

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, December 12, 1939, at 4:45 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Davis  
Mr. Draper

Mr. Morrill, Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman  
Mr. Thurston, Special Assistant to the  
Chairman  
Mr. Dreibelbis, Assistant General Counsel

Chairman Eccles stated that in accordance with the understanding reached at the meeting of the Board on December 4, 1939, he went to the Treasury this afternoon and presented to the Secretary the statement approved at the meeting of the Board on December 7, 1939, with respect to the Bank of America National Trust and Savings Association. He said he explained to the Secretary why the Board felt that it had some responsibility in the matter and that it should be fully informed with respect to the situation regarding the bank. Chairman Eccles added that after the Secretary read the memorandum he stated that he would like the Board to write a letter to the Comptroller of the Currency presenting its request that it be fully informed, and that if this were done the Comptroller of the Currency would comply with the Board's request within twenty-four hours.

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Chairman Eccles said that the Secretary referred to an understanding on his part that the Board did not want to participate in any discussions relating to the bank because of its responsibility in the event a section 30 proceeding were instituted and that had he understood differently there would have been no question about such participation by the Board. Chairman Eccles stated that his response to the Secretary's comment was that when the matter was taken up with Mr. Ransom September a year ago it appeared that a section 30 action would be instituted very promptly and the Board felt that because of its judicial relationship to such a proceeding, it properly could not take a position as to the merits of the charges or whether a section 30 case should be instituted, that apparently the Treasury got the impression that the Board felt it should not participate in any discussions of the matter, but that with the passage of time during which no proceeding has been instituted and particularly in the light of more recent developments the Board had felt it necessary to review its position and that it did have a responsibility which made it necessary for it to be fully informed, and that it desired to be helpful in any way it properly could.

As a result of the discussion, Chairman Eccles said, it was agreed that the Board should write a letter to the Comptroller of the Currency expressing its desire to be fully informed concerning the bank's situation.

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There ensued a discussion of the letter to be addressed to the Comptroller of the Currency and Messrs. Morrill and Dreibelbis were requested to draft a letter along the lines suggested during the discussion.

Thereupon the meeting adjourned.

Chester Morrill  
Secretary.

Approved:

W. C. ...  
Chairman.