



THE COMPTROLLER OF THE CURRENCY
WASHINGTON 25

February 22, 1944

CONFIDENTIAL

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

My dear Marriner:

The enclosed correspondence between
the Banking and Currency Committee of the House
of Representatives and this office is forwarded
for your information.

Very sincerely yours,

Preston Delano
Preston Delano

HOUSE OF REPRESENTATIVES
Committee on Banking and Currency
Washington

February 15, 1944

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

Dear Mr. Delano:

I am directed by the Honorable Brent Spence, Chairman of the House Banking and Currency Committee to request that you have your staff prepare a report on the enclosed bill H. R. 1818 for use of the Committee.

Yours sincerely,

/s/ WALLACE E. DINGUS
Committee Clerk

February 17, 1944

Honorable Brent Spence,
Chairman, House Banking and
Currency Committee,
Washington, D.C.

Dear Mr. Chairman:

Permit me to acknowledge your request
of February 15, 1944 for a report on H. R. 1818.

The attention of this office was first
called to the subject matter of this bill in early
1943, and on March 15 of that year a report was
made to your predecessor, the late Honorable Henry
B. Steagall, strongly supporting the proposed
legislation to eliminate the existing disparity
between national banks and insured state banks with
respect to the costs of examination. A copy of
that letter is enclosed. It represents the present
position of the Comptroller of the Currency.

Very sincerely yours,

/s/ Preston Delano

Preston Delano

March 15, 1943

My dear Mr. Chairman:

There is pending before your Committee a bill "To amend section 12B of the Federal Reserve Act to provide for the deduction of certain credits from assessments due the Federal Deposit Insurance Corporation by certain insured banks" (H. R. 1818). The purpose of this bill is to eliminate an existing disparity between national banks and insured state banks with respect to the costs of examination.

Under existing law and practice, national banks and banks operating in the District of Columbia are examined solely by national bank examiners, and the costs of examination are paid for entirely by the examined banks. On the other hand, state member banks are examined once each year without charge by examiners of the Federal Reserve System, and insured nonmember banks are examined once each year without charge by examiners of the Federal Deposit Insurance Corporation.

The costs of examination of state member banks are paid out of earnings of the Federal Reserve System, and the costs of examination of insured nonmember banks are paid by the Federal Deposit Insurance Corporation out of assessments charged against all insured banks, both state and national, at a uniform rate. Consequently, a part of the assessments paid by banks (including national banks) for federal deposit insurance, is used to pay for one yearly examination of each insured nonmember bank, thus reducing their examination expenses, whereas there is no comparable reduction in the examination expenses of national banks.

Therefore, it seems equitable that the assessments paid each year by national banks and District banks to the Federal Deposit Insurance Corporation be reduced by the amount of the cost to such banks of one examination by national bank examiners. The proposed bill is well designed to effect this desirable adjustment.

For these reasons, I strongly recommend the enactment of H. R. 1818 in its present form.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your Committee.

Yours very truly,

/s/ Preston Delano
Comptroller of the Currency

Honorable Henry B. Steagall, Chairman,
Committee on Banking and Currency,
House of Representatives,
Washington, D. C.