

(W. K. Kee, Cashier,
Council Chamber)

Mr Clayton
10/9/22

Dear A. P.:

Following the receipt of your letter of August 17 in regard to the Board's attitude respecting applications from banking institutions in the Transamerica group, your letter was, as Mr. Clayton advised you in his acknowledgment of August 21, brought to the attention of the other Board members and of the members of the staff who are primarily concerned with the subject matter. A further reply to your letter has been deferred partly because of the fact that our time has been very largely taken up with pressing problems concerned with Treasury financing and steps to combat inflationary developments and partly in order to make a review for the purpose of determining whether it would serve a useful purpose to write an extensive letter going over the entire matter and covering in detail what has already been said. However we believe that you have been fully informed as to the Board's position and that consequently a lengthy discussion would really involve us in an argument as to the correctness of your impressions regarding the soundness of the Board's position and the sincerity of its motives, as evidenced by your use of such terms as "arbitrary", "without any apparent reason", "legal justification" and the like, with which the Board could not possibly agree. The position of the Board upon each application has been taken solely upon the basis of what it believed to be the best interests of all concerned in the light of the information before it and with the concurrence of the Comptroller of the Currency and of the Federal Deposit Insurance Corporation.

The Board has not been convinced up to this time that the needs of the communities involved cannot be served adequately by existing facilities or by the provision of facilities that would be wholly independent in ownership and management of Transamerica control, or that the public interest would be served best by the approval of these applications. Until a showing is made that is convincing, it will continue to withhold favorable action.

TP Our review of the record in this matter convinces us.