

Internal Memorandum

February 8, 1954

Interview with Mr. Walter S. Logan,
February 2, 1954.

Mr. Logan said Pierre Jay was a man of great integrity.

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Mr. Logan was a lawyer for Board in 1920, ruled chiefly on eligibility. The only collateral for notes was eligible paper; rules about member-banks' borrowing were different, and the amounts very much smaller. When law was amended to pledge government security as borrowing basis, the eligibility question faded. General Counsel called on by officers in connection with problems: technical questions of check collecting. Tradition is that operating officers consult counsel. Use him fully. Mr. Tiebout is doing this now. The bank holiday created all sorts of problems relating to checks. The Second World War gave rise to a complicated problem of handling foreign accounts.

There is a birds' eye view of Counsel's function in SPIKE FILE. (Began February, 1930, in warehouse before 1943, rest in legal library.) He had told Miss Roy (his secretary down through thirties) to put everything on the spike chronologically. Miss Von Roeschlaub or Miss Slattery will have it.

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LITIGATION DATES

1. Carson vs. Federal Reserve Bank of New York. Collection case -- received checks from some private banker upstate and went broke. Tried in State court in Rochester -- decision established and confirmed agency status of Federal in collecting checks.

2. Raichle vs. Federal Reserve. Case in which man undertook to enjoin Federal Reserve Bank of New York from raising discount rate (Bank had no such idea at that time).

Newton Baker pled it as System counsel -- fee shared among all regional Reserve Banks. Federal Court case -- Circuit Court of Appeals, 2nd Circuit.

3. British-American Tobacco Co. vs. Federal Reserve Bank of New York for \$4 million on theory bank had converted gold belonging to them by coercing them to turn gold in in accordance with Treasury regulations and not giving it back. Dean Acheson tried it. Question -- Were foreign companies entitled to retain their gold?

4. Spanish Silver Case. When Morgenthau was buying silver he bought some of it from Bank of Spain; while en route here, Spaniards said it had been stolen by "usurpers." Colonel Stimson tried that one. Really a Treasury case -- got written agreement of indemnity from Treasury.

5. Involved, but not as party, filed brief as amicus curiae of importers. Claimed chairman Federal Reserve had certified two rates of exchange for British pound. New York Bank on side of importer against Government. He lost case in Court of Customs & Appeals. Supreme Court granted writ of certiorari. Bank and importer got 6 - 2 decision.

Every year examiners ask list of pending litigation and money to be lost. Yearly list of pending cases exists -- get it from Miss Von Roeschlaub.

Senate wanted to pin World War I on New York banks. (Date of this hearing?)

Custom that Vice Presidents talk to Directors of Bank two or three times a year. Mr. Logan did these "Special Reports" for many years--

went back to Governor Strong's days. Miss Slattery will have copy -- one on British-American Tobacco case.

One on Transamerica case. New York Bank locked horns with Giannini about 1927-28, but not very successfully (see Logan report).

See Mr. Tiebout, Mr. Logan's successor; also John Clarke, until recently Secretary; also Mr. Trimble, Assistant General Counsel (retired November 1953). Brought in when law was amended -- to make loans to industry.