

~~Mr. Eccles~~

COPY

BANK OF AMERICA
National Trust and
Savings Association

San Francisco, California.
November 23, 1936.

Honorable John K. McKee,
Board of Governors,
Federal Reserve System,
Washington, D. C.

Dear Mr. McKee:

Attached is a copy of a letter which I just forwarded to the Board of Governors through the local Federal Reserve Bank. I am informed that it will be considered at their Executive Committee meeting tomorrow and transmitted by air mail.

I thought that you might be interested in having a copy so that you can be informed.

Kind regards.

Very truly yours,

(Signed) Hugh L. Clary

Vice President.

COPY
BANK OF AMERICA

San Francisco, California.
November 23, 1936.

Board of Governors of the
Federal Reserve System,
c/o Federal Reserve Bank,
San Francisco, California.

Gentlemen:

On behalf of Transamerica Corporation and Inter-America Corporation who have heretofore filed an application for a general voting permit as provided in Section 5144 of the Revised Statutes of the United States, I would like to apply for a temporary voting permit for the sole purpose of voting the stock which these corporations own or control, directly or indirectly, in the First National Bank of Portland at a meeting to be held as soon as practical, and for the sole purpose of increasing the capital stock of said bank by a transfer of \$500,000 from the surplus, undivided profits and reserves.

? For your information, the First National Bank of Portland has acquired ownership or control of banks in Grants Pass, Ashland, Coquille and Oregon City and may shortly acquire other banks. Applications for permission to operate these banks as branches are now on file with the Comptroller of the Currency. As you know, Section 5155 of the Revised Statutes of the United States provides that the capital of a branch bank shall be at no time less than the aggregate minimum capital required by law for the establishment of an equal number of national banking associations situated in the various places where such association and its branches are situated. It is therefore necessary that the capital of the First National Bank of Portland be increased in this manner in order to qualify these applications for permission to operate branches for further consideration by the Comptroller.

At the same time we would like to call your attention to the fact that our application for a general voting permit is still pending before you and has not been acted upon. Some time in December 1935 a general agreement was proposed as a condition precedent to the granting of a general voting permit. It was our opinion at that time that this agreement established in many respects

Board of Governors
Federal Reserve System
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a measure of control and domination of the affairs of holding company affiliates which was not contemplated by Section 5144 of the Revised Statutes. We presented arguments in support of our point of view. No final conclusion, however, was reached before the date of our annual meetings and as a result the stock of Transamerica Corporation and Inter-America Corporation was not voted at these meetings. We would now like to request that consideration of our application be renewed and that the Board also give consideration to a revision of the general agreement heretofore proposed. We are informed that many holding company affiliates were unwilling to sign this proposed agreement and no doubt also presented arguments in opposition thereto. This, coupled with the fact that the economic and financial situation is entirely different than it was ~~then~~, would suggest that an entirely new approach be made to the whole problem. This latter we respectfully request.

Very truly yours,

Hugh L. Clary,
Vice President.