

THE BILTMORE HOTEL  
LOS ANGELES



10/11-38

Dear Mr. Clayton:

Just to tell you,  
and the Governor confidentially,  
that at a regular meeting of the Board  
of Directors of the P.A. here today  
a report by a fact finding Committee  
of nine Directors, Mr. Comptroller  
(or rather Morgenthau's) contentions  
was unanimously adopted and  
will go forward in a few days  
to the Comptroller - signed by  
each of the Directors present  
at today and a recent special  
meeting.

I'm the only one who didn't  
sign - it being too mild.

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If you, the Governor and the  
other members of the Federal  
Reserve Board would take the  
time to read all of the recent  
Communications recently received  
by the Bank and Directors -  
you would, I'm sure, come to the  
conclusion that there's a diabolical  
conspiracy <sup>back</sup> of all of the recent  
moves of Morgenthau and  
Olephant - in our Bank. -  
Every move was definitely calculated  
to tear us down but, despite  
all of this our progress <sup>upward</sup> still continues.  
It is to have you have the  
pleasure of seeing you a copy

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of a letter sent by him  
to Congressman McGrath  
of Calif re: an application  
for a permit to establish  
a Branch in Santa Clara Co.  
which letter was in turn sent  
to the Chamber of Commerce  
of San Francisco by McGrath.

This letter you see, when  
you read it, that it was  
designed to inform the people  
of Santa Clara Co that we were  
in bad standing or leave that  
the way it struck me and <sup>also</sup> our  
Directors to whom it was read today  
The Comptroller should send our  
letter over to the F.R.B. - our attorney  
Mr. C. W. Adams has a copy which the

For a few other members of the Board can be prepared to Mr. Fraser's report of 1911.