

A meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council was held in the offices of the Board of Governors in Washington on Tuesday, May 20, 1947, at 10:45 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Evans
Mr. Clayton

Mr. Carpenter, Secretary

Messrs. Williams, McCoy, Fleming, J. T. Brown, E. E. Brown, Penick, Atwood, Kemper, Winton, and Odlin, members of the Federal Advisory Council from the Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, and Twelfth Federal Reserve Districts, respectively.

Messrs. Bucklin, President of the National Shawmut Bank of Boston, and Traphagen, President of the Bank of New York, who were attending the meeting in place of Messrs. Spencer and Burgess, members of the Council from the First and Second Federal Reserve Districts, respectively.

Mr. Prochnow, Acting Secretary of the Federal Advisory Council

At its separate meeting yesterday and today the Federal Advisory Council approved statements with respect to the various matters which it wished to discuss with the Board of Governors and yesterday it presented these statements to the Board for consideration in accordance with the procedure agreed upon by the Council and the

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Board on December 3, 1946. The discussion at this joint meeting with respect to each of the topics was substantially as follows:

1. Loans by American commercial banks on foreign-owned gold.

What policies should be pursued by American commercial banks in making or participating in loans on foreign-owned gold? It is believed that such loans should not be made if they appear to be sought for predominantly speculative purposes, and that in any case they should be limited to an initial period of 12 months, subject to renewal, in order to provide opportunity for periodic review. What are the views of the Council?

The Council does not believe that American commercial banks should be restricted in making or participating in loans on foreign-owned gold, either in relation to the purposes for which the loans are made or the length of time for which the loans are extended.

President Brown stated that the Council did not see why, if the Federal Reserve Banks make such loans, it would not be proper for commercial banks to do so. He recognized that a foreign central bank should not pledge gold as security for a loan and then continue to show the gold in its reserves. On the question whether loans should be extended on gold pledged as security with the thought on the part of the borrower that there might be further devaluation of the dollar, President Brown said the Council felt that there would be no further devaluation of the dollar, that the larger the amount of such loans the less likelihood of a devaluation, and that if such loans were extended it would be a pretty good indication that the American banks

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did not favor further devaluation, which would be more effective in stabilizing the dollar in relation to gold than would be the case if the loans were refused.

Chairman Eccles suggested that foreign central banks were not likely to borrow from private banks in preference to the Federal Reserve Banks unless it was for a speculative or other unsatisfactory purpose, and that it was the policy of the Federal Reserve to make commitments for loans on gold for not more than one year and to make the maturity of the actual loans not more than 90 days so that there would be an opportunity to review the circumstances under which they were made and so that the credit would not be used for a purpose which the Federal Reserve did not approve.

He also said that as a means of considering problems arising in the foreign field and in the field of relations with foreign banks there was created some time ago a policy group on foreign interests consisting of himself, Mr. Szymczak, and President Sproul of the Federal Reserve Bank of New York, that this group had considered these problems and that it had decided to suggest that it be recommended to the Treasury (a) that the Treasury issue no license for any gold loan by a commercial bank for an initial period of more than twelve months, any application for a license to renew a loan beyond twelve months to be the subject of a special Treasury-Federal Reserve consultation and review, and (b) if a loan appeared to be sought for

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predominantly speculative purposes the Treasury would not issue any license at all.

Chairman Eccles made it clear that these suggestions had not yet been submitted to the Treasury but that he expected that they would be submitted shortly. He added that there had been considerable discussion of this matter with the Treasury and while the suggested procedure would not prevent loans by commercial banks, it would make it possible to prevent loans for purposes that would be objectionable.

In connection with a comment by Chairman Eccles that the Federal Reserve had discouraged the pledging of gold by central banks as collateral for loans when the banks continued to show the gold in their gold reserves, he explained that the usual purpose of gold loans by the Federal Reserve Banks was to meet a short term disequilibrium in the balance of payments of the borrowing country.

2. Transactions by American commercial banks in gold at premium prices.

It is reported that some American commercial banks have participated in transactions in gold against dollars at premium prices in foreign countries. It is believed, from the standpoint of national policy, that such transactions are undesirable and that American commercial banks should be requested to refrain from engaging in them. Does the Council agree?

The Council believes that such transactions in gold against dollars at premium prices in foreign countries may be undesirable. However, the Council believes that no action of the Federal Reserve Banks to restrict these trans-

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actions should go further than a request to refrain from engaging in them.

President Brown stated that the reason the Council did not want action to go beyond a request that transactions of this kind be not undertaken, was that there had been suggestions in connection with the discussions at Bretton Woods and at other times that there be an agreement which would require the United States to police foreign exchange transactions so that the regulations of foreign countries could not be avoided, that while there might be all sorts of transactions that were reprehensible it was not possible to police them, and that if there were a regulation which would prohibit transactions in gold held abroad it was apt to encourage requests for such policing. Furthermore, he said, there were countries such as Mexico which had encouraged the purchase of gold for the reason that they felt that at the present time the hoarding of gold was a desirable thing in the country's economy.

In the discussion which followed, Chairman Eccles stated that the policy group referred to above had agreed to recommend that the Treasury and the Board of Governors join in issuing a public statement along the following lines, which appeared to be substantially in line with the Council's position:

"It is well known that active speculative markets in gold exist in many financial centers throughout the world, some legally and other illegally. Under present

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"circumstances, gold is quoted in many foreign centers (in U. S. dollars) at a premium over the official price of gold in the United States. The premiums differ from one center to another so that private speculators, although unable to purchase gold in the United States, can make large profits by purchasing gold against dollars in one market and selling the gold for dollars in another. In the case of most countries in which the gold is sold, payment is made by the use of dollars which have been illegally acquired or held. The effect of these operations is that dollars are used to purchase gold for private hoards rather than to acquire imported goods and equipment sorely needed in those countries.

"In view of these circumstances, and on general grounds of national policy, the Treasury Department and the Board of Governors of the Federal Reserve System request American banks to refrain from encouraging and facilitating this traffic and in particular to refrain from extending the use of their facilities and funds for the carrying out of such transactions."

3. Prospects with respect to bank loans.

In view of the current business situation, the Board would be interested in receiving information from the Council as to whether banks generally expect a continuing strong demand for business loans, for loans secured by real estate, and for consumer credit; what effects the inventory and price situation are having upon the loan positions and policies of banks; and whether, in the various districts, there has been any general tendency for banks to follow more restrictive loan policies, for loan rates to rise, or for borrowers to request renewals of loans more frequently. In addition, the Board would be glad to have any general views which the Council might wish to express.

The Council believes it best to state its conclusions regarding this item on the Agenda in connection with the specific questions which have been raised as follows:

- (A) Do banks expect a continuing strong demand for business loans?

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- (a) The majority of the members of the Council expect a continuing good demand for business loans, but there were three members who reported some leveling off in the demand. Those who are extending term credits expect a continuing strong demand.
- (B) Do banks expect a continuing strong demand for loans secured by real estate?
- (b) A continuing strong demand for real estate loans is anticipated, but owing to the excessive cost of new construction a lessened demand is expected for loans for new buildings.
- (C) Do banks expect a continuing strong demand for consumer credit?
- (c) All banks making such loans, as well as banks extending credit to finance companies, are experiencing a strong and increasing demand.
- (D) What effects are the inventory and price situations having upon the loan positions and policies of banks?
- (d) In general, the members of the Council report a more cautious approach to lending policies. There are some lines of business in which frozen situations appear to be developing.
- (E) Is there any tendency for loan rates to rise or for borrowers to request renewals of loans more frequently?
- (e) There has been no tendency for rates on national names of the highest credit to rise above the 1-1/2 per cent rate which has prevailed, but rates for loans to smaller concerns and credits not of the highest grade have tended to rise somewhat. Rates on term loans in the last year have perhaps increased about 1/4 of 1 per cent.

Borrowers are requesting renewals of loans more frequently because of large receivables and inventories.

During a statement by President Brown in which he amplified briefly the comments of the Council as set forth above, he said that there had been only nominal losses on loans since 1933, that now for the first time in approximately 14 years substantial prospective losses

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in loans were appearing, and that because of this situation there was danger that some banks might change from a liberal to a very restrictive loan policy. He felt that the banks were more alive to the situation than they had been for a long time and that they were being cautious in the extension of credit. In connection with paragraph (e) above he said that some country banks had increased their rates on small loans and on other than prime loans by as much as one or two per cent, and that there was a stronger tendency in rates generally. He added that on the basis of the comments made to the Council yesterday by Mr. Young, Assistant Director of the Division of Research and Statistics, there was not much difference between the views of the Council and the Board's staff as to the general outlook for the expansion of loans, except that the Council thought there would be a larger expansion of business loans than was expected by the staff but that there would be a smaller increase in real estate loans made by the banks.

4. Margin Requirements.

Would it be advisable to reduce the present margin requirements on security loans?

This item was not on the Agenda originally submitted to the Board for this meeting. The Council believes that a reduction in margin requirements is desirable at this time. The stock market is in a deflationary phase. It is very thin and price fluctuations are wide. There is in the opinion of the Council no danger that a reduction in margins would have any dangerous inflationary

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effect, or cause any considerable demand for credit, but it would operate to lessen wide fluctuations in stock prices. The Council would not favor a reduction in required margins below 50 per cent, but it believes the present 75 per cent requirement is too high.

President Brown said that the Council realized the difficulties of timing action with respect to margin requirements, but that the market was going down to new lows and in the absence of action by the Board of Governors it appeared that the Board was afraid to make a further reduction in requirements. He also said that the market was extremely thin, that this was in part due to the fact that margin requirements were high, and that, with the talk of deflation and recession, the violent fluctuations in security prices were apt to have a dangerous psychological effect on the whole business situation and cause the recession, which most of the members of the Council felt was coming to extend itself to considerably greater depths than would otherwise be the case.

Chairman Eccles stated that the problem of margin requirements was under continuous study by the Board and that a reduction was constantly being urged by the brokers, but that the Board felt that the situation at the present time did not warrant a reduction for the reason that the country was still in a period of major inflation. He also said that there had been very little if any reduction in inflationary pressures, and that the longer the present

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situation was sustained, whether by the use of private or public credit, the more dangerous it would be and the greater the necessity for readjustment. He added that security prices were a reflection of the opinion that there would be an inevitable adjustment in which prices and business profits would not be sustained but would decline to a very greatly reduced level and that the existing margin requirements were only an incident in that picture. The Board did not feel, he said, that if margin requirements were reduced there would be a very large increase in the use of credit for the purpose of purchasing and carrying securities, but that the reduction might be interpreted as indicating that the Board felt that some credit expansion in connection with stock market credit was desirable or that security prices had gone down far enough and should be supported as a situation apart from the economy as a whole. It was the Board's view, he said, that the expansion of credit on any front was undesirable at the present time, that instead there should be a contraction of credit as a means of counteracting the unsound inflationary conditions that have developed, and that to reduce margin requirements would be contrary to the general credit policy that should be followed by the System at this time. He made the further statement that the time to reduce margin requirements was when the period of recession or adjustment was further under way and when the reduction could serve

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to cushion the decline, that in that period it might be desirable to remove margin requirements altogether for bank loans on securities for reasons that had been discussed with the Council previously, and that while the peak of the inflationary period probably had been reached it was still at too high a level to require action on margin requirements at this time.

In response to a comment by Mr. Fleming that the market had been going down steadily for over a year, was going down further almost every day, and was extremely thin, Chairman Eccles stated that the thinness of the market was not due to margin requirements but rather to market prospects, that whenever security prices were under pressure the market was thin, and that that condition disappeared as soon as the apprehension about the future disappeared and there were expectations of an expansion. Therefore, he said, the question of a thin market was based not on the level of margin requirements but on the conditions affecting the future course of security prices.

Mr. Fleming expressed the opinion that the increase in the use of term loans was due to uncertainty as to the successful flotation of security issues in the present market and stated that he would dislike very much to see the economy get into a situation because of this condition where there was a spreading hysteria which we could not control.

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Chairman Eccles stated that, because of the small amount of credit in the market at this time, he did not believe there was any danger of hysteria from that source, and that the situation would have been entirely different if there had been no regulation of stock market credit and a large amount of such credit were outstanding which would put pressure on prices in the event of a further market decline.

In connection with a further statement by Mr. Fleming that, while all of the members of the Council were in favor of margin requirements, it was their view that a margin of 75 per cent was restricting buying with a resulting market decline, Chairman Eccles said that the public did not purchase stocks when general uncertainty existed as it does today, and that the present thinness of the market was not because of margin requirements, but because of the realization that the country was in a period of general maladjustment which would have to be corrected.

At this point Mr. Leonard Townsend, Assistant General Counsel of the Board of Governors, joined the meeting.

5. Bank Holding Company Legislation.

At the last meeting it was understood that the Council would give further consideration to the holding company bill S. 829 and that at the next meeting it would submit its views with respect to the proposed legislation.

The Council is familiar with the holding company bill introduced in the Senate, S. 829. It understands this bill is shortly to be rewritten, and that the rewritten bill to

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be substituted for Senate bill 829 will follow the general lines of that bill. Obviously, the Council can not approve a bill which it has not yet seen and which has not been introduced. However, (1) it believes that holding company legislation is desirable at this time; (2) it approves the general approach to the holding company problem embodied in Senate bill 829; and (3) it believes that the new bill should contain:

- (a) A more definite statement of the objectives of the bill and of standards for Federal Reserve Board action. The incorporation in the bill of objectives and standards along the lines suggested in the recent report of a Committee of the Association of Reserve City Bankers would meet the Council's approval.
- (b) Simple justice requires that if holding companies are required to divest themselves of non-banking assets, they should be granted tax exemption in connection with such divestment. A precedent exists for this in the utility holding company legislation.
- (c) A larger percentage of ownership of stock in two or more banks than 10 per cent should be required to automatically create a holding company relationship.
- (d) There should be provisions that incidental ownership of bank stocks in fiduciary capacities such as executor, trustee under a will, etc., should not create a holding company relationship.

The Council urges the rewriting and introduction of the new bill as promptly as possible.

President Brown stated that the Council was unanimous in its approval of the above statements. He also said that the report of the committee of the Reserve City Bankers Association referred to in paragraph (a) of the statement was a result of a great deal of work by the committee resulting in a unanimous approval of the report, which had the support of almost every holding company group except Transamerica, and that the report had been adopted at a recent meeting of the Reserve City Bankers Association and copies would be sent

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officially to the Board of Governors, the Treasury, and the Federal Deposit Insurance Corporation. The report, he said, represented an agreement which would be accepted and supported not only by the major bodies of banker opinion but by practically all of the holding company groups which, with possibly one exception, were in general agreement with the Board's purposes and with the bill as introduced in the Senate.

In a discussion of the language in the first paragraph of the Council's statement, Chairman Eccles made it clear that the bill now before Congress was not to be rewritten and a new bill introduced, and that if any of the changes suggested by the Council or others were found to be acceptable they would be offered in the form of amendments to the existing bill.

President Brown responded that it was immaterial to the Council whether the changes were made in a new bill or by amendment of the existing bill.

President Brown then read the statement of objectives and standards suggested in the report of the Reserve City Bankers Association which were as follows:

Essential goals of the legislation should, it seems, be

1. to reach and regulate any banking operation which, functioning in an area or with a structure larger than that permitted to independent banks, can or does, through the medium of concentrated control,

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- jeopardize independent competitive banking at local or regional levels or place independent banks under the particular circumstances at a competitive disadvantage;
2. to confine the size and geographical extent of any such banking operation, regardless of its competitive or other aspects, within limits consistent with adequate and sound banking; and
 3. to control the magnitude and geographical extent of any such banking operation, regardless of all other considerations, to the end that, in the event of adverse general economic conditions, such an operation will not be subjected to an inordinate pressure arising from unwieldiness due solely to mere size and expense which, in turn, may put an inordinate pressure on the nation's banking structure.

He said that the principal discussion of the committee (the membership of which included five present members and six past members of the Federal Advisory Council) related to the above statement for the reason that the committee felt that if the general statement contained in paragraph 6(d) of the bank holding company bill, which was to serve as a guide for the Board in determining whether to approve an acquisition by a bank holding company, were supplemented by the general language of the above statement, the bill would be more acceptable. With respect to paragraph (b) of the Council's statement, President Brown said the Council was of the opinion that no legislation would be possible unless the tax relief contemplated by that paragraph was permitted.

In connection with paragraph (c) of the Council's statement, President Brown said that the objection to the 10 per cent did not

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come from the bank holding companies but from other interests which might be found to hold as much as 10 per cent of two or more banks and did not want to be in a position where they would have to come before the Board and establish the fact that they were not controlling the banks. He also said that the Council was not prepared to say whether the percentage stated in the definition of bank holding companies as used in the bill should be 15 or 20 per cent, but that it did feel that it should be more than 10 per cent.

He made the further comment that he did not know whether it would be possible for the bill to be passed during the present Congress, but that there was a wider support and a greater opportunity for the bill than had ever existed before.

Chairman Eccles reviewed the consideration which had been given by the Board to bank holding company legislation during the last several years and stated that the Board had been urged by various banking groups to propose legislation, that the Board would not be strongly inclined to urge legislation by the Congress which was not supported by banking groups generally, and that it was safe to say that more general support by the various groups of legislation of some sort could not be expected than was indicated at the present time.

Chairman Eccles then stated that he discussed with representatives of the bank holding company groups last week the question

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presented by paragraph (a) of the Council's statement as well as other proposed amendments, and that, while he had not had an opportunity to take the matter up with the Board, he had agreed at that time to recommend certain amendments to the present bill which he believed would be necessary and desirable.

President Brown stated that it was not believed the legislation would have the support of banks generally across the country unless something along the lines of the suggestion contained in paragraph (a) of the Council's statement were adopted, because it was felt that stronger language than that now contained in paragraph 6(b) of the bill would be necessary.

In response to Chairman Eccles' request for his comment on the proposal contained in paragraph (a) of the Council's statement, Mr. Townsend stated that it was felt that, if authority were given to the Board to regulate the expansion of bank holding companies, that authority should (1) parallel as closely as possible the procedures that had been traditional in the banking statutes, that is, the filing of an application and consideration by the Board of the matters which under the present law must be considered by the Comptroller of the Currency and the Board in connection with the approval of the establishment of branches by banks, and (2) require, in addition, consideration of the prohibitions against restraint of trade

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and monopoly that had been in Federal statutes and which would confine bank holding companies within the existing prohibitions of law as applied in the field of commerce and industry. He said that the first point was covered by the first part of paragraph 6(d) of the existing bill, which was taken from existing statutes, and which required that consideration be given to the financial history and condition of the applicant and the banks concerned, their prospects, the character of their management, and the convenience, needs and welfare of the communities and the area concerned, and that the second point was covered by the part of the paragraph which required consideration of the national policies against restraint of trade and undue concentration of economic power and in favor of the maintenance of competition in the field of banking. With respect to the standards included in the report of the Reserve City Bankers' Association, Mr. Townsend felt that it could be demonstrated that all of these standards were included within the scope of paragraph 6(d) as contained in the present bill and would be a part of the Board's thinking in considering any acquisition covered by the section, and that, therefore, the problem was a question of the choice of language.

In a discussion of the standards contained in the report of the Reserve City Bankers Association and how the language in section 6(d) of the bill might be interpreted, President Brown stated that

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it was his understanding that the holding company groups would prefer the language in the bill which would indicate that it was not as restrictive as the language proposed by the Reserve City Bankers Association and that the Council concurred in that position.

With respect to paragraph (b) of the Council's statement, Mr. Townsend stated that it had been suggested that the question of tax exemption in connection with divestment by bank holding companies of non-bank assets be discussed with the Treasury, and that if the Treasury were agreeable to the exemption the Board might appropriately favor such an amendment to the bill.

Mr. Townsend also said that there had been a great deal of consideration given to the percentage of ownership of bank stock which should be used in the definition of a bank holding company, that the problem of control was a very simple one when stated as an abstract proposition, but that it had long been recognized that it was not necessary to own anything like a majority of the stock of a company in order to control the company, that effective control could be exercised with a much smaller percentage than a majority or without owning any stock, and that the Board chose 10 per cent for a number of reasons. After stating briefly what these reasons were, he added that if a company was in fact not exercising control of two or more banks it would be

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a simple matter for it to file an application for exemption which could be acted upon promptly by the Board.

President Brown said that the Council recognized the need for a definition of a bank holding company which would cover certain situations automatically and which would enable the Board to determine that other situations were covered by the statute, but that there were a great many banks in various sections of the country the stock of which was held by insurance companies, mutual savings banks, and others which were not in any sense exercising control of the banks, that the question was whether such concerns should be included in the definition of bank holding companies when they own as much as 10 per cent of the stock of two or more banks, and that while the Council's statement did not specify the percentage that should be used in the definition it did feel that there were too many situations in which the companies or the banks involved should not have the burden which a 10 per cent definition would impose of proving that they were not actually being controlled. He questioned whether the procedure for the exemption of such banks from the provisions of the holding company act would be as simple as suggested by Mr. Townsend, and said that there was a question whether at some future time, if a bank were opposing the position of the Board on an entirely unrelated matter, that opposition might be taken into

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consideration in determining whether the bank should be exempted.

Mr. Townsend stated that it was important to cover Trans-america by the definition contained in the statute, that probably it would be covered if 10 per cent were used in the definition, but that it would be excluded if 20 per cent were used, and that to adopt a definition which by its terms would exclude that particular case from automatic inclusion in the statute would be a serious mistake.

Mr. Odlin stated that he understood that the independent bankers group on the West Coast was in favor of using 10 per cent in the definition, and Chairman Eccles stated that not only the independent bankers' associations but the bank holding company representatives were in favor of 10 per cent.

President Brown said that the opposition to 10 per cent came from the Reserve City Bankers and bankers all over the country who did not want to take a chance of being "caught in a dragnet" when they were not involved in control of the type contemplated by the bill. He said he wanted to make it clear that there would be strong opposition from some quarters to a definition based on a stock control of 10 per cent or more and that if a larger percentage were not used he did not think there would be general bank support for the bill. He added that personally, aside from the question of the public

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interest, he did not care whether bank holding company legislation was passed, but he did not want to be in a position where he might find that, because of an incidental ownership of the stock of his bank, it would be regarded as part of a bank holding company group.

Turning to another phase of the question, President Brown stated that there were some cases where finance companies had purchased banks in widely scattered sections of the United States as "feeders" for their operations, that in view of the distances between the banks it would not be possible to manage them effectively, but that, because of the size of the bank or because only one bank was owned in a community, there would be no question of the companies getting control of banking facilities in a particular locality. He expressed the opinion that in these cases such groups should be covered by the proposed bill and that they would be covered by the standards proposed in the report of the committee of the Reserve City Bankers Association.

Chairman Eccles suggested that it might be possible to supplement the language contained in paragraph 6(b) of the bill by additional language which would supply whatever was deemed to be essential in the standards proposed in the report of the committee of the Reserve City Bankers Association, and Mr. Townsend stated that if a geographical limitation were written into that paragraph there

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would be immediate opposition from some quarters.

There was a discussion of the extent to which a geographical limitation might be written into the paragraph without raising serious objection to the bill, and Chairman Eccles stated that his suggestion would be given consideration in order that the Board might be able to go before the committees of Congress and say that the bill as proposed had the support of the independent bankers' associations, the bank holding company groups, the Reserve City Bankers Association, and the Federal Advisory Council.

Mr. Odlin stated that he would dislike to see the problem presented in paragraph (a) of the Council's statement reduced to a question of semantics and that it would be unfortunate if, after having gotten the expressions from various interested groups, the language of the bill were changed in such a way as to create further opposition. As to the percentage to be used in the definition of a bank holding company, he said he would rather have 10 per cent but would settle for 15 per cent.

After some further discussion, Chairman Eccles stated that, so far as he knew, the Board would be willing to adopt the suggestion contained in paragraph (d) of the Council's statement.

Chairman Eccles then said that he had to appear at a hearing before the Senate Banking and Currency Committee next week on

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the bank holding company bill and that at that time he would have to be in a position to state the extent to which there was agreement with the bill and the amendments which had been suggested to the bill and which the Board would be willing to accept, and he suggested that the expression of the Council's views on the bill be placed in the form of a statement or resolution that could be presented at the hearing. He also said that if, in order to avoid undue opposition to the bill it were necessary to increase from 10 to 15 per cent the percentage used in the definition of a bank holding company, he would have no serious objection to that change. He felt, however, that 20 per cent would be too large and should not be used.

President Brown stated that it would not be possible for the Council to say that it would support the bill until it had seen the amendments which were being proposed, but that it would meet separately after lunch and consider the possibility of adopting a resolution which would serve the purpose suggested by Chairman Eccles.

President Brown then said that in the usual course the next meeting of the Council would be held on September 21-23, 1947, and he inquired whether the Board knew of any reason why the meeting should not be held at that time. The members of the Board present indicated that that date would be agreeable to them.

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Thereupon the meeting adjourned.

[Signature]
Secretary.

Approved:

[Signature]
Chairman.

minutes of the meeting of the Board of Governors of the Federal Reserve System held on May 10, 1947, were reviewed and approved.

Members of the Board of Governors of the Federal Reserve System of the Division of Administration of the Federal Reserve Bank of New York in the discharge of their duties as members of the Division of Administration of the Federal Reserve Bank of New York.

Name	Position	Signature
John B. McCall	Member	[Signature]
Frank W. McCall	Member	[Signature]
Franklin D. Miller	Member	[Signature]
Franklin D. Miller	Member	[Signature]

Approved and adopted.
[Signature]
Secretary