

Edict Forbids Bank Strikes In Mexico

MEXICO CITY, Dec. 1 (AP).—
A presidential decree today had denied bank employes the right to strike.

President Lazaro Cardenas published a "labor code for credit institutions and branches" which apparently was designed as a substitute for collective labor contracts in force in other industries.

The code stipulated that banks were empowered "to select and employ their personnel freely."

The code provided for a 42 hour week, a minimum salary 50 per cent higher than the minimum wage of the bank district, vacations, disability and pension benefits, and indemnification for discharge.

13044

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

SAN FRANCISCO HEADQUARTERS

A. P. GIANNINI
CHAIRMAN OF THE BOARD OF DIRECTORS

SAN FRANCISCO, CALIFORNIA

December 2, 1937

Mr. Lawrence Clayton
Assistant to the Chairman
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Mr. Clayton:

You will perhaps be interested in the enclosed clipping, if you have not already seen a similar report in your eastern papers.

We have been threatened with a strike of our bank employes out here for the past several months and while the leaders have not made great headway so far with their organization plans, we have learned that just as soon as the banks pay their Christmas bonus, an effort will be made to start strikes among the employes.

I am wondering if the Government could not take some action similar to that taken by the Mexican Government, with reference to the National and F. D. I. C. Banks. I am just passing this thought along to you with the hope that something can be done to prevent strikes in institutions which are Government instrumentalities.

Please don't take the trouble to answer this letter. I know that you will do whatever you feel is appropriate in this connection.

Warmest regards and the Season's Greetings to you.

Cordially yours,



Bank of America RESOURCES Funds at Record

All time high ^{MARK} means in deposits, total reserves and capital funds of Bank of America at December 31, 1937, have placed the institution on a higher footing even than in 1929.

A year-end statement of condition just released shows that on December 31, 1937, capital funds stood at a total of \$109,104,000, highest mark in the 33-year history of the bank and an increase from \$105,024,000 at the beginning of the year. This, it is stated, means that all capital funds which were called upon for absorption of depression losses have been reinstated, without the issuance of any new stock.

On December 31, Bank of America deposits reached the historic mark of \$1,357,000,000, an increase of \$58,402,000 over the record of 1936. Earnings totaled \$19,203,000, equal to \$4.80 a share, and dividends paid out amounted to \$8,800,000, 10 per cent higher than the year before. There also was a special Christmas distribution of \$400,000 to employees; \$4,080,000 was added to surplus and undivided profits after provision of \$3,277,000 reserves for depreciation on banking premises, amortization of bond premiums, etc., and \$2,646,000 reserves set apart to reduce carrying value of assets. Total resources of the bank maintained an upward trend and now stand at the new high of \$1,493,373,000, a gain of 4.40 per cent for the year.

Dear Mr. Clayton:

I thought that the above would interest you and your good wife. The
foremost

A happy and a prosperous
New Year to you both.

W. L. Garrison