

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON

December 29, 1942.

My dear Senator:

This is to acknowledge your letter of December 18th which refers to the Bank of Nevada at Las Vegas, Nevada.

The application of this bank for deposit insurance was disapproved some time ago. The reason for disapproval was chiefly one of policy. As you know, we are charged under our law with the responsibility of determining the eligibility of applicant banks for insurance. Frankly, the question presented in this instance could not be determined solely on the basis of the eligibility of this particular institution. The question inevitably involves the broader question of the advisability of the further expansion of the Bank of America. We already have a tremendous risk concentration in the Bank of America and we have tried from time to time to secure the cooperation of this group in the matter of ceasing further expansion of its already extensive branch banking system. I am sure you will agree that we must concern ourselves now with the uncertainty of post war conditions and we certainly know from experience that depositors can suffer tremendous loss from over expansion of credit and from loose bank management and bank supervision.

It is with these things in mind that we believe it inadvisable for the Bank of America to spread its branch banking system all over the West and we have therefore withheld insurance from any new bank acquired by this group.

I am glad to know of your interest in the matter and I shall be glad to discuss it further with you at your convenience.

Cordially yours,

(Signed) Leo T. Crowley

Chairman

Honorable Pat McCarran,
United States Senate,
Washington, D. C.

Marrow: This is supplemental to my scribbled note of Dec 29

And the above will be face of Pan American's Lanny, but to give this service to growing Boulder, City and Las Vegas when depositors are there. Including the 50-000-000.

*10/29/42
Pat I challenge the Government to show that it has the war effort & the monetary period. I have the balance of American - & the P.A. Bank which by the way, and no larger owned by the Secretary of the Treasury - A.P.S.*