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FEDERAL RESERVE BANK OF SAN FRANCISCO

October 7, 1940

Mr. J. P. Dreibelbis,
Assistant General Counsel,
Board of Governors of the Federal Reserve System,
Washington, D. C.

Subject: Bank of America N.T. & S.A.
Bank Premises

Dear Mr. Dreibelbis:

Shortly after the Committee charged with the duties set forth in Paragraph 5 of the Requirements of the Comptroller of the Currency commenced its work, it became apparent to me that the procedure being followed by the Committee would not reach the goal contemplated.

You will probably recall that I have had correspondence and telephonic conversations with you regarding my misgivings. I have also had telephonic conversations with Governor McKee. On the occasion of his recent visit to the bank, Comptroller of the Currency Preston Delano was made fully acquainted with my views, including the fear that, if the Committee did not have its understandings revised, an unwarranted breach between the management of the Bank of America and the Comptroller would occur. The repair of such a breach could only end in humiliating the Comptroller, which, it seems to me, must be avoided.

Subsequent to the visit of the Comptroller, Chairman Eccles was here, and the opportunity was taken to have Mr. West, Vice President in charge of examinations, and a member of the Committee, obtain an independent view of the understandings leading up to the drafting of Paragraph 5 of the Agreement. After this discussion with Chairman Eccles, Mr. West was convinced that the interpretations of the Agreement given him and other members of the Committee by me were in accord with the understandings reached in Washington.

There is enclosed a copy of a memorandum addressed by Mr. West to me, under date of October 2, which covers an outline of the work of the Committee since its inception. There is also enclosed a memorandum, dated May 8, 1940, prepared by me for the Committee's guidance.

As you participated in the discussions leading up to the language incorporated in Paragraph 5 of the Agreement, I should appreciate your discussing the question with Chairman Eccles and Governor McKee, and tendering my recommendation that Messrs. Wright, Funsten, and West be called to Washington to review, in the presence of Messrs. Eccles, McKee, Bell, Delano, and Crowley, the present status of the Committee's findings. This would afford the San Francisco Committee an opportunity to have settled any divergence of opinion as to the interpretation of the Agreement. Also, it would show that the Washington Committee had been active in seeing that the Bank of America has no proper grounds for charging that unwarranted delays have occurred in enabling the Bank to carry out the terms of the Agreement because the San Francisco Committee lacked proper instructions.

Yours very truly,
(signed) I. Clerk

Enclosures.

First Vice President.