

THE FIRST NATIONAL BANK  
OF WILLOWS

CARROLL F. BYRD  
PRESIDENT

WILLOWS, CALIFORNIA

March 4, 1950

Governor Thomas B. McCabe  
Chairman of the Board of Governors  
Federal Reserve System  
Federal Reserve Building  
Washington D.C.

Dear Governor McCabe:

I have just completed reading the statement of your testimony before the Senate Banking and Currency Committee on S. 2318.

I want to thank you and congratulate you for this very clear, fair and effective statement regarding the bank holding company problem and the immediate need for corrective federal legislation.

Of course, you readily understand that this need has been more apparent to the independent bankers of the West Coast for a considerable number of years, - and we believe that unless effective legislation is enacted that will permit the Federal Reserve System to halt the continued and unlimited expansion of large bank holding companies, - that the ultimate socialization of all banking in the United States is a foregone conclusion. The American public will never permit any one or group of bank holding companies to control large important areas after it once understands that such controls will either create virtual monopolies or tend to create monopolies in banking and credit. Unless early legislation is enacted, however, the sad result will be that it will be brought home to the public too late that a major part of the former banking competition has been eliminated, - and then the public cry will be to nationalize all banks.

I am of course not telling you or the Board anything new, - but I want you all to know that we who for many years have been engaged in this crusade to perpetuate the traditional system of independent competitive banks in this country have been truly thankful for the fact that we have a Board of Governors of a great Federal Reserve System who are above the influence of politics and selfish interests, and have the moral and intestinal fortitude to withstand the terrific pressure no doubt put upon them by political and selfish interests who are apparently not interested in whether or not their present activities may or may not result in the future socialization of banking and credit.

We are glad and thankful that the Board of Governors of the Federal Reserve System is composed of men of this type and we hope and

Governor Thomas B. McCabe

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trust that the President will always see fit to appoint men of similar qualities.

We also appreciate the fact that your former Chairman and my good friend, Governor Marriner S. Eccles, has been one of the outstanding leaders in the history of this struggle to obtain adequate bank holding company legislation.

I have taken the liberty of forwarding a copy of this letter to all other members of the Board of Governors.

Thanking you and the Board again for your courageous and effective activities in regard to bank holding company legislation, and trusting that you and all other members of the Board of Governors will continue your efforts until adequate federal legislation is finally secured, I remain

Very respectfully yours,

CARROLL F. BYRD

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