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The citations for the original articles are:

Associated Press, "Transamerica Stockholder Files Accounting Suit," February 12, [1941].

Lyon, W. A. "U. S. Confers with Bankers on Loan Plan." *New York Herald Tribune*, February 1941.

Wash DC

February 5, 1941

National Defense Advisory Commission
Washington
D. C.

Gentlemen:

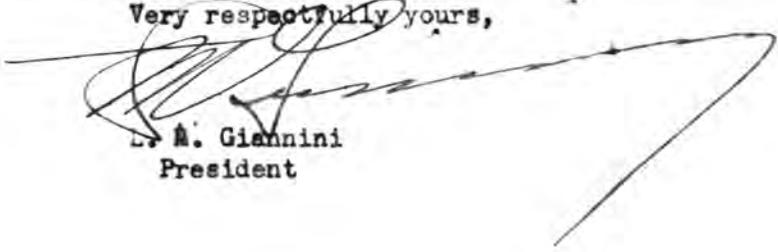
My attention has been called to some publicity appearing prominently in the newspapers of February 1st, which purports to outline a new policy with respect to defense loans. Since the name of your Commission appears as sponsoring this policy, I am addressing this communication to you.

According to the plan outlined in the Press two agencies of the federal government are volunteering to notify four large banks in New York City with respect to the prospective loan requirements of individuals or corporations needing financial assistance in carrying out defense contracts, and these banks have been banded together to form a "central clearing house" on defense loans for all other banks. They are to analyze the credit risk and, if found to be good, a loan commitment will be made by such four big banks. However, they will pass the loan along, wholly or in part, if it is wanted by the bank of which the particular contractor is already a patron. If the risk is found to be not good, the application will be further considered by the Reconstruction Finance Corporation.

Speaking for a bank which is situated across the continent from the four banks referred to and which has unsurpassed facilities for supplying the credit needs of the people throughout a large area in the Pacific Coast States, I respectfully protest any such action as that which is described in the recent news. This bank has the largest volume of loans of any bank in the United States and it makes more loans than any other bank. It has had long experience in meeting the credit needs of its patrons. There is no occasion for referring their business or that of the patrons of any other bank in the Pacific Coast area to the officers of one or more banks on the Atlantic Seaboard, except upon the basis that they are not adequately served by the banks in their own territory. We resent any such implication.

I assure you that this bank is directing every effort to the support of the defense program, and we feel that agencies of the government should cooperate at least to the extent of avoiding disturbance to the normal relations between the bank and its customers. We think the action described above is most unfair and unwise and the curse is not relieved by giving it the appearance of necessity. Years of intimate contacts throughout our area, supplemented by such instrumentalities as the telephone, telegraph and air mail, make for more prompt and intelligent action if the very reverse of your policy is adopted. We always have and always will resent the application of "central" or Wall Street principles to our business.

Very respectfully yours,



L. A. Giannini
President