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Friday, March 5, 1954

Internal Memorandum

Interview with Mr. Jay E. Crane, at the Standard Oil Company of New Jersey.

Mr. Crane is Chairman of the Board of the Federal Reserve Bank of New York, having been bought up in the Foreign Department of that bank. He was with the bank for twenty years from 1913 to 1935.

Mr. Crane is a man of sixty-three, vigorous and still very active in business. He gave a very interesting picture of Mr. Benjamin Strong in the early days of his governorship, as a learner and teacher of central banking. Not only did Mr. Strong himself go abroad over and over again in order to learn how Europe, in general and England in particular carried on central banking but when he came home he was constantly talking to younger men on his staff, and they in turn sat at his feet and worshipped him. Apparently, he saw the New York Bank as the American equivalent of the Bank of England. He felt that he could learn most from Montagu Norman, but he also learned all he could from Schacht in Germany and from Rist in the Bank of France.

Of the Governors of the various Federal Reserve Banks, Mr. Strong was the only one who had this ideal, or rather who carried it into practice by going to seek the advantage of European experience and wisdom. On the Board in Washington sat two good men both of whom have the central banking in concept. One was Paul Warburg, and the other was Albert Strauss, who followed Warburg on the Board.

In the beginning Mr. Strong was the only one who had this interest in the European knowledge of Central banking. Later on, as Mr. Crane said, the Board was trying to get into the act, and in later years someone from the Board went with Mr. Strong when he went abroad. In the early years he went by himself.

Mr. Crane says that in those early years, there was very little contact with the other Federal Reserve Banks. Mr. Strong used to go down to Washington to see the Board from time to time but the degree of cooperation with and friendly relations with the other banks was not known at that time.

Mr. Strong was ill during most of his governorship. As early as 1913 he had tuberculosis and he paid no attention whatsoever to his health. Every once in a while he would have to go out to Denver and spend a couple of months in that high altitude. Continuing ill health was as much a part of his working pattern as was his enormous energy and his iron will.

The Banking Act of 1935 still ranks ^{le} with Mr. Crane and he talks of the Board's stripping the Governors of their titles, and calling them Presidents instead, with a certain acromony.

Mr. Crane was cordial and there will be a second part of this interview to be added.

M.A. tm