

Mr. Eccles

Honorable A. Willis Robertson,
United States Senate,
Washington 25, D. C.

Dear Willis:

In response to your letter of April 25, I am glad to enclose herewith for the use of your Committee several copies of a statement of views and comments of the Board with respect to your proposed substitute for S. 2318, the bank holding company bill.

As I indicated in my letter of April 16, we are not insistent upon our particular draft of bill and we know that there are other possible approaches to this problem. Our purpose, like yours, is to obtain constructive legislation, and we would favor any legislative approach which would accomplish this objective. Also, we are fully sympathetic with your desire to obtain as short and simple a bill as possible. However, I should say frankly that, when an effort is made to fit together the provisions of the existing law and the proposed substitute bill, it seems to us that the approach adopted in the latter does not result in simplicity. More importantly, it seems to us that the proposed bill would not provide regulatory legislation which would deal effectively either with the bank holding problem as it now exists or with new developments which might be expected in this field. In the enclosed statement, we have indicated the areas in which we believe that the bill fails to achieve the objectives which we are both seeking.

If there is anything in the statement which is not entirely clear, please let us know. If you should feel that a discussion would be helpful, I would be glad, with members of our staff who have had long experience with bank holding company matters, to discuss with you in detail the different legislative proposals on this subject and their application to various situations. We want to be of any possible assistance to you and your Committee in your further consideration of this matter.

With warmest regards,

Sincerely,

JCB:ewe
4-27-50

Thomas B. McCabe,
Chairman.