

November 11, 1936

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

Dear Mr. Giannini:

This will acknowledge your letter of November 2nd which arrived here about the day after the election. The first paragraph indicates that you and Mr. Stewart both share in Mr. Farley's gift of prophecy as you both predicted a landslide.

I have discussed with my chief the suggestion you made to the effect that Mr. Stewart should be given the major responsibility for representing the Administration in California matters. We both agree that his qualifications are ample in that direction but doubt that it would be of any use to echo your suggestion to either the President or Mr. Farley. After all, matters of this kind are handled through the mechanism of party organization and it is quite a certainty that if the indicated suggestion were made here the answer would be that it would be up to the Democratic organization in California. In other words, it would be necessary for Stewart to become active as a party organization man out there, and with the proper help he could no doubt attain a high official position. However, in spite of this situation I am sure that either of us here will welcome the opportunity to sing Ashby's praises where it will do the most good.

I cannot let this matter drop without mentioning another phase of the situation which is not so attractive from our standpoint. Ashby has been given an important position in the Federal Reserve System and undoubtedly he will develop into one of the real progressive figures in the organization. His ability and personality are bound to make him a very valuable representative of the Board of Governors in all their dealings with the Reserve Bank at San Francisco as well as with the banking and business fraternity generally on the west coast. Should he become active in party politics however, the policy of the Board would require that he either resign as a class C director, or at least that he lose his designation as Chairman. This of course is painful even to imagine.

I understand you are putting in a great deal of time at Los Angeles but I hope it will not tie you down so as to prevent your attending the New York meeting of the Committee on Banking Studies of the

Mr. A. P. Giannini - 2

ABA. Furthermore, you are entitled to take care of your health from now on and in my opinion you should not allow business considerations to interfere with your winter vacation in Florida.

With kindest regards, I am

Yours sincerely,

Lawrence Clayton
Assistant to the Chairman

LC/fgf