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Bank of America
NATIONAL TRUST & SAVINGS ASSOCIATION

A. P. GIANNINI
CHAIRMAN OF THE BOARD OF DIRECTORS

San Francisco, California
August 24, 1939

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

Dear Mr. Clayton:

I am wondering if you could ascertain from Senator Wagner or some other member of the Banking Study Committee of the Senate, if the Committee is going to go into an exhaustive investigation of unit and branch banking.

If they are, it behooves us to get busy gathering all the data possible in order to be in a position to make the best possible presentation of the case of branch banking when the investigation starts. The Federal Reserve there must have considerable data and I assume that other Governmental departments have also.

In talking with Mario yesterday, he seemed to think that you would be in a better position than anyone else to gather this data, statistics, et cetera. If you believe likewise, I think Mario would be inclined to start you off with special work which would, as you of course realize, most readily pave the way for what you and he discussed the other evening.

Kindest regards.

Sincerely yours,



August 29, 1939.

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

Dear A. P.:

Senator Wagner is out of town and his office advises that no one on the committee has done anything in preparation for the hearings on the banking and monetary studies. I understand that no agenda has been prepared but it is likely that the field will be wide open. If this is so, the question of branch banking, group banking and bank holding companies will certainly be given consideration.

I think the Board of Governors is in possession of the most exhaustive and reliable information respecting the development and present status of branch and group banking, and some portions of the material have been published in the Federal Reserve Bulletin.

While people may argue until doomsday as to the relative merits of branch banking as against unit banking and cite statistics to prove the case either way, I think the most impressive basis of comparison would be the quality of services rendered the public, and the costs thereof, by branch banks and unit banks of the same size in similar communities. I don't know whether any such study has been made but I am sure the committee would be much impressed if facts could be presented showing the present situation in this regard. I am confident, of course, that the smaller branches of representative branch banks are rendering better service and charging less for it than the small unit banks in comparable communities. It may be that you have considerable information along this line respecting banks in the smaller communities of California and Oregon.

I shall keep my eye open for indications of the scope of the Wagner committee's agenda and shall meanwhile assemble a list of source material which I can put my hands on when needed.

Please remember me to Mario. I trust he is out of the hospital and well again.

With best wishes, I am

Yours sincerely,

Lawrence Clayton,
Assistant to the Chairman.

P. S. Sorry to miss your phone call at Ogden. Presume it was covered in Your letter of August 24.