

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, June 23, 1948. The Board met in the Board Room at 2:30 p.m.

PRESENT: Mr. McCabe, Chairman  
Mr. Eccles  
Mr. Draper  
Mr. Clayton

Mr. Carpenter, Secretary  
Mr. Morrill, Special Adviser  
Mr. Vest, General Counsel  
Mr. Townsend, Associate General Counsel

Mr. Clayton stated that in accordance with the action taken at the meeting of the Board on May 26, 1948, Mr. Townsend had prepared a draft of complaint to be issued by the Board, pursuant to the provisions of the Clayton Act, against Transamerica Corporation, and that in view of the fact that the Transamerica group was pressing the Office of the Comptroller of the Currency for permission to convert into branches some of the banks acquired by the group, it was important that the complaint be issued as promptly as possible.

Mr. Townsend stated that a reply had been received to the Board's letter of May 27, 1948, to the Attorney General, advising him that the Board had decided to issue the complaint, in which the Attorney General tendered the assistance of his office in the matter, and that informal offers of cooperation had been received from the Office of the Comptroller of the Currency and the Federal

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Deposit Insurance Corporation. He also said that the complaint had been prepared and was ready for issuance by the Board.

Chairman McCabe inquired whether any public announcement should be made that the complaint was being issued and Mr. Townsend stated that he would strongly recommend that no publicity be given to the complaint or to the hearings for the reason that, because of possible rumors about the banks involved that might result from publicity, the Board should be extremely reluctant about publicizing the proceeding and should make public announcement regarding it only at the request of counsel for the Board or for the Transamerica group. He also said that after the hearings had been completed and the position of both parties to the proceeding had been made fully a matter of record, there could be a public argument by the attorneys for the Board and Transamerica group on the facts developed by the hearings. After that, he said, the case probably would get into the courts where everything would be public but at which time the Transamerica group would have had a full opportunity to state its position.

This point was discussed and because of the possibility that information regarding the issuance of the complaint might get out in one way or another the question was asked what the members of the Board might say if they were asked whether the

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Board had acted on the complaint. It was suggested that for the time being the best course would be for the members to say that they had no comment and it was agreed unanimously that this procedure should be followed unless Transamerica should release the complaint in which event there would be no reason why it should be held in confidence by the Board. It was also agreed that if something should develop making it desirable to reconsider the question of publicity the matter would again be brought before the Board.

In a discussion of the complaint and notice of hearing on the charges set forth in the complaint submitted by Mr. Townsend, it was pointed out that the notice would fix October 12, 1948, as the date for the hearing in the Board's offices in Washington.

The Secretary stated that the issuance of the complaint and notice had been docketed for the meeting of the Board on Friday, June 25, 1948, when all members of the Board would be present. It was agreed, however, that since it was decided at the meeting of the Board on May 26, 1948, that the complaint would be issued, and since it was understood that the absent members of the Board also favored its issuance, there was no reason why it should not be issued immediately.

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Thereupon, upon motion by Mr. Clayton, the Board voted unanimously to issue the complaint and notice of hearing in the following form as of June 24, 1948, and to direct the sending of copies of the complaint and notice to the Attorney General, the Comptroller of the Currency, the Chairman of the Federal Deposit Insurance Corporation, and the President of the Federal Reserve Bank of San Francisco for their confidential information:

"UNITED STATES OF AMERICA  
BEFORE THE  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

IN THE MATTER OF  
TRANSAMERICA CORPORATION

COMPLAINT

"The Board of Governors of the Federal Reserve System charges that Transamerica Corporation, hereinafter called respondent, is violating and has violated the provisions of Section 7 of an Act of Congress approved October 15, 1914 (the Clayton Act), 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', and the Board of Governors of the Federal Reserve System hereby issues this, its complaint against said respondent, and states its charges with respect thereto as follows, to wit:

"PARAGRAPH ONE--Respondent is a corporation organized under the laws of the State of Delaware, having its principal office in the City of San Francisco, State of California. Respondent has an authorized capital stock of 25,000,000 shares, of the par value of \$2.00 per share, approximately 9,900,000 shares of which are now outstanding. Respondent, through various subsidiary and other companies which it controls, is now engaged, in interstate commerce, in the commercial banking business in the United States and in foreign countries; in the business of home financing; in the business of acquiring, managing and selling real estate; in the business of catching, buying, processing and selling fish and seafood; in the business of underwriting and selling life, health, accident, fire,



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"automobile and marine insurance; in the business of manufacturing and selling hydraulic controls, line supports for aircraft, agricultural implements, Diesel engines, non-ferrous and aluminum castings and forgings, malleable iron and steel castings, oil-well equipment and machinery, and other products; and in other businesses.

"PARAGRAPH TWO--Respondent was founded by A. P. Giannini on or about October 11, 1928, for the purpose, among others, of acquiring and consolidating under one management the control of a number of corporations, including banks, which theretofore had operated under the general direction and control of the said A. P. Giannini. At or about the time of its organization respondent acquired controlling stock interests in the following corporations, among others:

"(a) Bank of Italy National Trust and Savings Association (now Bank of America National Trust and Savings Association). This bank was founded by A. P. Giannini in 1904 as a state bank under the laws of the State of California. At the time of its incorporation and until 1927 it operated as a state bank under the name of Bank of Italy. In 1927 Bank of Italy converted into a national bank under the name of Bank of Italy National Trust and Savings Association (hereinafter referred to as Bank of Italy N. T. & S. A.). At or about the time respondent acquired a controlling stock interest therein Bank of Italy N. T. & S. A. was operating through a head office in San Francisco and approximately 292 branches located throughout the State of California. Approximately 200 of such branches had been established following the acquisition, by various companies or persons acting under the general direction of A. P. Giannini, of controlling stock interests in or the banking business of various independent banks and branches of such banks located throughout the State of California. In addition to the banks and branches so acquired and converted into branches of Bank of Italy or its successor, Bank of Italy N. T. & S. A., and during the period between the organization of the Bank of Italy and respondent's incorporation, controlling stock interests or the banking business of approximately 87 other independent banks and branches of such banks had been acquired by companies or persons

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"acting under the general direction of the said A. P. Giannini, which banking offices were subsequently closed, the banking business of each such closed office being absorbed by an existing branch or branches of said Bank of Italy or its successor, Bank of Italy N. T. & S. A.

"(b) National Bankitaly Company. This corporation was affiliated with Bank of Italy N. T. & S. A. and succeeded to the business of Stockholders Auxiliary Corporation (a corporation organized in 1917 by A. P. Giannini for the purpose, among others, of facilitating the bank expansion activities of the Bank of Italy, above-described).

"(c) Merchants National Trust & Savings Bank, Los Angeles, California. This bank was a national bank having its principal office in Los Angeles, California, and operating approximately 35 branches located in Los Angeles and vicinity.

"(d) United Security Bank & Trust Company, San Francisco, California. This bank was a state bank organized under the laws of the State of California, having its principal place of business at San Francisco, California, and operating approximately 53 branches located throughout the State of California. This bank resulted from the merger in 1928 of the United Bank & Trust Company and the Security Trust Company of Bakersfield, California, both of such banks being state banks organized and operating in the State of California.

"(e) French-American Corporation. This corporation was affiliated through common stock ownership with United Security Bank & Trust Company. At or about the time of respondent's organization the French-American Corporation owned controlling stock interests in a number of banks, including San Diego State Bank, San Diego, California; First National Bank, Berkeley, California; First Bank of Jamestown, Jamestown, California; Motherlode National Bank, Sonora, California; Second Avenue State Bank, Los Angeles, California; Bank of Oxnard, Oxnard, California; Placerville National Bank, Placerville, California; and Vallejo Commercial National Bank, Vallejo, California.

"(f) Bank of America National Association. This bank was a national bank having its principal office and operating approximately 30 branches in the City of New York, New York.

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"(g) Bankitaly Company of America. This corporation was organized under the laws of the State of Delaware, having its principal office in San Francisco, California. It owned controlling stock interests in various subsidiary companies, including Americommercial Corporation (a corporation organized in 1924 by Stockholders Auxiliary Corporation and certain stockholders of Bank of America of Los Angeles, Los Angeles, California, to further facilitate the bank expansion activities of Bank of Italy, above-described), Banca D'America E D'Italia (a banking company formed under the laws of Italy, having its principal office in Milan, Italy, and operating approximately 37 branches throughout Italy), and Ameritalia Corporation (a banking affiliate of Banca D'America E D'Italia).

"(h) California Joint Stock Land Bank. This corporation was organized by the Bank of Italy in 1919 under the provisions of the Federal Farm Loan Act.

"(i) Bankitaly Mortgage Company. This corporation was organized by National Bankitaly Company in 1927 and engaged in the business of lending on mortgage loans in urban communities.

"(j) Bankitaly Agricultural Credit Corporation. This corporation was organized by National Bankitaly Company in 1928 to make loans on country real estate.

"PARAGRAPH THREE--Since its organization in 1928 respondent has continued, under the general direction of A. P. Giannini, to expand its banking interests by the acquisition, either directly or through one or more of its controlled companies or agents, of controlling stock interests in or the banking business of various independent banks which banks were at the time of such acquisitions in competition with one or more of the banks already controlled by respondent. As a result of such expansion respondent now controls approximately 46 banks, operating approximately 598 branches located in the States of California, Oregon, Nevada, Arizona and Washington, having aggregate deposits of approximately \$6,640,000,000. Of the banking offices so controlled by respondent approximately 555 are located in California, 57 in Oregon, 15 in Nevada, 7 in Arizona, and 10 in Washington. Of the banking deposits so controlled by respondent approximately \$5,716,000,000 are located

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"in California, \$614,000,000 in Oregon, \$129,000,000 in Nevada, \$85,000,000 in Arizona, and \$96,000,000 in Washington. The banking offices and deposits controlled by respondent constitute the following percentages of the total banking offices and deposits in each of the five states above-named: In California approximately 50 per cent of all banking offices and 43 per cent of all deposits; in Oregon approximately 36 per cent of all banking offices and 44 per cent of all deposits; in Nevada approximately 60 per cent of all banking offices and 77 per cent of all deposits; in Arizona approximately 13 per cent of all banking offices and 20 per cent of all deposits; in Washington approximately 4 per cent of all banking offices and 4 per cent of all deposits.

"PARAGRAPH FOUR--Part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent acquired, either directly or through one or more of its controlled companies or agents, the controlling stock interest in an independent bank and has continued to operate such bank as a separate institution, although controlled by respondent. Included among the banks so acquired by respondent since its organization in 1928 and now operated and controlled by it are the following:

Year	Name of Bank	As of date of acquisition	
		Branches	Deposits (Approx.)
1928	Bank of Italy N. T. & S. A., San Francisco, California (Now Bank of America N. T. & S. A.)	283	666,944,000
1930	First National Bank, Portland, Oregon	--	46,174,000
"	Central Bank, Oakland, California (This bank was originally chartered in 1930 as the Bank of America, a state bank, to take over 58 branches of Bank of America of California, which merged with Bank of Italy N. T. & S. A. in that year to form Bank of America N. T. & S. A.)		
1934	First National Bank of Nevada, Reno, Nevada	--	6,741,000
1936	National Bank of Tacoma, Tacoma, Washington (Now National Bank of Washington)	1	14,499,000

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		As of date of acquisition	
Year	Name of Bank	Branches	Deposits (Approx.)
1937	First National Bank, Forest Grove, Oregon	--	621,000
"	Farmers Bank of Carson Valley, Minden, Nevada	--	1,154,000
"	First National Bank of Arizona, Phoenix, Arizona	1	14,354,000
"	Phoenix Savings Bank & Trust Company, Phoenix, Arizona	--	3,881,000
"	Coolidge & McClaine, Silverton, Oregon	--	657,000
1938	First National Bank, Garden Grove, California	--	694,000
"	Bank of Sellwood, Portland, Oregon (Now Moreland-Sellwood Bank)	--	443,000
"	Clatsop County Bank, Seaside, Oregon	--	463,000
1940	First National Bank, Cottage Grove, Oregon	--	1,137,000
"	Bank of Pinole, Crockett, California	3	2,879,000
"	Central Bank of Calaveras, San Andreas, California	--	1,063,000
1941	First National Bank, Fairfield, California	--	722,000
"	First National Bank, Prineville, Oregon	--	852,000
"	Bank of Nevada, Las Vegas, Nevada	--	(Newly organized)
"	Temple City National Bank, Temple City, California	--	641,000
"	First National Bank, Weed, California	--	932,000
1942	First Trust & Savings Bank, Pasadena, California	1	16,799,000
"	Scio State Bank, Scio, Oregon	--	379,000
"	Bank of Sweet Home, Sweet Home, Oregon	--	552,000
1943	First National Bank, Bellflower, California	--	4,150,000

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		As of date of acquisition	
Year	Name of Bank	Branches	Deposits (Approx.)
1944	First National Bank, Corcoran, California	--	1,924,000
"	First National Bank, Los Altos, California	--	712,000
"	Bank of Newman, Newman, California	3	4,267,000
"	First National Bank, Santa Ana, California	--	25,530,000
"	First National Trust & Savings Bank, Santa Barbara, California	--	9,739,000
"	Bank of Tehachapi, Tehachapi, California	--	1,014,000
1945	First National Bank, Crows Landing, California	--	2,196,000
"	First National Bank, Eugene, Oregon	--	34,806,000
"	First National Bank, San Jacinto, California	--	1,046,000
"	First Savings Bank, San Jacinto, California	--	594,000
"	Farmers & Merchants Bank of Watts, Los Angeles, California	--	3,861,000
1946	Benton County State Bank, Corvallis, Oregon	1	9,351,000
"	First National Bank, Mountain View, California	--	3,821,000
"	First National Bank, Oakdale, California	--	8,055,000
"	Stanislaus County Savings Bank, Oakdale, California	--	3,409,000
"	First National Bank, Turlock, California	--	6,605,000
1947	Bank of Beaumont, Beaumont, California	--	2,205,000
"	Carlton State & Savings Bank, Carlton, Oregon	--	976,000
"	First National Bank, Delano, California	--	9,635,000
"	Yamhill State Bank, Yamhill, Oregon	--	1,502,000
1948	American Commercial & Savings Bank, Moorpark, California	--	1,246,000



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"Each of the banks so acquired and now operated and controlled by respondent is engaged in interstate commerce within the purview of Section 7 of the Act of Congress approved October 15, 1914 (Clayton Act).

"PARAGRAPH FIVE--A further part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent, either directly or through one or more of its controlled companies or agents, acquired either a controlling stock interest in or the banking business of an independent bank and contemporaneously therewith or thereafter caused such independent bank and branches, if any, of such bank to be converted into a branch or branches of a bank already operated and controlled by respondent, and the banks and branches of such banks so acquired and converted are today operating as branches of one or more of the banks listed in Paragraph Four above. Included among the banks so acquired and converted since respondent's organization in 1928 are the following:

Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1928	Branches of Merchants National Bank, Los Angeles, California	23	
"	United Security Bank & Trust Co., San Francisco, California (Head office and 28 branches)	29	146,883,000
"	Branches of San Diego State Bank, San Diego, California	4	
"	First National Bank, Eureka, California	1	2,405,000
"	Motherlode National Bank, Sonora, California	1	153,000
"	Bank of Oxnard, Oxnard, California	1	99,000
"	Vallejo Commercial National Bank Vallejo, California	1	1,707,000
"	First National Bank, Grass Valley, California	1	420,000
"	Northern California Bank of Savings, Marysville, California	1	3,305,000
"	First National Bank, Alturas, California	1	522,000

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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1928	Central Bank of California Auburn, California (Head office and 4 branches)	5	1,460,000
"	Branches of Berkeley Bank, Berkeley, California	5	
"	First National Bank, Chino, California	1	427,000
"	Cloverdale Commercial & Savings Bank, Cloverdale, California	1	176,000
"	First National Bank, Colton, California	1	795,000
"	Bank of Dixon, Dixon, California	1	1,102,000
"	First National Bank, Exeter, California	1	558,000
"	First National Bank, Geyserville, California	1	331,000
"	Bank of Pacific Grove, Pacific Grove, California	1	1,274,000
"	Petaluma Savings Bank, Petaluma, California	1	3,109,000
"	Richmond Commercial & Savings Bank, Richmond, California	1	261,000
"	San Carlos Bank, San Carlos, California	1	171,000
"	State Bank of Ramona, Ramona, California	1	354,000
"	First National Bank, South Pasadena, California	1	566,000
"	Lassen Industrial Bank, Susanville, California (Head office and 1 branch)	2	1,383,000
"	Commercial Bank, Turlock, California (Head office and 1 branch)	2	1,727,000
"	El Dorado County Bank Placerville, California	1	1,759,000
"	Dairymen's Coast Bank, Valley Ford, California (Head office and 2 branches)	3	2,033,000
"	Golden State Bank, Walnut Park, California	1	122,000



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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1929	The Oakland Bank, Oakland, California (Head office and 8 branches)	9	60,324,000
"	First National Bank, Porterville, California	1	3,228,000
"	Amador County Development Bank, Jackson, California	1	201,000
"	Citizens State Savings Bank, Gardena, California	1	256,000
"	National Bank of Hermosa Beach, Hermosa Beach, California	1	236,000
"	Bank of Isleton, Isleton, California	1	601,000
"	First National Bank, Long Beach, California	1	6,524,000
"	Arroyo-Seco State Bank, Los Angeles, California	1	861,000
"	Florence National Bank, Los Angeles, California	1	714,000
"	Branches of Pacific National Bank, Los Angeles, California	6	
"	Monterey Park Commercial & Savings Bank, Monterey Park, California	1	312,000
"	Bank of Norwalk, Norwalk, California	1	842,000
"	Bank of San Clemente, San Clemente, California	1	322,000
"	First National Trust & Savings Bank, Whittier, California	1	4,869,000
"	Commercial & Savings Bank of Sutter County, Yuba City, California	1	811,000
1930	Broadway Commercial & Savings Bank, Burlingame, California	1	294,000
"	George W. Bates & Company, Bankers, Portland Oregon	1	1,430,000
"	Bank of East Portland, Portland, Oregon	1	1,018,000
1932	Livestock State Bank, Portland, Oregon	1	324,000
"	Southeast Portland Bank, Portland, Oregon	1	(newly organized)

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Number of banking  
offices acquired Deposits  
and converted (Approx.)

Year	Name of Bank		
1932	West Side State Bank, Los Angeles, California	1	613,000
"	First National Bank, Alhambra, California	1	2,243,000
1933	The Gresham Bank, Gresham, Oregon	1	(newly organized)
"	First National Bank, Sebastopol, California	1	269,000
"	Oregon State Bank, Portland, Oregon	1	405,000
"	American National Bank, Portland, Oregon	1	4,832,000
"	Montavilla Savings Bank, Portland, Oregon	1	(restricted)
"	First National Bank, Astoria, Oregon	1	1,328,000
"	First Inland National Bank, Pendleton, Oregon	1	1,950,000
"	Shute Savings Bank, Hillsboro, Oregon	1	(restricted)
"	First National Bank, Salem, Oregon	1	1,153,000
"	Bank of Woodburn, Woodburn, Oregon	1	(restricted)
1934	First National Bank, Condon, Oregon	1	170,000
"	First National Bank, Cucamonga, California	1	166,000
"	First National Bank, Puente, California	1	684,000
1935	Russ-Williams Banking Company, Ferndale, California	1	543,000
"	McCloud National Bank, McCloud, California	1	957,000
"	Wallowa National Bank, Enterprise, Oregon	1	577,000
"	First National Bank, LaGrande, Oregon	1	1,082,000
"	Commercial National Bank, Lakeview, Oregon	1	600,000

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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1935	First National Bank, Medford, Oregon	1	2,667,000
"	First National Bank, Tillamook, Oregon	1	1,368,000
"	First National Bank, Union, Oregon	1	368,000
1936	First National Bank of Southern Oregon Grants Pass, Oregon	1	1,460,000
"	First National Bank, Coquille, Oregon	1	617,000
"	First National Bank, Ashland, Oregon	1	1,183,000
"	First National Bank, Merrill, Oregon	1	431,000
"	First National Bank, Klamath Falls, Oregon	1	2,959,000
"	Sierra Valley Bank, Loyalton, California	1	321,000
"	Plumas County Bank, Quincy, California (Head office and one branch)	2	337,000
"	Bank of Milpitas, Milpitas, California	1	306,000
"	Citizens Bank, Laguna Beach, California	1	471,000
"	First National Bank, Fallbrook, California	1	303,000
"	California First National Bank, Long Beach, California	1	4,040,000
"	First National Bank, San Dimas, California	1	311,000
"	Westwood National Bank, Westwood, California	1	609,000
"	Branch of Bank of Inglewood, Los Angeles, California	1	
"	First National Bank, El Monte, California	1	907,000
"	Delta Bank, Rio Vista, California	1	541,000
"	First National Bank, Claremont, California	1	851,000

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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1936	Bank of Point Arena, Point Arena, California	1	185,000
"	First National Bank, Downey, California	1	154,000
"	Crescenta Canada National Bank, Montrose, California	1	265,000
"	First National Bank, Del Rey, California	1	350,000
"	First National Bank, Altascadero, California	1	230,000
"	Calistoga National Bank, Calistoga, California	1	778,000
"	Branches of Seaboard National Bank, Los Angeles, California	4	
"	Lumbermen's National Bank, Bend, Oregon	1	1,458,000
"	North Bend National Bank, North Bend, Oregon	1	384,000
"	United States National Bank, Newburg, Oregon	1	1,043,000
"	First National Bank, Elko, Nevada	1	2,407,000
1937	Farmers & Merchants National Bank, Eureka, Nevada	1	519,000
"	Kent National Bank, Kent, Washington	1	627,000
"	Auburn National Bank, Auburn, Washington	1	866,000
"	First State Bank, Bremerton, Washington	1	185,000
"	Castle Rock Bank, Castle Rock, Washington	1	535,000
"	Kalama State Bank, Kalama, Washington	1	358,000
"	Pasadena Savings Bank, Pasadena, California	1	579,000
"	Lindsay Savings Bank, Lindsay, California	1	801,000
"	First National Bank, Fontana, California	1	751,000

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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1937	First National Bank, Glendora, California	1	530,000
"	First National Bank, Hynes, California	1	781,000
"	First Bank of Highland, Highland, California	1	393,000
"	First National Bank, Molalla, Oregon	1	376,000
"	First National Bank of Coos Bay, Marshfield, Oregon	1	1,690,000
"	First National Bank, Hood River, Oregon	1	1,629,000
"	Steiwer & Carpenter Bank, Fossil, Oregon	1	241,000
"	First National Bank, Oregon City, Oregon	1	1,196,000
"	First State Bank, Las Vegas, Nevada	1	3,211,000
"	Mason Valley Bank, Yerington, Nevada	1	302,000
"	Yuma Branch of Miners & Merchants Bank, Bisbee, Arizona	1	
"	Branches of Central Bank of Oakland, Oakland, California	2	
"	First National Bank of Arizona at Phoenix, Phoenix, Arizona	1	(Deposits in- cluded with First National Bank of Arizona listed in Paragraph Four, herein)
1938	Coffman-Dobson Bank & Trust Company, Chehalis, Washington	1	2,640,000
"	Toledo State Bank, Toledo, Washington	1	84,000
"	State Bank of Winlock Winlock, Washington	1	333,000
"	Bank of Alameda County, Alvarado, California (Head Office and 2 branches)	3	2,652,000

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Year	Name of Bank	Number of banking offices acquired and converted	Deposits (Approx.)
1943	First National Bank of Lamanda Park, Pasadena, California	1	1,830,000
1944	First National Bank, Clovis, California	1	1,909,000

"PARAGRAPH SIX--A further part of the expansion of respondent's banking interests was accomplished in the following manner: Respondent, either directly or through one or more of its controlled companies or agents, acquired either a controlling stock interest in or the banking business of an independent bank and contemporaneously therewith or thereafter caused the banking business of such independent bank and branches, if any, of such bank to be transferred into an existing banking office already operated and controlled by respondent and thereupon caused the banking office of the independent bank so acquired to be closed. Included among the banks so acquired and caused to be closed by respondent were the following:

Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1928	Merchants National Bank, Los Angeles, California (Head office and 12 branches)	13	123,314,000
"	Branches of United Security Bank & Trust Company, San Francisco, California	25	
"	Butte County Savings Bank, Chico, California	1	2,057,000
"	Bank of America, San Pedro (Los Angeles), California	1	599,000
"	San Diego State Bank, San Diego, California (Head office and one branch)	2	973,000
"	Bank of Lake, Lakeport, California	1	553,000
"	First National Bank, Berkeley, California	1	2,914,000
"	First Bank of Jamestown, Jamestown, California	1	151,000
"	Placerville National Bank, Placerville, California	1	453,000

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Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1928	First National Bank, Marysville, California	1	1,033,000
"	Second Avenue State Bank, Los Angeles, California	1	446,000
"	First National Bank, Auburn, California	1	459,000
"	Berkeley Bank, Berkeley, California (Head office and 1 branch)	2	5,110,000
"	Chino Savings Bank, Chino, California	1	189,000
"	First Savings Bank, Colton, California (Head office and 1 branch)	2	302,000
"	Security Savings Bank, Exeter, California	1	419,000
"	Sonoma County National Bank, Petaluma, California	1	1,525,000
"	First National Bank, Santa Rosa, California	1	559,000
"	Branch of Lassen Industrial Bank, Susanville, California	1	
"	First National Bank, Turlock, California	1	1,745,000
"	New First National Bank, Visalia, California	1	503,000
"	Security Savings Bank, Visalia, California	1	306,000
"	Vallejo Bank of Savings, Vallejo, California	1	1,325,000
1929	Branches of The Oakland Bank, Oakland, California	4	
"	First National Bank, Anaheim, California	1	3,602,000
"	First National Bank, Gardena, California	1	456,000
"	Graham National Bank, Los Angeles, California	1	386,000
"	First National Bank, Healdsburg, California	1	1,073,000
"	First Savings Bank, Healdsburg, California	1	948,000

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Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1929	Pacific National Bank, Los Angeles, California (Head office and 2 branches)	3	14,095,000
"	Donahue-Kelly Banking Company, San Francisco, California	1	2,156,000
"	Eagle Rock State Bank, Los Angeles, California	1	306,000
1930	First National Bank, Ventura, California	1	1,551,000
"	Home Savings Bank, Ventura, California (Head office and 1 branch)	2	1,649,000
"	Security Trust & Savings Bank, Portland, Oregon	1	238,000
1931	Atlantic Avenue Bank, Bell, California	1	504,000
"	First National Bank, Ducor, California	1	216,000
1932	Branch of First National Bank, Alhambra, California	1	
"	First National Bank, Vacaville, California	1	213,000
"	Vacaville Savings Bank, Vacaville, California	1	288,000
"	First National Bank, Sonora, California	1	2,426,000
"	Tuolumne County Bank, Sonora, California	1	948,000
1933	First National Bank, Redondo Beach, California	1	821,000
"	First National Bank, Orland, California	1	399,000
"	Bank of Lassen County, Susanville, California	1	1,262,000
"	Sebastopol Savings Bank, Sebastopol, California	1	579,000
"	Hibernia Bank, Portland, Oregon	1	1,797,000
"	National Bank of Commerce, Astoria, Oregon	1	841,000
"	State Bank of Echo, Echo, Oregon	1	79,000



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Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1935	Fortuna State Bank, Fortuna, California	1	148,000
1936	State Bank of Ashland, Ashland, Oregon	1	289,000
"	First National Bank, Riverside, California	1	2,216,000
"	San Dimas Savings Bank, San Dimas, California	1	265,000
"	Bank of Inglewood, Inglewood, California (Head office and 1 branch)	2	1,787,000
"	Pomona Commercial & Savings Bank Pomona, California	1	789,000
"	First National Bank, Paso Robles, California	1	614,000
"	Ferndale Bank, Ferndale, California	1	857,000
"	Seaboard National Bank, Los Angeles, California (Head office)	1	13,491,000
1937	Central Bank of Oakland, Oakland, California (Head office)	1	37,664,000
"	Los Nietos Valley Bank, Downey, California	1	1,317,000
"	Covina Valley Savings Bank, Covina, California	1	980,000
"	First National Bank, Covina, California	1	1,050,000
"	First Central National Bank, Calexico, California	1	856,000
"	First Savings Bank, Glendora, California	1	608,000
"	Bank of Lakeview, Lakeview, Oregon	1	784,000
1938	First National Bank, Napa, California	1	3,948,000
1939	Estacada State Bank, Portland, Oregon	1	150,000
1940	Branch of Bank of Pinole, Crockett, California	1	

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Year	Name of Bank	Number of banking offices eliminated	Deposits (Approx.)
1941	Bank of Suisun, Suisun, California	1	1,209,000
"	Winters National Bank, Winters, California	1	328,000
1942	Farmers & Merchants Bank, Gardena, California	1	710,000
"	Citizens National Bank, Ontario, California	1	1,481,000
1943	Bank of Galt, Galt, California	1	543,000
1944	Bank of Corning, Corning, California	1	1,752,000
"	First National Bank, Laton, California	1	932,000
"	Branch of Bank of Newman, Newman, California	1	
1948	First National Trust & Savings Bank, Fullerton, California	1	4,044,000

"PARAGRAPH SEVEN--Commencing on or about May 18, 1943, and at various times thereafter respondent has attempted, either directly or through one or more of its controlled companies or agents, to acquire a controlling stock interest in the Citizens National Trust & Savings Bank, Los Angeles, California. In furtherance of such attempts respondent has acquired and now owns, either directly or through one or more of its controlled companies or nominees, approximately 58,937 shares of the said Citizens National Trust & Savings Bank, which number of shares represents approximately 23 per cent of the total number of shares of said bank now outstanding. Citizens National Trust & Savings Bank is a national bank operating through a head office and 33 branches, all located in Los Angeles County, California, having deposits of individuals, partnerships and corporations of approximately \$315,000,000. Citizens National Trust & Savings Bank is engaged in interstate commerce within the purview of Section 7 of the Act of Congress approved October 15, 1914 (Clayton Act). Should respondent acquire a controlling stock interest in such bank the number of banking offices which respondent controls in Los Angeles County, California, would be increased from approximately 157 to 191, or from approximately 42 per cent of all banking offices in Los Angeles County to approximately

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"51 per cent in such county; and the amount of deposits of individuals, partnerships and corporations which respondent controls in such county would be increased from approximately \$1,656,000,000 to \$1,971,000,000 or from 37 per cent to 45 per cent of all such deposits in such county.

"PARAGRAPH EIGHT--Upon information and belief, that respondent, unless restrained, intends to and will further expand its banking interests by acquiring the controlling stock interest in the Citizens National Trust & Savings Bank of Los Angeles, California, as well as controlling stock interests in other independent banks now operating or which in the future will be operating in the States of California, Oregon, Nevada, Arizona and Washington in competition with one or more of the banks now controlled by respondent.

"PARAGRAPH NINE--The acquisition by respondent of the capital stocks of the banks listed in Paragraphs Four, Five and Six herein, as well as the acquisition by it of the stock of Citizens National Trust & Savings Bank, Los Angeles, California, was contrary to law in violation of Section 7 of the said Clayton Act, and the effect of such acquisition of such stocks may be, has been and is:

"(a) To substantially lessen competition in the commercial banking business between some or all of such banks; or

"(b) To restrain commerce in the commercial banking business in the sections or communities in which such banks were severally engaged at the time of such acquisition or in some of such sections or communities; or

"(c) To tend to create a monopoly of commerce in respondent in the commercial banking business, particularly in banking offices, bank deposits and bank credit in the five-state area of California, Oregon, Nevada, Arizona and Washington or in various sections or communities in the said five states.

"WHEREFORE, THE PREMISES CONSIDERED the Board of Governors of the Federal Reserve System on this 24th day of June, A. D. 1948, issues its complaint against said respondent.

"NOTICE

"Notice is hereby given you, Transamerica Corporation, respondent herein, that the 12th day of October,

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"A. D. 1948, at 10:30 o'clock in the forenoon, is hereby fixed as the time and the offices of the Board of Governors of the Federal Reserve System, in the City of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you shall have the right, under said Act, to appear and show cause why an order should not be entered by said Board requiring you to cease and desist from the violation of the law charged in this complaint and to divest yourself of the stock of the Citizens National Trust & Savings Bank, Los Angeles, California, and the stocks of any or all of those banks listed in Paragraph Four herein.

"IN WITNESS WHEREOF, the Board of Governors of the Federal Reserve System has caused this, its complaint, to be signed by its Secretary, and its official seal to be hereto affixed, at Washington, D. C., this 24th day of June, A. D. 1948.

"By the Board.

(SEAL)

(signed) S. R. Carpenter  
Secretary."

Chairman McCabe referred to the understanding reached at the meeting of the Board on June 8, 1948, that the Chairman, in consultation with Mr. Townsend, would make a recommendation to the Board with respect to the procedure to be followed in arranging a meeting with Mr. Cameron Thomson, representatives of the American Bankers Association, the Reserve City Bankers Association, independent bankers, Federal bank supervisory agencies, and possible others, for a full discussion of the bank holding company bill in an attempt to reach an agreement on a bill that could be presented for enactment at the next session of the Congress. He asked for the advice of the members of the Board as to the desirability of such meeting and, while some of the

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members present questioned whether the meeting would be productive, all of the members present saw no harm in having it and felt that it might produce the desired results.

Chairman McCabe stated that he did not want to have a meeting under the auspices of the Board of Governors unless the members of the Board thought it would be desirable, that Mr. Thomson had stated that if the Board did not want to hold the meeting the Bank Management Commission of the American Bankers Association would call it, and that it was his (Chairman McCabe's) view that if the Board wanted to get a satisfactory bill it would have to take the initiative in arranging for a frank discussion of the whole bill section by section.

After some further discussion Chairman McCabe was authorized to study the matter further and, if he felt a meeting was desirable along the lines which he had proposed, to take the necessary steps to arrange for the conference.

At this point Messrs. Vest and Townsend withdrew and the action stated with respect to each of the matters hereinafter set forth was taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 22, 1948, were approved unanimously.

Memorandum dated June 18, 1948, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the

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Board authorize the temporary assignments of members of the Foreign Areas Section of that Division to work with the Economic Cooperation Administration. The memorandum stated that such assignments would be made with the understanding that they would not be for more than about half time, that they would not extend for more than three or four weeks in any single case, and that Mr. Thomas would report to the Personnel Committee any assignments made under such authorization.

Approved unanimously.

Letter to Mr. A. J. Loda, Special Assistant, Board of Directors, Federal Deposit Insurance Corporation, reading as follows:

"The unsatisfactory fidelity insurance coverage of The State Bank of Townsend, Townsend, Montana, to which you refer in your letter of May 19, 1948, has been a matter of concern to the Federal Reserve Bank of Minneapolis and to the Board of Governors for some time. Efforts have been made to persuade the management of the bank, which is largely operated as well as owned by the Kearns family, to provide at least the minimum coverage recommended by the American Bankers Association. The directors feel that the bank now has adequate protection.

"Upon receipt of your letter the Federal Reserve Bank of Minneapolis was advised of your suggestion and requested to advise the Board if it was felt that action by the Reserve Bank along the lines suggested would produce the desired result. After some correspondence and a telephone conversation with the officers of the Reserve Bank it has been developed that they do not feel that further correspondence with the member bank would be productive. On the contrary, it is possible that the personal and psychological factors are such that correspondence might

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"tend to build up further resistance and result in necessity for positive action by the Federal Deposit Insurance Corporation under its statutory authority. Therefore, the Reserve Bank suggests that the matter be deferred until the next examination of the member bank, scheduled for the fall of the year, at which time the examiner would be instructed to go into the matter thoroughly and it is hoped that the desired action can be obtained.

"Unless your Board of Directors feel that further action should be taken through correspondence at the present time the Board of Governors would be inclined to follow the suggestion of the Reserve Bank."

Approved unanimously.

Telegram to Mr. Mangels, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

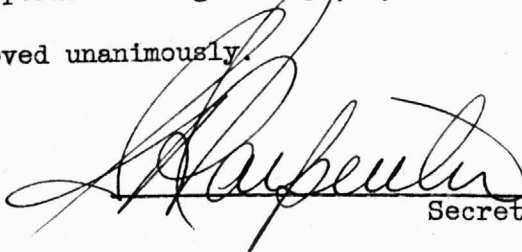
"Relet twelfth. In view your recommendation Board approves establishment and operation of branches in Delta, Heber City, Nephi and Payson, Utah, by The Commercial Bank of Utah, Spanish Fork, Utah, upon consolidation under that name of The Commercial Banks of Delta, Heber City, Nephi and Payson with and under the charter of the Commercial Bank of Spanish Fork, with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the consolidation and establish the branches."

Approved unanimously.

Telegram to the Presidents of all Federal Reserve Banks reading as follows:

"Board of Governors approves payment of regular semiannual dividend for period ending June 30, 1948."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.