

June 18, 1943.

FILES

Mr. Clayton

I repeated the attached telegram to Mr. Eccles over the long-distance telephone on Thursday afternoon, June 17. He saw no reason for any acknowledgment, but will discuss the matter upon his return to Washington.

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Attachment

LC: jg

C O P Y

1943 JUN 16 PM 11 56

SA 494 236 NL 1/163-LOS ANGELES CALIF 16

HON. MARRINER ECCLES, CHAIRMAN

BD OF GOVERNORS FED RES BD WASH DC-

I HAVE INFORMATION THAT YOU RECENTLY STATED THAT I HAD BROKEN MY WORD WITH YOU, WHICH YOU SAY WAS GIVEN EARLIER IN THE YEAR AT OUR MEETING IN WASHINGTON. THIS STATEMENT IS ABSOLUTELY UNTRUE AND I RESENT IT. YOU KNOW THAT IN OUR FEBRUARY CONFERENCE IN WASHINGTON I STATED NOT ONLY THE SITUATIONS IN WHICH DESIRABLE INTEGRATIONS IN OREGON, CALIFORNIA, AND NEVADA HAD BEEN ADVERSELY ACTED UPON, BUT ALSO STATED THAT THERE WERE TWO EXISTING COMMITMENTS, ONE INVOLVING FORTY PER CENT STOCK CONTROL OF A BANK WHICH WOULD REQUIRE SIMILAR TREATMENT IN ORDER TO MAKE THE BOARD'S PROGRAM WORKABLE, AND THAT IT WAS UNDERSTOOD THAT IF THESE MATERIALIZED THEY WERE TO BE INCLUDED IN THE INTEGRATION PROGRAM. WHEN I WAS NOT ASKED TO IDENTIFY THE BANKS, I ASSUMED THE BOARD REALIZED THAT BUSINESS CONFIDENCES WERE INVOLVED. I DO NOT VIOLATE BUSINESS CONFIDENCES. YOU KNOW TOO THAT THE CONFERENCE UNDERSTANDINGS WERE WRECKED LARGELY BECAUSE OF A SUBSEQUENT ATTEMPT TO BIND TRANSAMERICA ALONE TO YOUR SO-CALLED FREEZING POLICIES INSTEAD OF YOUR OBTAINING SIMILAR COMMITMENTS FROM OTHER HOLDING COMPANIES, WHICH YOU VOLUNTARILY AGREED TO UNDERTAKE PERSONALLY. I AM NOT CONCERNED WITH THREATS, WHICH I HAVE BEEN INFORMED HAVE BEEN MADE BY YOU, BUT YOUR INTRUSIVE ACTIVITIES IN TRANSACTIONS AFFECTING BANK OF AMERICA ARE HIGHLY DETRIMENTAL AND WILL BE VIGOROUSLY CHALLENGED. YOU ARE ADVISED THAT YOU WILL BE HELD ACCOUNTABLE FOR YOUR ACTS OUTSIDE THE SCOPE OF YOUR OFFICIAL DUTIES.--

A. P. GIANNINI