

Internal Memorandum

Interview with Mr. George Vest

2/18/54

Mr. Vest is now counsel of the Federal Reserve Board in Washington. Asked about the "letter file" of which Mr. Walter Wyatt had spoken. He said that it was his understanding that this file goes back practically to the beginning of the Federal Reserve Board. It is a chronological file concerns matters in the Legal Division only. It sounds as though it might correspond to the ~~S~~^F Spike File in the New York Bank, Legal Division. The file was discontinued in 1942. It still exists but has no material later than that.

In the 1940's, and it is possible that the end of the "letter file" and the beginning of this new file coincide or slightly overlap, there was begun in the general files something called a "date file". This too is chronological and might be of great use in tracing back things which have only a date rather than a subject which can be traced in files.

Mr. Vest said that there were not very many great cases in the history of the Federal Reserve Board. In the 1920's several cases came up on par clearance of checks. The Board was "a party in interest". These included American Bank and Trust vs. Federal ^{Reserve} Bank of Atlanta, in 1933, the Pascagoula National Bank Case in Mississippi about the same year, the Farmers and Merchants case in 1924.

Mr. Vest also spoke of the New York Federal Bank vs. Raichle, a case involving discount and open~~ed~~ market operations and in fact the whole credit policy of the Board (This case was also mentioned by Mr. Walter Logan in New York).

Mr. Vest also mentioned the People's Bank of Lakewood Village case, the Aagnew Fairview (This name does not sound correct) case which involved the right of the Board to remove the director of a member bank.

The Trans-America case also mentioned by Mr. Logan was recently ended after several years of litigation. The Federal Reserve Board lost the case and has announced that no further steps will be taken.

The first three decades of legal work in the Board are covered by a volume with the title Digest of Rulings of the Board of Governors of the Federal Reserve System. This goes up to 1937 but has not been brought up to date. For later material Mr. Vest handed us two memoranda which have been sent to New York. (Their titles should be placed here and we must note them on our bibliographic list.)

Mr. Vest was notably cautious in talking. He claims to have an inferior memory and although he has been with the Board since the 1920's he thinks himself not particularly useful for these earlier years. He is entirely cooperative and kind but it may be shyness or the habitual caution of a lawyer that keeps him quiet. Perhaps on a second interview he will be more vocal.