



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

March 18, 1949

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Dear Chief:

When I was in Los Angeles last week I met with a number of bankers, including Morgan Craft, this year's President of the California Bankers Association. As our meeting was breaking up, Morgan got me off to one side and said that he had invited you to address the California Bankers Association at their annual meeting this year, but that to date he had had no reply from you.

Morgan told me that he didn't like to be a pest and to continue to bombard you with letters about the invitation, but he was very anxious to know as soon as possible whether you intend to accept the invitation. He stressed the point that he was most anxious to see you accept, as are many within the Association. I should like to express my own hope that you will accept this invitation, your schedule permitting, because your appearance out here before that Association at this time would have a tremendous psychological affect upon the bankers of this area. God knows we need their 100 per cent backing at this time.

The Comptroller's decision certainly struck a new low in inter-agency cooperation, didn't it? When I think of all the times, for about a year now, when we met with Delano or his representatives and almost, but never quite, got definite assurance that his men would be made available, it makes me actually pity him for what he is. If there were ever needed some telling grounds for consolidating the federal banking agencies the Transamerica case would provide all that were necessary. However, it is a condition and not a theory which confronts us and I am moving to fill in the gaps by other means. We shall make out.

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All the indications are that the Gianninis are planning a spectacular Fourth of July celebration for home consumption. It has come to me from various parts of the state that important businessmen are being importuned to appear and tell how much the Giannins have done for man and country. The Southern filibuster will be a toy steam engine by comparison.

I am looking forward to seeing you here on the 8th. With kind personal regards, I remain,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Leonard", with a long horizontal flourish extending to the right.

P.S. I have just been handed a copy of the Transamerica Annual Report for 1948. I suggest you read the part entitled "Reserve Board Issue" commencing on Page 10 thereof. Copy enclosed.

Governor M. S. Eccles,
Board of Governors of the
Federal Reserve System,
Washington 25, D. C.

March 24, 1949.

Dear Leonard:

I have read with interest your letter of March 18, and that part of the Transamerica Annual Report for 1948 entitled "Reserve Board Issue."

I note what you say about seeing Morgan Craft in Los Angeles. I am enclosing copy of a letter which I sent to Morgan just before receiving your letter. You will find it self-explanatory.

I can imagine how you feel about the Comptroller's decision, but it should have been no surprise to you. It is the kind of cooperation which I have always expected, in spite of the efforts of the new Chairman.

Larry has been up in the Northeast for a week, and will not be back in the office until next Monday. Mr. McCabe left a week ago last Monday and is not expected back until April 5. I am leaving here the middle of next week, stopping in St. Louis and Kansas City enroute to San Francisco, where I expect to spend at least a few days. As you know I am speaking to the Commonwealth Club on Friday, the eighth. Things around the Board are rather quiet. The weather has been springlike the last day or two so I am looking forward to a weekend of golf.

I will hope to see you while I am in San Francisco.

With kindest personal regards.

Sincerely yours,

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Enclosure.

M. S. Eccles.

Mr. Leonard Townsend,
c/o Mr. Agnew,
Federal Reserve Bank of San Francisco,
San Francisco, California.