

BY DIRECT WIRE FROM

1223-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

- DL = Day Letter
- NM = Night Message
- NL = Night Letter
- LC = Deferred Cable
- NLT = Cable Night Letter
- Ship Radiogram

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WAA8 158 NL 4 EXTRA=SANMATEO CALIF DEC 11

LAWRENCE CLAYTON, EXECUTIVE ASSISTANT CHAIRMAN FEDERAL RESERVE SYSTEM HON MARRINER S ECCLES=

THOUGHT YOU'D BE INTERESTED TO KNOW THAT OUR DEPOSITS HAVE REACHED ALL TIME HIGH GAINING ABOUT THIRTY MILLIONS SINCE SEC'S WHOLLY UNWARRANTED VICIOUS BLAST STOP PASS BOOK SAVINGS ALONE SINCE FIRST MONTHS INCREASED THREE HUNDRED THOUSAND DAILY TOTAL DEPOSITS NOW BILLION FOUR HUNDRED MILLION STOP ISNT IT TOO BAD SEC SPENDS ITS TIME DIGGING UP OLD RIDICULOUS TECHNICALITIES AGAINST HONEST PEOPLE WHICH EVEN IF WELL FOUNDED MEANT NO LOSS TO ANYONE WHILE OVERLOOKING CROOKS LIKE THE MCKESSON ROBBINS CASE HAS DEVELOPED WHICH BECAUSE OF THIS

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OVERSIGHT HAS COST INVESTORS MANY MILLIONS WHILE THE
 CRACKDOWN IN OUR CASE HAS UNJUSTFULLY COST TWO HUNDRED ODD
 THOUSAND STOCKHOLDERS AND IRREPARABLE LOSS OF A STUPENDOUS
 SUM CERTAINLY THE SEC'S VIGILANCE HASNT SAFE GUARDED ANYONE
 IN THE MCKESSON CASE WHILE IN ITS CRAKCDOWN ON TRANSAMERICA
 HAS JUST RESULTED IN A CASE OF UNDESERVED DESTRUCTION.
 REGARDS TO YOU AND TO YOUR GOOD CHIEF AND THE OTHER MEMBERS
 OF THE BOARD=

A P GIANNINI.

846A..

Bank of America
NATIONAL TRUST & SAVINGS ASSOCIATION
SAN FRANCISCO

A. P. GIANNINI
CHAIRMAN OF THE BOARD OF DIRECTORS

December 21, 1938

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

Dear Mr. Clayton:

I have just wired our New York Office to communicate with Ivy Lee, public relations counsellors, to ascertain whether they would be willing to look after the publicity in our case and on what basis. At the same time I suggested that they check on other firms there.

I am wondering if you know of anyone thoroughly reliable who could be depended upon to do a good job for us.

I shall be grateful if you will let me hear from you by return air mail or, if you prefer, you can wire or telephone me at our expense. It will not be necessary for you to sign your name either to a letter or wire, as I will understand whence it comes.

My sincere good wishes to you and your family and to your Chief and his family for a very Merry Christmas and a happy and healthful New Year.

Cordially yours,

P.S. There's lots of pro-Teamwork stuff on us - more or less passed - being fed to the Services, Magazines, Columnists.

December 21, 1938

Mr. A. P. Giannini
Bank of America, N. T. & S. A.
San Francisco, California

Dear Mr. Giannini:

This is a rather belated acknowledgment of two communications received from you during the past few weeks. The first was a copy of the advertisement of Bank of America N.T. & S.A. relating to FHA loans, a similar copy having been mailed to each of the board members here. This type of advertising is very effective, particularly the showing made as to the amount of employment furnished by the construction financed by the bank as well as the comparisons between the amount of such financing carried by the Bank of America and the amount carried by other banking institutions.

On December 12 I received your night letter of December 11 relating to the McKesson and Robbins swindle. I showed this telegram to the Chairman and to one or two of the other board members.

While Mario was here I had the good fortune to spend some little time with him and also was pleased to meet Mr. Bauer. I think it is all to the good that a general agreement has been reached respecting a program to satisfy the Comptroller of the Currency. Naturally there will be many details in carrying out such a program that will require a great amount of further discussion and negotiation. My personal feeling is that there was too much concession respecting capital ratio although this view is probably not shared hereabouts. I am impressed with the fact that there are many institutions in the country with capital ratios considerably lower than 1 to 10, particularly where there has been a rapid growth of deposits. While it may well be that Bank of America requires a somewhat larger ratio than institutions with smaller investments in banking house and a lower proportion of time loans, still the 1 to 10 requirement seems

Mr. A. P. Giannini - 2

stiff when coupled with the June 30, 1939 deadline. I trust you will be able to raise all the capital required through the issue of rights to you present shareholders.

May I at this time wish for you and yours a very merry Christmas and a happy and prosperous 1939.

Cordially and sincerely,

Lawrence Clayton

LC/fgf