISTRICT  
INCORPORATED

EXECUTIVE MANAGER — R. F. HOLLISTER  
802 FAILING BUILDING  
PORTLAND 4, OREGON

Sept. 11, 1948

## EXECUTIVE COUNCIL

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S. B. LAFROMBOISE, FIRST NATIONAL BANK, ENUMCLAW, WASHINGTON

IN YOUR REPLY REFER TO

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To The Bank Addressed:

The Executive Council of the ABA at its French Lick meeting last spring issued a statement recognizing the need for Federal legislation providing for proper and reasonable controls over the organization of new and the expansion of existing bank holding companies and for the divorcement of non-banking activities from such companies.

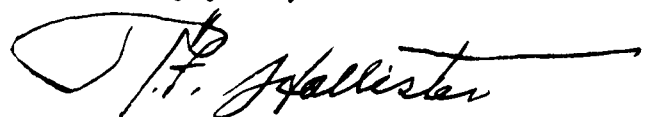
This statement by the Executive Council is in accordance with declarations made by the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, The Federal Deposit Insurance Corporation, the Federal Reserve Advisory Council and other banking groups recommending bank holding company regulation.

The bank supervisory agencies in Washington and leading members of the Senate and House have stated that bank holding company legislation will no doubt be introduced early in the next session. We believe it is essential that this Bill be supported by a properly worded resolution at the Detroit Convention, placing the ABA squarely on record as favoring such legislation as will be in the public interest and in keeping with sound banking principles.

In the interest of such action, we have written the members of the Interim Committee, the Legislative Committee and Resolutions Committee of the ABA, suggesting that this resolution take the form adopted by the National Association of Supervisors of State Banks at its convention in Washington, D. C., last September and by several State bankers associations throughout the country.

A copy of this resolution is enclosed. We would greatly appreciate it if you would study it at your convenience so that the representative of your bank at the Detroit convention will be prepared to join with other bankers from all over the nation in working for its adoption in the interest of sound banking and the maintenance of the free enterprise system.

Sincerely yours,



R. F. Hollister

Executive Manager

## RESOLUTION

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 National Association of Supervisors of State Banks 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 Conference 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 nonbanking activities.