

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
Washington 25, D. C.

March 29, 1948.

Hon. Charles W. Tobey,  
Chairman, Committee on Banking and Currency,  
United States Senate,  
Washington, D. C.

My dear Mr. Chairman:

The Board has directed me to acknowledge your letter of March 24, 1948, in which you request that the Board furnish copies of any correspondence and other relevant material in its files indicating an interest on the part of Transamerica Corp. or of Bank of America N.T. & S.A. in applications pending before the Board for permits for branches or in pending legislation or in other governmental action affecting the interests of Transamerica or of Bank of America.

In reply you are advised that the Board, of course, has a considerable volume of material in its files relating to Transamerica Corp. or its affiliated institutions. However, there is not now pending before the Board any application for the establishment of branches by any of the Transamerica affiliated banking institutions. Nor has the Board had any correspondence with Transamerica or any of its affiliated institutions respecting the current bank holding company bill or any other legislation now pending before the Congress. The most recent correspondence from the Board's files which touches upon any other governmental action which would affect the interests of Transamerica or Bank of America relates to a recent order of the Board instructing its legal division to conduct an investigation for the purpose of advising the Board whether there appears to be reasonable cause for the Board to institute proceedings under section 11 of the Clayton Act. This correspondence is enclosed herewith and is comprised of copies of letters, as follows:

- Letter dated November 7, 1947, from M.S. Eccles to Tom C. Clark, Attorney General.
- Letter dated November 7, 1947, from M. S. Eccles to Preston Delano, Comptroller of the Currency.
- Letter dated November 7, 1947 from M. S. Eccles to Maple Harl, Chairman, Federal Deposit Insurance Corporation.
- Letter dated November 28, 1947, from Preston Delano, Comptroller of the Currency, to M. S. Eccles, with enclosures as follows: Copy of letter dated November 28, 1947, from Preston Delano to S. C. Beise, executive vice president, Bank of America N.T. & S.A. and copy of letter dated November 28, 1947, from Preston Delano to F. N. Belgrano, Jr., president, First National Bank of Portland, Portland, Oreg.

Hon. Chas. W. Tobey

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For your information and that of the members of your committee, the investigation referred to in the correspondence listed above is now being actively conducted by the Board's staff.

Sincerely yours,

M. S. Eccles,  
Chairman pro tempore.

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TREASURY DEPARTMENT  
COMPTROLLER OF THE CURRENCY  
WASHINGTON 25

November 28, 1947

Confidential

Honorable Marriner S. Eccles, Chairman,  
Board of Governors of the  
Federal Reserve System,  
Washington 25, D. C.

Dear Marriner:

11/7/47 Permit me to acknowledge your letter of November 24, 1947 advising that the Board of Governors of the Federal Reserve System has under consideration the institution by the Board of Governors of a proceeding against Transamerica Corporation under the Clayton Act and that you expect to come to a final decision in the matter within a period of not more than three months. You request that in the meantime the Comptroller of the Currency defer decision on pending applications to branch Transamerica-owned banks into the branch systems of the Bank of America National Trust and Savings Association and The First National Bank of Portland.

For your information, we enclose copies of letters we have today sent to the Bank of America National Trust and Savings Association and The First National Bank of Portland. We are agreeable to a reasonable delay in our consideration of the two pending applications but feel the applicant is entitled to a definitive answer at the earliest possible date. Please let us know as soon as you have reached a decision.

Sincerely yours,

/s/ PRESTON DELANO

Preston Delano  
Comptroller of the Currency

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November 28, 1947

Mr. S. C. Beise, Executive Vice President,  
Bank of America National Trust and Savings Association,  
San Francisco, California.

Dear Mr. Beise:

Please refer to the request of the Bank of America National Trust and Savings Association to branch into its system the following Transamerica-controlled banks and their existing branches:

First Trust & Savings Bank of Pasadena (3 branches)  
First National Bank of Crows Landing  
Head Office of the Bank of Newman  
Crows Landing Branch of the Bank of Newman  
Patterson Branch of the Bank of Newman  
Gustine Branch of the Bank of Newman  
Head Office of the Bank of Pinole in Crockett  
Pinole Branch of the Bank of Pinole  
Rodeo Branch of the Bank of Pinole  
Bank of Tehachapi  
Central Bank of Calaveras, San Andreas  
Farmers and Merchants Bank of Watts  
First National Bank in Corcoran  
First National Bank in Santa Ana  
First National Bank in Turlock  
First National Bank of Bellflower  
First National Bank of Fairfield  
First National Bank of Garden Grove  
First National Bank of Los Altos  
First National Bank of San Jacinto  
First National Bank of Weed  
First National Trust & Savings Bank of Santa Barbara  
Temple City National Bank of Temple City

You will recall that when you were last here in Washington this matter was discussed at some length.

The Comptroller of the Currency is advised by the Board of Governors of the Federal Reserve System that the Board now has under consideration the question of instituting proceedings under the Clayton Act against Transamerica Corporation. Under these circumstances, it will be necessary for this office to defer its decision on the above listed applications.

Very truly yours,

(Signed) Preston Delano

Preston Delano

PD:AC

COPY

November 28, 1947.

Mr. F. N. Belgrano, Jr., President,  
The First National Bank of Portland,  
Portland, Oregon.

Dear Mr. Belgrano:

Please refer to the request of the First National Bank of Portland, Portland, Oregon, to branch into its system the following Transamerica-controlled banks.

First National Bank of Prineville  
First National Bank of Cottage Grove  
First National Bank of Forest Grove  
Coolidge and McClaine, Silverton  
Scio State Bank, Scio  
Clatsop Country Bank, Seaside  
Bank of Sweet Home  
Moreland-Sellwood Bank, Portland  
First National Bank of Eugene  
Benton County State Bank, Corvallis

You will recall that when you were last here in Washington this matter was discussed at some length.

The Comptroller of the Currency is advised by the Board of Governors of the Federal Reserve System that the Board now has under consideration the question of instituting proceedings under the Clayton Act against Transamerica Corporation. Under these circumstances, it will be necessary for this office to defer its decision on the above listed applications.

Very truly yours,

Preston Delano  
Comptroller of the Currency

COPY

(Read to Wiggins 11/10/47. Preferred not to have copy. Said this letter should be of great help in taking strong pressure off comptroller and Secretary.)  
M.S.E.

November 7, 1947.

PERSONAL AND CONFIDENTIAL

Honorable Preston Delano,  
Comptroller of the Currency,  
Washington, D. C.

Dear Preston:

At a recent meeting the Board received and considered a report from its Legal Division discussing Transamerica Corporation and its group of controlled banks. In that report Counsel for the Board advised that, in his opinion, the present combined statistical data respecting these banks raises serious questions as to the Board's responsibilities under Section 11 of the Clayton Act. That section, as you know, places upon the Board primary responsibility for effectuating certain aspects of the federal anti-monopoly policy. It was Counsel's recommendation that the Board investigate the entire Transamerica situation in the light of these statutory provisions to determine what action, if any, the Board should take thereunder.

This is to advise you that at its meeting of October 31st last the Board unanimously adopted a resolution directing that an investigation be undertaken under the direction of its Legal Division to ascertain whether there is just cause for the Board to institute the statutory proceeding contemplated by Section 11 of the Clayton Act looking to the entry of an order requiring Transamerica Corporation to divest itself of the stocks of any or all of the banks which it now owns, with the exception of that of Bank of America National Trust and Savings Association.

Sincerely yours,

(Signed) M.S. Eccles

M. S. Eccles,  
Chairman.

Similar letters to Mr. Harl and  
Attorney Gen. Tom Clark