

August 24, 1944.

CONFIDENTIAL:

Chairman Eccles:

I talked to Mr. Willkie along the lines of our conversation. I told him that the matter of an increase of capital by the Bank of America was of course a matter for the Comptroller and that I thought all the agencies would favor an increase under the usual and ordinary terms. I told him, however, that, while I was speaking from hearsay, my information was and I thought he would find that the proposed increase involved a quid pro quo and included an attempt to settle some of the issues about which he and I had been talking; viz, the future expansion of Transamerica. He interrupted to say that all he wanted to know was whether or not to let the underwriters go ahead with the issue and I told him that that was not for me to decide but that I thought he should know that the contemplated increase did involve a quid pro quo on issues about which we had been talking and that it would not, in my opinion, settle these issues, and that for the underwriters to talk to you would, in the circumstances, be a waste of time. He then said that what he was trying to do was to see if the matter could be settled before the Peoples Bank of Lakewood Village case was to be argued (September 18). I told him that in accordance with the conversation he and I had had I had been exploring the high points of what I might discuss with him as a basis for a recommendation which I might make to the Board. He said he was very anxious to do that and asked if I could come up Saturday as he wished to go to Rushville for a few days. I told him it would be better if he made the trip as planned and I could see him the latter part of next week. I told him also that I felt compelled to say that I did not believe there was much chance of us getting together, to which he replied that he understood and that if we could not, we could then go our own way. We ended by setting next Thursday (August 31) as a date to discuss the problem and he said to me that he was going to tell the investment bankers not to do anything further about the capital increase until after our discussion.

  
J. P. Dreibelbis