

G. L. MERRICK

ATTORNEY-AT-LAW

July 19-1943.

7/19/43

Mr. Marriner C . Eccles, Chairman,  
Federal Reserve Board,  
Washington, D. C.

Dear Sir:

It was suggested by one having considerable knowledge of the matter that some of the "mystery" surrounding the Bank of America National Trust and Savings Association would be cleared by finding out why the Bank did not go into several States, one of which was Utah.

As a Utah Banker and the head of the Federal Reserve it is entirely possible that you may not only know but may be willing to state the reason. If not willing the citizens can only conclude that it is of such a nature that you dare not disclose it.

However a National Bank should operate in the open, if any organization should.

Shall I take it that a refusal to reply indicates that there is something "rotten in Denmark".

816 Brockman Bldg.,  
Los Angeles-Calif.

Yours very truly,



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Mr. Marriner C. Eccles, Chairman,  
Federal Reserve Board,  
Washington, D. C.

Sir:

I am in receipt of your rather amusing letter in reply to my simple query of " Why the Bank of America N. T. & S. A. did not go into Utah ".

You, as you say could ignore the letter or query entirely or could evade it under the pretense you did. Anything so as not to answer.

The tip, as one might say, was given by a person in high position and one familiar with the "inside" of the Bank and Trans-America. We were simply following up the "tip".

The elected or appointed official in a government by the people and for the people ( see Reed Smoot) is after all the servant of the people as long as he remains on the people's payroll.

If one wants any information he naturally goes to such persons or sources where the information desired can be found.

As a Utah banker ( one of the States mentioned, the other is Idaho) you presumably would be in touch and have a knowledge of such matters - Bankers usually know what is going on in banking circles-; it is also likely that the Bank of America or TransAmerica made an effort to go into these States. The usual entry is by the exchange of stock with a "frozen" Bank. There were no doubt "frozen " Banks in Utah and Idaho.

As head of the Federal Reserve you, one would assume, be familiar with all the various ramifications of the Banks of the Country, particularly the Bank of America which came into the lime light by the action of the S.E.C. You no doubt have read the SEC releases on TransAmerica and the Bank of America, and are familiar with the proceedings in the Time Trust matter.

However as you say you know nothing about the matter, even though it were possibly the most interesting "banking " development in the Country from many angles.

If you will take the Capital Stock \$ 50,000,000 Surplus \$ 34,100,000 and Undivided Profits \$ 20,924,112.28 as shown on the statement of condition as of December 31, 1936 ( the year the SEC went over it). - The SEC claims the Undivided Profits of \$ 20, million were write ups not earnings.- and reduce them by the SEC findings affecting that year 1936 you have an interesting condition indeed.

At least it should be interesting to the Federal Reserve Board.

The statement of condition as of December 31-1942 hardly looks any better outside of the liquidity established by the peoples funds of \$ 30 million given TransAmerica for Preferred Stock.

Sorry to have bothered you. A little thought and much acquaintance with Washington and its ways should have told me that the persons appointed to high positions are those knowing absolutely nothing about the job.

July 27, 1943.

Mr. G. L. Merrick,  
816 Brockman Building,  
Los Angeles, California.

Dear Mr. Merrick:

Your letter to me of July 19 is so insulting by implication that it does not merit a reply.

Lest my silence, however, be used by you as a pretext for imputing some falsity to me, I desire to say that I have no knowledge whatever and no reason to have any information as to why the bank to which you refer "did not go into several States, one of which was Utah". Such a question, if it is honestly intended, should be directed to those who head that institution; certainly not to me, for I have no connection, direct or indirect, or in any way whatsoever, with it.

Very truly yours,

M. S. Eccles,  
Chairman.

 ET:b