

December 15, 1939.

Dear Henry:

In accordance with our conversation in your office on December 12, 1939, I today addressed a letter to Comptroller Delano, a copy of which is enclosed for your information.

Sincerely yours,

M. S. Eccles,  
Chairman

Enclosure

Honorable Henry Morgenthau, Jr.,  
Secretary of the Treasury,  
Washington, D. C.

December 14, 1939.

My dear Mr. Comptroller:

As outlined in my conversation with you today concerning the Bank of America, N. T. and S. A., the Board does not feel that it is fully informed. When Governor Ransom attended the meetings in Secretary Morgenthau's office in the Fall a year ago the discussion was concerned with the question of the Comptroller of the Currency instituting a proceeding under section 30 of the Banking Act of 1933. In those circumstances the Board, in view of its function in such a proceeding, did not believe that it should express an opinion in advance either upon the merits of the charges or as to whether you should take the action.

Since then members of the Board have understood that negotiations seeking an agreement with respect to the adoption of corrective measures have been under way. From time to time it has received communications from the management of the bank enclosing copies of communications sent to your office. While it has had copies of reports of examination of the bank and recently, at its request, has received from your office copies of some of the correspondence with the bank, it does not have a complete picture of the situation from your standpoint.

A short time ago, as you were advised, the management of the bank requested and was granted an opportunity to discuss the condition of the bank from its viewpoint informally with members of the Board. At that time the bank's representatives stated that they were considering making a request that the Board, under its statutory authority, examine the bank. In the circumstances the Board would appreciate being brought up to date for the purpose of determining whether it may be helpful in working out the situation of the bank in the public interest.

Sincerely yours,

M. S. Eccles,  
Chairman

The Honorable,  
The Comptroller of the Currency,  
Washington, D. C.