

Bank of America
NATIONAL TRUST ASSOCIATION
SAN FRANCISCO

A. P. GIANNINI
CHAIRMAN OF THE BOARD OF DIRECTORS

May 26, 1938

Dear Marriner:

It was awfully nice of you to have written me so frankly about my letter to the Acting Comptroller. I assure you that your remarks will be held in strict confidence as you requested.

I am just wondering how in the world you are standing up under the many problems that have developed since you have become officially connected with the Federal Reserve System. You have done some mighty constructive work back there and deserve a lot of credit.

Personally, I am still quite optimistic about the future and feel that the work you and your associates have been and are doing will be reflected in an upward trend of business as time goes on.

With sentiments of esteem and warm personal regards,

Cordially yours,



Honorable Marriner S. Eccles
Chairman of the Board of Governors
Federal Reserve System
Washington, D. C.

May 20, 1938

PERSONAL AND CONFIDENTIAL

Mr. A. P. Giannini
Bank of America
San Francisco, California

Dear A.P.:

I have delayed replying to your brief note of May 6, enclosing a copy of your letter of the same date to the Acting Comptroller of the Currency, until I could find time to read this letter. While, of course, I have had no opportunity to refer to the report of examination upon which your letter is based, it seems to me that you have made an excellent, if not devastating, answer to the criticisms contained in the examiner's report, as set forth in your letter. I was particularly impressed with your statements regarding the government bond holdings of Bank of America and personally approve unqualifiedly your contention that it is inconsistent for any Federal examining agency to criticize large holdings of U. S. government securities when such securities provide the safety of postal savings, the capital structure of the Federal Deposit Insurance Corporation, old age pension funds and numerous other funds administered directly or indirectly by the government.

Since your letter involves certain questions of examination policy I wanted it to get the attention of the responsible heads at the Treasury. Therefore I called up Wayne Taylor, Assistant Secretary of the Treasury, who represents the Secretary in banking matters, and told him of the gist of your letter and the points you had made. He seemed much impressed, as I was, and advised that he would get a copy of your letter and go into the matter further.

With kind regards, I am

Yours sincerely,

M. S. Eccles

LC
LC/fgf