

*John T. Pratt*

FILING DEPT.

Lake George, N. Y.,  
February 3, 1919.

MAR 5 1919

Dear John:

FEDERAL RESERVE BANK *Pratt*

Thanks for your two notes. I am afraid that you had a rather sad return home, but on the whole feel sure you will not regret it on account of Charles' feelings and health.

The skating continues grand. I have found a book on the subject in Leffingwell's library which reminds me of the fact that you and I have been trying to do some post-graduate work without going to kindergarden; also that we have been <sup>K</sup>tagling the so-called international style, which is about five times as difficult as the English.

I am writing principally to repeat a word of suggestion about the budget work. You will find from men like Stimpson and others a reluctance to embark upon a program of change which seems to offend legal views in this matter, or better, tradition. I don't care a rap about either. We know that a serious fundamental weakness exists in our Government which is the cause - or one of the causes - of corruption and of a considerable deterioration in the quality of men who are attracted to politics. It must be corrected and the process of correction means active propaganda work. The lawyer folk will shudder over fundamental changes in our Government a good deal more than they do over evidences of corruption, mismanagement, waste and lots of other things that are much worse. I hope you don't get

Sheet No. 2

Mr. Pratt.

2.3.19.

FILING DEPT.  
MAY 5 1919  
FEDERAL RESERVE BANK

discouraged over the job.

My best to the family.

Sincerely yours,

John T. Pratt, Esq.,  
7 East 61st Street,  
New York.

BS.MSB

P. S. You were going to give me the name of someone in Paris who would look up these posters for me. I would like, if possible, to get someone who would know about what you were able to get so that I could write intelligently without sending a whole list. Possibly you did give me the name and I failed to write it down.

*J. T. Pratt*

*X Posters*

FILING DEPT.  
MAR 5 1919  
FEDERAL RESERVE BANK

Lake George, N. Y.,  
February 9, 1919.

*Rec'd*

Dear John:

Thanks for your note of the fifth from Washington. I am delighted to find you so closely in touch with the budget situation. Later, when we have a meeting, I will sit at your feet and learn the latest dope.

Your letter indicates that the organization hopes to get Shirley to propose some legislation. I may be mistaken, but it strikes me as putting the cart before the horse. You and I know that appropriation bills are the currency of exchange in Congress, the basis of political trades throughout the entire country in which public buildings are swapped for river and harbor improvements, etc., etc., without limit, and that such a proposition, without public backing and pressure is about as likely to pass the House as is the proverbial celluloid dog to catch the asbestos cat in Gehenna. My notion is to sound out some of the leaders in Congress and Administration as to their attitude and then go right to the country with organized methods to create a public demand for the legislation, and if the latter is done thoroughly and energetically, I don't believe Congress can any more avoid the issue than it was able to avoid suffrage, or prohibition, or the draft, or any other legislation that the country demands. I wouldn't be too optimistic about what can be accomplished by direct appeal to Congress.

I will write Harold Ober about the posters. My French collection is sadly deficient, and I am much obliged to you for the help.

2.8.19.

The skating is still good, and if it holds out, I will hope to see you up here again, when we can discuss this in detail.

Best regards to all the family.

Faithfully yours,

FILING DEPT.  
MAR 8 1919  
FEDERAL RESERVE BANK

John T. Pratt, Esq.,  
7 East 61st Street,  
New York.

BS.MSB  
Dictated but not read.

Hon. -----,  
Governor Federal Reserve Bank,  
----- District,

My dear -----:-

For some time past I have been thinking of the general question of our national finances. In common with you, the experience our bank has had with the Washington authorities has shown many of the weak points in the financial set-up of our Government.

I have been chatting with some of my friends, and the time seems opportune for some general attempt to interest our people in national financial reforms. The campaign for saving, thrift, and sensible spending, which the flotation of the Liberty Loans and War Savings Certificates has made necessary, has put a large part of our people into a receptive mood for further suggestions as to financial reforms in Washington. To reduce our national debt everybody must save by sensible spending. That is quite as true of our national Government as it is of individuals; yet we all know that for a state to spend wisely, scientific machinery must be installed.

It seems to me that the establishment by Congress of a scientific budget system is the only solution. To persuade our people that such a system should be installed, a non-partisan organization must be built up, and a wise and sane campaign of publicity inaugurated. This is the plan some of my friends have contemplated, to become active after the next Loan is sold. In the meantime, steps should be taken to prepare the publicity and to consider the personnel of the organization throughout the country.

It is, of course, impossible to utilize the Liberty Loan organization as such. We are directly connected with a Department of the Government and that fact precludes the possibility of attempting to influence legislation in any way, however necessary the reforms may be. It is proper, however, to ask individuals who have general ability to organize and conduct Liberty Loan campaigns to join a non-partisan organization interested in establishing a national budget system.

Your experience during the last two years must have given you, as mine has given me, the opportunity of knowing a number of men in the States, counties and large cities who are interested in national affairs, who would probably be interested in establishing a national budget and who are possessed of the ability necessary to successfully organize a general campaign for national financial reforms.

I shall be greatly interested in having suggestions from you as to the names of such men in your district. The matter is one which appeals to me personally very strongly and I should be glad to do what I can to help the movement.

At our meeting in Washington on the 28th I shall be very glad to talk further with you on the general question.

Faithfully yours,

April 2, 1919.

Dear John,

I missed Senator Henderson while in Washington, but have written to Fulton, of the City Bank, in regard to Saunders of Louisiana. I will also make inquiries in regard to Arizona, New Mexico, South Carolina, South Dakota, Tennessee, and Washington. Am sorry that no opportunity occurred for me to get a suggestion about Virginia from Secretary Glass, but I will write him about it.

Faithfully yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

BS/MSB

April 2, 1919.

Dear John;

I had a word with Governor Harding about the Alabama appointment, and he says that in his opinion George Crawford, President of the Tennessee Coal and Iron Company, is the best man that can be selected for that State if he is willing to accept the appointment.

I have written to all the other governors, and will send you replies as rapidly as they come along.

Let me know if there are particular States where you need suggestions or information, and I will take it up through banking channels.

Faithfully yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

BS/MSB

April 3, 1919.

Dear John:

It was impossible for Warburg and me to do anything about the letter of invitation to proposed State chairmen on account of a meeting which kept me closely engaged. I have taken the liberty of paraphrasing the draft as well as I could from memory of the various points discussed at the club, and am sending Warburg a copy. This may not meet your views at all, and please don't hesitate to say so.

Faithfully yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York City.

BS/MSB  
Enc.

April 11, 1919.

Dear John:

Arthur Page was in Washington last week and seemed very much interested in the budget program, and wants to give us some publicity. Possibly you will communicate with him. He would like to get a strong article from some one of national reputation before dealing with it editorially, and the "World's Work" has already done a good deal to popularize the subject.

I am enclosing some letters about various appointments, and a telegram from Miller, also Secretary Glass' reply to my inquiry for some one to represent the State of Virginia.

Faithfully yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

BS/MSB  
Encs. (6)

LIBRARY

APR 12 1919

FEDERAL RESERVE BANK

April 12, 1919.

*not sent to file*

Dear John:

The enclosed two letters from Mr. James K. Lynch, Governor of the Federal Reserve Bank of San Francisco, explain themselves. Will you please attach them to the other replies which I sent you yesterday.

Yours very truly,

Mr. John T. Pratt,  
43 Exchange Place,  
New York City.

Encls

Budget  
LIBRARY

APR 13 1919

FEDERAL RESERVE BANK

April 12, 1919.

on file 796

Dear John:

Your memorandum on State appointments is received and is a distinct disappointment.

Replying to the questions in order: -

1. Dr. Lindsay's proposal impresses me favorably, but I would urge that the work be undertaken as an independent movement and not definitely associated with the Bureau of Municipal Research as an organization.

2. It seems to me impossible to secure the cooperation needed without personal visits, although the burden of such a trip would be immense. Can not the work be divided up between yourself and some others interested in the movement? I wish very much that I could personally undertake a share of it, but you realize how impossible that is.

3. If the third plan is adopted, it will be highly desirable to have a number of representatives traveling throughout the country, and their trips timed so that the publicity resulting would be coincident with active discussion of legislation in Washington when Congress is in session.

4. This is answered by number three in part. In general, however, I am not optimistic of obtaining legislation until the country is organized and the pressure of public opinion can be exerted upon Congress, and this view is shared by my associates in the Treasury Department who are familiar with the general attitude of Congress in these matters.

5. I heard very favorable reports of Shipp and Company when I was last in Washington and it may be that much of the labor and detail can be avoided by

engaging them. I would like to know about what it would cost, particularly with

4/12/19.

regard to the length of my own purse, which is not equal to standing a very large share of the burden.

Faithfully yours,

John T. Pratt, Esq.,  
~~43 Exchange Place,~~  
New York City.

BS/MSB

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APR 22 1919

FEDERAL RESERVE BANK

April 18, 1919.

Dear John:

Mr. Van Zandt of our Dallas Bank has just *Budget -*  
sent me the attached further suggestions for representa-  
tion in New Mexico. Perhaps they may be helpful.

Faithfully yours,

John T. Pratt, Esq., X  
43 Exchange Place,  
New York.

MSB  
Enc.

Budget  
LIBRARY

MAY 9 1919

FEDERAL RESERVE BANK

May 8, 1919.

Dear John:

I shall make every effort to attend the meeting on Monday, May 12th, at 1:00 P.M., at the Recess Club, if I am in town.

Sincerely

Mr. John T. Pratt,  
43 Exchange Place,  
New York City.

GB

LIBRARY

MAY 9 1919

FEDERAL RESERVE BANK

*Budget.*

May 8, 1919.

Dear John:

Will you add Mr. Miller's name to the list which Mr. Wellborn of the Atlanta Bank has already furnished? I have sent him an acknowledgment of his letter and will ask you to do the needful.

Sincerely,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

MBB

BS. Pratt  
Reply

LIBRARY

MAY 13 1919

FEDERAL RESERVE BANK

May 12, 1919.

Dear John:

Replying to your secretary's telephone message to Mr. Beyer, I have an engagement for the night of the 19th, none for the 22d and one for the 26th, and there is always the possibility of my being called to Washington.

How do you think it would do to have the committee send out the invitation and let Harry Stimpson take charge of the meeting, leaving it, however, sufficiently flexible so that you can <sup>meet</sup> any disappointment that might arise as to attendance. I will make every effort to be there if I am in New York.

I would have sent you word of this before and definitely had I not been uncertain as to being in Washington all of the week of the nineteenth, which now, however, seems unlikely.

Faithfully yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

BS/MSB

*Budget*  
LIBRARY

MAY 23 1919

MAY 23 1919  
FEDERAL RESERVE BANK

*See File 79.6*

Dear John:

Replying to your memorandum of the 22d instant, you know I have always expressed the fear that when it came right down to a vote in the House and Senate the second point in our program would prove a stumbling block and might result in defeat of the legislation. On the other hand, to set up a program of legislation which accepted the elimination of the second point, might result in legislation barren of really effective results.

My best opinion is that we should strike for all three points and that the second point can only be accomplished as the result of public pressure, developed through organized effort. This view I believe is shared by men of judgment in the Treasury with whom I have discussed the matter.

Sincerely yours,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York.

BS/MSB

*BS Personal  
Budget*

*bu file, dated June 7/19.*

LIBRARY

JUN 5 1919

FEDERAL RESERVE BANK

June 2, 1919.

Dear John:

The enclosed letter from Mr. Allen, Director of the Institute for Public Service, and copy of my reply, explain themselves. I am sorry to be obliged to pass along so many of these letters to you, but you are the artist!

Sincerely,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York City.

BS/MSB

*B. Personal Budget.*

*J. Z. Miller, Jr.  
F.R.B. Kansas City  
5/27/1919.*

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JUN 3 1919

FEDERAL RESERVE BANK

June 2, 1919.

Dear John:

The enclosed letter explains itself. The only men I know personally are Hodges and Herrington of Denver. Hodges is to be preferred, I believe, to Herrington, although both are first-rate men. But if we can get Stearns, I think he will be preferable to any suggestion for that section. The next best would undoubtedly be Hodges. Let me know if in any way I can help.

Sincerely,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York,

BS/ MSB  
Enc.

Treasury Building, Washington

LIBRARY

JUN 24 1919

FEDERAL RESERVE BANK

June 11, 1919.

*Sent to John J. Pratt*

Mr. John T. Pratt,  
45 Exchange Place,  
New York City.

Dear John:

It looks from the enclosed letter from Mr. Allen as though Dr. Willoughby was not tied to the scheme for a real budget.

I hope this may prove a mistake and that a lot of unconditional endorsers of the Good Bill are not forthcoming from the Institute for Government Research.

Very sincerely yours,

*RO*

Treasury Building, Washington

LIBRARY

JUN 24 1919

FEDERAL RESERVE BANK

June 9, 1919.

Mr. John T. Pratt,  
43 Exchange Place,  
New York City.

Dear John:

Before handing your note to Secretary Glass I thought best to discuss the whole budget situation with Mr. Leffingwell, without, however, expressing to him in advance either the views of our Committee or my own particular views as to the form the legislation should take.

It is interesting to note the exact similarity of his comments with those made at the dinner at the Knickerbocker Club. I will repeat them as nearly as I can.

First, he says the Good Bill is incomplete, without a provision by statute or amendment to the rules which will restrain private appropriation bills.

Second, he says that incomplete legislation, as therein proposed, might satisfy the present public demand for budget legislation without giving us a real budget system.

Third, he disapproves taking the audits out of the Treasury.

Fourth, he disapproves of a budget organization responsible to the President, and believes it should be in the Treasury, the Secretary of the Treasury being the senior cabinet officer next to the Secretary of State. The bureaus and boards of the Government which are not attached to departments under Cabinet Officers are more or less orphan children and not effective because they do not receive the support of a Cabinet Officer. The President, who is overburdened with work, cannot be expected to exercise direct influence on a financial program, and the influence of a Budget Staff with Cabinet Members will be slight and ineffective.

Fifth, he believes in the consolidation of the various Departmental auditing organizations into one general auditing organization in the Treasury.

Sixth, the Congressional review of expenditures, he believes, should be based upon reports made direct by the auditing organizations, or by a special organization in the Treasury, supplemented by such inquiries as would be made by Committees of Congress, and for the purpose of this review, the auditing staff would produce its work for review purposes somewhat under the direction or guidance of a Committee of Congress.

Seventh, he believes that a budget system should embrace at the outside these three principal points:

1. Executive origin and authorship for the yearly program of revenue and expenses.
2. Limitation by amendment of rules, or otherwise, upon financial legislation by Congress.
3. A thoroughgoing review of the expenditures by Departments, under the authorization of Congress, for the purpose of holding the Executive Departments responsible, but coupled with this, he strongly believes that the staff created for audit or review would be effective only under direct association with and made a part of the Treasury organization, with the Secretary of the Treasury as its sponsor and spokesman both before Congress and in the Cabinet.

The report of the Rules Committee of the Senate, made by Senator Knox a few days ago, recommended the appointment of a Committee to investigate and report upon this subject, he believes to be the means of shelving any plans for budget legislation.

All of this I have written in confidence, as one hesitates to repeat the views of other people, and Mr. Leffingwell discussed this without thought or study, and, of course, may considerably modify his views after further discussion. I am still inclined to think that we may be unduly optimistic in getting legislation of thoroughgoing character, including amendment of the rules, unless considerable countrywide pressure shall be exerted upon Congress.

Sincerely yours,



BSlermond

Budget

LIBRARY

JUN 3 1919

FEDERAL RESERVE BANK  
June 2, 1919.

Sent to John J. Pratt.

Dear Sir:

Your letter of May 29th is just received and I have read it with much interest. I am taking the liberty of sending it to Mr. Pratt for answer in detail, he being the author of the pamphlet to which you refer and chairman of our committee.

After some contact with various branches of our Government in Washington, and with some appreciation of the difficulties of legislation of the character proposed, I have become convinced that no improvement in our financial system is possible to bring about by Constitutional amendment. A constructive and comprehensive budget system, I believe, is possible for the United States, and that it can be brought about by legislation or by amendment of the rules of Congress. You of course appreciate that the whole British fiscal system depends upon a rule, which as I recall, is known as Rule No. 66, under which the House of Commons has surrendered the right of initiation in financial legislation. That rule could be abrogated at any time; it depends for its permanence upon the support of public confidence. And only upon some such basis, in my opinion, can we accomplish the reform needed in our own Government's financial methods.

In this, as in all other legislation looking toward comprehensive reform, as, for instance, the Federal Reserve Act, perfection cannot be expected without experience, and I am hopeful that this Congress, or the one succeeding it, may be induced to take at least the first step, resulting in successive steps toward a sound fiscal system.

I appreciate your letter and the valuable comments which it con-

6/2/19.

tains, and am asking Mr. Pratt to answer it in some detail.

Very truly yours,

William H. Allen, Esq.,  
Director, Institute for Public Service,  
51 Chambers Street, New York.

BS/MSB

*BS Personal*

*yellow copy in file 196*

LIBRARY

JUL 10 1919

FEDERAL RESERVE BANK

July 1, 1919.

Dear John:

On thinking over the work of the Budget Committee and our organization program, it occurs to me that we may be embarrassed later on if we fail to enter into some well understood working arrangement with the Institute for Government Research.

That organization has spent a good many years and a large amount of money in making a study of the budget problem, - Dr. Willoughby and his associates being, as I understand it, the research experts who have done most of the work. They were organized not for the purpose of conducting a propaganda, but simply to make a study of the problem and recommendations as to its solution. When our organization first started, it struck me that we might cause some little feeling on the part of the members of that organization if we were not in some way associated with them and with their work. Might it not be a good plan, when you get back, to have a meeting with Willoughby and ascertain whether our plans and purposes are thoroughly approved by them.

I don't mean by this to subordinate our convictions to theirs, but that we should make sure that they don't gain the impression that we are in any way taking possession of their work and appropriating it as our own. And this, of course, principally in the interest of harmony.

Sincerely yours,

John T. Pratt, Esq.,  
Glen Cover, New York.

BS/MSB

Budget

LIBRARY

Treasury Building, Washington

JUN 24 1919

FEDERAL RESERVE BANK

June 12, 1919.

Mr. John T. Pratt,  
45 Exchange Place,  
New York City.

Dear John:

Governor Fancher, of the Federal Reserve Bank of Cleveland, just tells me that he believes Mr. Burk, whom you suggested as a possible Chairman for Ohio, would now be available and could be induced to accept the appointment. He recommends him very highly.

I am very sorry not to have had any spare time to pursue budget conversation here, but I am hoping to meet Senator Henderson at lunch tomorrow. My efforts to meet Senator Hitchcock yesterday proved futile. It is slow work here now because of the preoccupation of Senators and Congressmen.

Sincerely yours,



796

April 5, 1921.

Dear John:

I was mighty sorry to be unable to attend the luncheon meeting yesterday, but was detained at the bank by important matters until your luncheon was nearly over.

May I submit one comment as to the proposed investigation covered in your memorandum of March 31? According to my experience in this bank, and such contact as I have had with the Treasury Department, I do not believe that an analysis of cost can be successfully conducted unless it proceeds along certain very definite lines, and with a certain natural sequence.

The first step, as suggested in the memorandum, is to lay out by chart, or otherwise, a scheme of organization. This, I gather, is being studied, or is contemplated, in connection with the reassignment of bureaus in the different departments. Second, the study of cost of running the Government should be divided into two distinct divisions: One, which might be described as efficiency costs, that is to say, the installation of methods which will promote economy in conducting the Government's operations, of an executive or administrative character; second, a budget plan of the character which we have frequently discussed, and which is designed to introduce economy in appropriations at the source, namely, the legislative branch of the Government.

These are really two separate and distinct matters; the first is designed to curb waste, extravagance, duplication, etc., in Governmental methods, and the second is designed to restrain Congress in appropriating money for purposes

#2

April 5, 1921.

which cannot be afforded, and which are not within the Government's revenues.

If any work undertaken as the result of the activities of the Budget Committee proceeds along these general lines, I believe it will avoid a great deal of confusion, and no doubt you have the same thing in mind.

I have a letter from Dr. Lindsay asking for a contribution, which might imply that \$100.00 is the amount desired from me. Am I correct in this? How much do you really need, and how much shall I send? Whatever amount you think proper, I will be glad to contribute.

Yours very truly,

John T. Pratt, Esq.,  
43 Exchange Place,  
New York, N. Y.

BS:MM

Charge to the account of Benj. Strong, 15 Nassau St.

\$

## CLASS OF SERVICE DESIRED

Telegram	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

# WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.

Check

Time Filed

Send the following message, subject to the terms  
on back hereof, which are hereby agreed to

November 17, 1921.

John T. Pratt  
c/o Statler Hotel  
St. Louis, Mo.

Telegram received Am sending Rowe strong telegram Glad  
to hear of successful meetings Keep it up  
Benj. Strong

## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it REPEATED, that is, telegraphed back to the originating office for comparison. For one-half the un-repeated message rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED MESSAGE AND PAID FOR IN CONSIDERATION whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED message, beyond the amount paid for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED message, beyond fifty times the amount received for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in transmission or obscure messages.

2. In any event the Company shall not be liable for damages for any mistakes or delays in the transmission or delivery, or for the non-delivery, of this message, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this message is hereby valued, unless a greater amount is stated in writing hereon at the time the message is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such valuation to one-tenth of one per cent. thereof.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other Company when necessary to reach destination.

4. Messages will be delivered free within one-half mile of the Company's office in towns of 5,000 population or less, and within one mile of such office in other cities and towns. Beyond these limits the Company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for him for such delivery at a reasonable price.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the message is filed with the Company for transmission.

7. Special terms governing the transmission of messages under the classes of messages enumerated below shall apply to messages in each of such respective classes in addition to all the foregoing terms.

8. No employee of the Company is authorized to vary the foregoing.

### THE WESTERN UNION TELEGRAPH COMPANY

INCORPORATED

NEWCOMB CARLTON, PRESIDENT

## CLASSES OF SERVICE

### DAY LETTERS

A full-rate expedited service.

### NIGHT MESSAGES

Accepted up to 2.00 A.M. at reduced rates to be sent during the night and delivered not earlier than the morning of the ensuing business day.

Night Messages may at the option of the Telegraph Company be mailed at destination to the addressees, and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Messages at destination, postage prepaid.

### DAY LETTERS

A deferred day service at rates lower than the standard telegram rates as follows: One and one-half times the standard Night Letter rate for the transmission of 50 words or less and one-fifth of the initial rates for each additional 10 words or less.

#### SPECIAL TERMS APPLYING TO DAY LETTERS:

In further consideration of the reduced rate for this special "Day Letter" service, the following special terms in addition to those enumerated above are hereby agreed to:

A. Day Letters may be forwarded by the Telegraph Company as a deferred service and the transmission and delivery of such Day Letters is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.

B. Day Letters shall be written in plain English. Code language is not permissible.

C. This Day Letter may be delivered by the Telegraph Company by telephone to the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

Federal Reserve Bank of St. Louis

D. This Day Letter is received subject to the express understanding and agreement that the Company does not undertake that a Day Letter shall be delivered on the day of its date absolutely and at all events; but that the Company's obligation in this respect is subject to the condition that there shall remain sufficient time for the transmission and delivery of such Day Letter on the day of its date during regular office hours, subject to the priority of the transmission of regular telegrams under the conditions named above.

No employee of the Company is authorized to vary the foregoing.

### NIGHT LETTERS

Accepted up to 2.00 A.M. for delivery on the morning of the ensuing business day, at rates still lower than standard night message rates, as follows: The standard telegram rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard telegram rate for 10 words shall be charged for each additional 10 words or less.

#### SPECIAL TERMS APPLYING TO NIGHT LETTERS:

In further consideration of the reduced rate for this special "Night Letter" service, the following special terms in addition to those enumerated above are hereby agreed to:

A. Night Letters may at the option of the Telegraph Company be mailed at destination to the addressees, and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Letters at destination, postage prepaid.

B. Night Letters shall be written in plain English. Code language is not permissible.

No employee of the Company is authorized to vary the foregoing.

Mr. Reynolds

Hotel Frye Seattle Wash  
Sunday 8:45<sup>am</sup> until Tues. afternoon

Pls. get Mr. Cratto address and wire him  
I have been laid up and unable to see Mr. Gavitt,  
but am asking Deffingwell to do so.

Also prepare letters to Mr. Decker & Gov,  
Young thanking them for looking after Mr. P.  
so well.

Will you also send attached papers to  
Mr. Lindsey and explain my absence, asking  
if he can take matter up with Mr.  
Deffingwell and get some progress with  
Mr. Gavitt.

BS.

State memo to Mr. Snyder -

FEDERAL RESERVE BANK  
OF NEW YORK

Federal Reserve Bank

SEND TO FILES

COPY OF TELEGRAM

*Buysell*

November 26, 1921.

John T. Pratt  
Hotel Frye  
Seattle, Washington

Mr. Strong has been unable to see Mr. Gavit owing to illness but has  
asked Mr. Leffingwell to do so

George Beyer

May 16, 1922.

Dear Mr. Pratt:

Governor Strong asked me to send you the enclosed  
letter from Governor Morse. Will you kindly return it  
after perusal, obliging,

Yours very truly,

5/18/22  
John T. Pratt, Esq.,  
52 Broadway,  
New York City.

GB.MM

enc.

Budget

September 20, 1922.

Dear John:

Your note of to-day just received. My only suggestions about the letter are as follows:

1. The clause in regard to the bonus bill should be qualified now that the president has vetoed it.
2. In the third paragraph, I would refer to the determined efforts being made by the president to reduce expenditures, notwithstanding that it is mentioned in the second paragraph on the second page.
3. If the prospective deficit becomes a fact, it seems that either taxes must be increased or the Government's debt be decreased. An important argument for the budget arises from the fact that the facility with which borrowing is now possible to meet deficits makes it rather easy for Congress to face a deficit because the Treasury has practical authority to borrow limited money at will under the existing bond laws.

I am passing your letter with a copy of this to Russell

Leffingwell.

Sincerely yours,

Mr. John T. Pratt,

52 Broadway,  
New York, N. Y.

3-11-90

November 23, 1922.

Dear John:

Replying to your note of the twenty-second, unless I am detained in Cambridge I shall attend the luncheon on the twenty-ninth. But I am not absolutely certain of taking the night train down from Boston.

Faithfully yours,

Mr. John T. Pratt,  
52 Broadway,  
New York City.

BS.MSB

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FEDERAL RESERVE BANK

December 22, 1922.

Dear John:

I have just read yours of yesterday, with the account of the meeting and containing the statement of principles.

As to the names suggested for trustees, any one of the three would be excellent. Possibly Mr. Vogel would be more active than either of the other two, and I think I would be inclined to favor his appointment.

As to the analysis of bills which might be introduced, my notion is, as I stated at our last meeting, that it is dangerous for the Budget Committee itself to take a position favoring or opposing any specific legislative proposal. The program suggested merely contemplated reprinting opinions obtained from others without any commitment by our organization, and I understand such opinions will previously have been published in the daily press. Personally, I cannot see much objection to that, or in fact any, but I would like very much to get Mr. Leffingwell's reaction before expressing <sup>a</sup> final view.

The statement of principles appeals to me as being absolutely sound and satisfactory so long as it does not commit the organization to taking position as to legislative proposals as above suggested.

I hope the organization gets a new start.

Yours very truly,

Mr. John T. Pratt,  
52 Broadway,  
New York City.

BS.MM

*Budget*

January 2, 1924.

Dear John:

Your note of the 31st ultimo, has just come, and I am sorry that I shall probably be away at the time you plan to give the luncheon to General Lord. Dr. Miller wants me to take two or three weeks South and get more exercise than I am able to do here; and barring accident I am hoping to go down somewhere in Florida on the 13th of January, returning the first week in February.

I am mighty sorry to miss the luncheon, although there is a chance that I will be back before then.

Yours sincerely,

Mr. John T. Pratt,  
52 Broadway,  
New York, N. Y.

BS.MM

February 19, 1924.

Dear John:

I didn't write you at once in reply to your letter about the matrimonial arrangement between the societies of engineers and the budget committee because I wanted to think it over a bit. You know I have always been hesitant about going outside of the original scope of the budget committee for a reason which I have felt was controlling. The budget committee was organized for the purpose of promoting legislation to secure the establishment of a budget. Were it to associate itself with the promotion of any particular bill or with propaganda originating with any particular interest in favor of legislation of that or any other character, it would, in my belief, affect its standing in the community and before Congress. Its independence of such association insures it against any charge of impropriety in its purpose, and I cannot say that my views about that have changed.

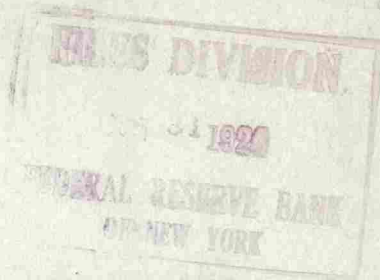
What is frequently before me about the organization is the fact that I have personally been able to contribute so little to the work either in time or money, - the burden has fallen almost entirely upon you, - and the fact that I am not even able to make myself fully acquainted with what is done. It is one of the penalties arising from the many limitations on my outside activities. On the other hand, I do not feel able or willing to express very strong personal views about the line of development of the organization when I am so small a contributor to its work.

At the first opportunity I would like to have a talk with you about it, and if possible some afternoon or evening up town when we will be undisturbed by the pressure of my work down town.

Yours sincerely,

Mr. John T. Pratt,  
52 Broadway,  
New York, N. Y.

BS.M



October 22, 1924.

Dear Mr. Pratt:

Mr. Strong does not get back to the bank until the 27th, but I shall be glad to bring to his attention then your notice of the special meeting of the Trustees of the National Budget Committee, and let you know later if it is possible for him to attend.

Very truly yours,

Secretary to Mr. Benj. Strong.

John T. Pratt, Esq.,  
52 Broadway,  
New York City.

*Will you ask Mr. Pratt  
Sec. if the Committee will  
be there. Our directors will  
be there probably, not  
be able - or will  
be late.*

Budget

November 3, 1924.

Dear John:

I am sorry that it was impossible for me to attend the meeting of the Trustees of the National Budget Committee today at the Recess Club.

I had planned to be there, but some of the members of the Federal Reserve Board came in to see us, and I was unable to get away.

Sincerely yours,

John T. Pratt, Esq.,  
52 Broadway,  
New York, N. Y.

MSP.L3

*Strong*

Washington, D. C.,  
November 12, 1924.

PERSONAL:

Dear John:

Your note of November 10 has just reached me here in Washington, where I shall probably be detained for the remainder of the week.

I shall be delighted to come to the informal dinner you are giving on November 20th to meet Mr. C. A. Dyer of Columbus. And I feel sure, as you suggest, that what he has to say will be both interesting and helpful to the National Budget Trustees.

Very cordially yours,

Mr. John T. Pratt,  
52 Broadway,  
New York City.

(signed in Mr. Strong's absence)

November 24, 1924.

Dear Mr. Chairman:

I am writing to ask that you accept my resignation as one of the trustees of the National Budget Committee.

You know how keen I have been about the work of the Committee; but I fear you must also realize how incapacitated I have been most of the time to deliver a real service that justified my continuing.

I cannot resign without advising you that I think you have done a wonderful job, contributing more, in my opinion, to the establishment of a budget for our Federal Government than any other one movement in that direction which has been undertaken.

Whether I am a member of the Board of Trustees or not, you can always call upon me for help at any time.

Very sincerely yours,

John T. Pratt, Esq.,  
Chairman, National Budget Committee,  
52 Broadway, New York City.  
BS LS

Budget

November 24, 1924.

Dear John:

The enclosed letter is official. This one is just to thank you for all the consideration you have shown me during the long period when you had to do all the work, raise all of the money, most of it out of your own bank account, and get most of the kicks.

You need never regret the job, because it produced results, and that is the test.

Very cordially yours,

John T. Pratt, Esq.,  
52 Broadway, New York.

Enc.  
ES.LS

Budget

June 12, 1925.

Dear John:

It seems to me that the proposed letter is all right with one possible slight change of language, which might imply an unjustified reflection upon Congress.

Sincerely yours,

John T. Pratt, Esq.,  
52 Broadway, New York.

Enc.  
BSS