

Denver, Colorado,
January 4, 1917.

Dear Pierre:

I am addressing you at the office, although hoping that you are still away and getting lots of good from the holiday, if it is one. I suspect you of spending it in hard work on annual reports, etc. Please note that all bets are off in the formality of address or any other formality; I don't care any more whether those fellows think we are too intimate or not, and for the last few days I have been in that sort of a reckless humor where it would be a keen pleasure to debauch the whole system.

Both of your letters of the 24th and 26th came while I was in the mountains and I am just now starting to clean up mail. Both of them were hugely enjoyed and I cannot thank you enough for the kind things you say in them.

Warburg's letter is returned with your remarks; the matter will be decided possibly before you receive this. I know little about the men you name, except Witherby, Hoyt, Manville, Truesdale, Nichols and Mallory. Witherbee is not a strong man, although a very nice man. Hoyt is a man of considerable ability but I doubt if he would prove of great value to us; he has no experience in that line. Frank Manville I know very well; he is an able manufacturer, quite a bit of a roller now and then, but a very nice fellow and keen as a briar. Truesdale is a splendid man; very able in railroad matters, although a reactionary and of practically no experience in our lines. Mallory is a very fine man; one of the ablest steamship managers in the country; I have known him for years and respect him highly;

Mr. Jay.

January 4, 1917.

his knowledge along our lines is also slight. I have assumed that both Carlton and Outerbridge were ineligible and would not become eligible.

I guess you are right about Curtis, although it would not make me feel badly a bit to have one of our officers as director without being one myself; I have no pride in those matters. Your conclusions to get a New York City man of first rank I agree to thoroughly.

I will defer an account of our holidays until later. They were most unusual and enjoyable. You will find most of those books I sent you rather reference books than for steady reading, except Jusserand's, which is scholarly and delightful reading and I know you will enjoy it, although it did make me ashamed of our country for awhile.

I have written so fully to Tremen about the Bank of England matter that I won't repeat here. That water has gone over the dam and no body knows how near I came to going over with it. If I could only get abroad right away, it could all be fixed up, but I will make a stab of doing it by correspondence.

I hope you are not offended by my remarks about your report on the currency matter. What brought me to use the expressions was the comment which appeared in the Minutes of your conference, which marked it as a document of the first order and with that I heartily agree. I did not understand from your former letters that it had been practically unanimously adopted, except for Martin and Ramsey, whose opinions are not worth considering. I do think it would be well to work it up for use with Congress.

My general theory of the present effort to amend the law is rather simple. The Board should adopt three essential courses: First

emphasize the fact that the possibility of inflation resulting there-
from is negligible; second, point out that the change in Reserve re-
quirements is not a reduction and establish this by definite figures;
third get the support before Congress of the ablest men in the country,
including unanimous recommendations, if possible, from the management
of the Reserve Banks. Without that I do not believe Congress will meet
our views and the attempt would be abortive and dangerous in opening the
door to tinkering.

I will dig out something from my correspondence to send you on
the currency matter.

I have been discouraged about those articles for the Times and
besides that things have piled up a bit and I do not want to over do.

It is a great relief to get definite word of your own condition.
It would have been a delight to have you out here, and yet with your
trouble it was wise to get into a mild soft climate, which is far differ-
ent from this where we have snow every third day and sometimes very low
temperatures.

One word about the Bank of England matter. I have been restrain-
ing my feelings as much as possible, partly because I do not want to throw
a monkeywrench into the machinery just now and partly because I am sensible
that during my illness those fellows have shown me unusual consideration
and I don't want to seem ungrateful. I telegraphed you about centering
communications in New York because I was getting word here from a number
of different quarters and feared some mixup, and besides that telegraphic

To - Mr. Jay.

January 4, 1917.

communication from Hewes-Kirkwood was very uncertain, as my wires were telephoned to and from either Loveland or Denver.

Possibly you recall my writing Treman, urging that these visits by New York bankers to Washington should not be encouraged. This whole trouble has arisen from attempts by these New York men to get some sort of unofficial commitment from the Board, and would have been avoided had matters been conducted through our office.

This is all I can write today. I send you my affectionate greetings, lots of good wishes for the New Year and, old man, that same advice to take care of your health.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
Equitable Bldg.,
New York City.

BS/CO

Enc.

98

Denver, Colorado,
January 10, 1917.

Dear Pierre:

Many thanks for your New Year's letter and good greetings, and I don't need to tell you how heartily they are reciprocated. Please don't wear yourself out over that Annual Report, or anything else. I am wondering whether in case that cough of yours does not clear up pretty soon, it would not be feasible for you to come out to a place called "Castle Hot Springs, which is not very far from Phoenix, Ariz. on the Santa Fe road, as Dr. Sewall has told me that if I am expecting to have any visitors out here and want to get away for a little rest and change, it would be perfectly all right for me to go down there and loaf a bit. That is not the only place where the climate is soft and balmy at this season; in fact El Tovar I believe is pretty comfortable. If you should contemplate any such delightful expedition, telegraph me at once so that I can see about accommodations which sometimes are a little crowded there. Should you be able to come here to Denver, I would expect you to stop with me.

Again about the annual report - I rather like those charts unless the Board has other views. I have written a rabid letter to Treman about Federal Reserve Bank checks which please read as it suggests a modification of your plan. I do not like the idea of the scheme of wiring advice, which would impose a lot of trouble and expense and, if possible, should any plan be adopted, it ought to be as nearly automatic as can be made. The principle underlying your

To - Mr. Jay.

January 10, 1917.

scheme is absolutely sound.

I abandoned the idea of writing Glass as I feared the Board might resent it, although Warburg had no objection. My letters to the Board have been almost entirely correspondence with Warburg and one or two personally with Delano about recent developments. Warburg resented my writing him that I thought he and his associates were losing their courage and that these recent statements, etc., were based upon the counsel of timidity; that opened the door to volumes of letters. I want to dig out something, however, along the line you refer to. There is nothing in any of my letters to Washington recently that would be of any value as they are largely a repetition of the old argument with Warburg and are all fully covered in letters to the office. I did have a bully holiday with the children.

If there is any particular matter in connection with the Washington situation of which I should be advised, or where any of my correspondents has led to difficulties or embarrassments, please write me with the utmost frankness.

I do think that one or two mistakes have been made in the office but not such as would justify recent occurrences. Sometimes I think that suggestions that I have sent on one or two matters were not very carefully considered. I have particularly in mind that suggestion about the inadvisability of these visitations to Washington, that New York bankers should be satisfied to deal with the Board through us. All of these matters can be talked out better than covered by correspondence, so I hope to see some of your fellows soon.

Warmest regards to you all and again Happy New year.

BS/CC

Sincerely yours,

98

Denver, Colorado,
January 10, 1917.

Dear Mr. Jay:

Yours of the 6th just reaches me and I am glad to once more see your familiar signature on a letter from the office.

You will find that some months ago I wrote you about the question of private bankers statements, suggesting that you privately discuss the matter with two or three of the important firms, preferably with those with whom we talked in the first instance, and ascertain their views about what should be done about revising figures in view of my absence. January 1st should be the period when we go over these matters and the important question is who shall share the knowledge. We are so new in our position that I think we should be guided by the wishes of the bankers themselves to a very great extent; this applies particularly to the firms you name.

I am mortified at what you say about Mr. Curtis' salary. The change was justified and the Board must not overlook the fact that we are getting to be a large bank with immense responsibilities and we must be able to make the positions there attractive to good men.

As to the advisory councilman, I am very positive as to the desirability, in fact the necessity, of re-electing the present member. Any other course would be construed as being related in some way to the Treasury bill episode, and you urge this strongly upon our directors.

Now about Harding's letter - I am intensely mortified and annoyed at all of the circumstances surrounding this correspondence. Please

To - Mr. Jay.

January 10, 1917.

review the circumstances:

The Bank of England arrangement was informally submitted to the Board in April of last year. Notwithstanding repeated efforts on our part to get action, none was taken until the last of December. Not only that, but the whole subject was discussed with the Board generally before I sailed for Europe. Now, after a delay of many months a decision is announced on December 26th, and within a few days Governor Harding writes Mr. Treman a letter stating that the Board would be much more interested in knowing what progress is made in our negotiations than in our opinion of their announcement, and on the 4th he writes you stating that it seems proper to consider further development of foreign operations. It shows a complete lack of understanding of what these arrangements involve in the way of technical detail and of the necessity of concluding a base arrangement in London before others are concluded elsewhere. Immediately upon my return from the mountains on January 1st I started the preparation of a letter and had arranged, as I had written you, to get the advice of Mr. Roberts on technical details regarding gold, etc. It took a week to finish this up and was finally dispatched to the bank on January 8th. In other words, two weeks after the Board had acted our letter was on the way, notwithstanding that they held us up fully six months.

Generally, in regard to other connections, I am very positive that it would be unwise for us to enter into any such comprehensive arrangement as we are contemplating with the Bank of England in any other country than in England, France, Germany and possibly Holland, therefore the only arrangements we could make in such places as Spain, Argentine, Norway, etc.,

Mr. Jay.

January 10, 1917

would be in connection with the drawing accounts, custody of gold, etc. Do you think the Board realizes that in each one of the countries named there are special situations which will require very careful consideration and study before Reserve Banks can make alliances. In Norway, for instance, gold is today being received only at a discount. In Spain there is a gold premium. In the Argentine there is a dual currency. As to arrangements in the Argentine there would be no difficulty about ear-marking gold and that would be a good thing to do, but when it comes to purchasing bills I think we have got to consider first whether personal negotiations may not be necessary in order to thoroughly make clear the limitations of the statute, etc., and further I am in some doubt as to whether we ought to go down there to conduct a business which would be directly in competition with our own member banks.

I certainly want to make progress in these matters as much as any one and had a feeling that I was suffering from a charge of forcing the Board's hand in endeavoring to go ahead more rapidly than they wanted to.

In writing the Board I am convinced that we should take the position that the Federal Reserve Bank of New York is proposing as promptly as possible to conclude the arrangement with the Bank of England; that we then propose to use that as the basis of arrangements with the Bank of France and possibly with the Bank of Netherlands and ultimately with the Reichbank and that outside of those four institutions it would not be our policy to enter into any alliance contemplating purchase of bills and mutual guaranties; that we are prepared at once to conclude arrangements with banks in other countries by which those banks would open accounts with us and under which we

Mr. Jay.

January 10, 1917.

id agree to ear-mark and hold gold for them, but that we would not regard it as prudent to make such relations reciprocal with such institutions as the Bank of Spain, with Norwegian government bank or even with the National Bank of the Argentine, without further study of their laws and a full understanding as to the gold situation in those countries, as our accounts with them must be on a gold basis and presumably the gold which they would hold for us would count as a part of our gold reserve.

The most practicable way of handling this matter would be to have preliminary correspondence with the banks in those countries in the expectation that later on we will send someone to conclude matters personally.

I hope this answers your letter. These matters are too important to be rushed unduly and if our Board feels the necessity for more prompt action that this, I would by all means recommend that some officer of the bank come out to visit me so that we can discuss it personally and thoroughly. I deeply regret being absent when these matters are being considered; they are of more interest to me than any other feature of the system and I do hope that they will be handled carefully and conservatively.

Are you better? I am wondering all the time about that cough of yours and don't forget that I am prepared to meet you any where out here for a visit, if you can get away.

With warmest regards, I am,

Faithfully yours,

BS/CC

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

98

Denver, Colorado,
January 15, 1917.

Dear Mr. Jay:

Your telegram of the 13th crossed my letter which answered your inquiry about the election of a member of the Advisory Council, but to make sure that you had my views in case the letter miscarried, I telegraphed you yesterday as follows:

Believe reelection present member is most desirable. Any change sure to be associated with recent announcement regarding treasury bills. Also his influence and cooperation in foreign matters is just now of value to system and three year term conforms to suggested scheme of rotation.

Elaborating somewhat, let me say I think Mr. Morgan's reelection is quite necessary in view of recent developments. To drop him now, even though his absence at times has prevented his attending meetings, would seem to be associated in some way with the recent announcement of the Reserve Board's about treasury bills, which would be a great misfortune. It might not only be so interpreted here, but confidentially I can see the possibility of this being understood as confirmation of views expressed abroad that we had a pro-German system.

This would make a three year service for him which would conform to the recommendations of the Reserve Agents.

Mr. Morgan has been of the greatest service to us in connection with our foreign arrangements. He is broad-minded enough to continue to assist us when needed, whether reelected or not, but I think his ability to do so is considerably increased if he remains connected with the System.

Another consideration which I would not urge but which I still

To - Mr. Jay.

January 15, 1917.

feel is the influence which he later may be able and willing to bring to bear to round up the recalcitrant trust companies. I know he wants to help, he is a true believer in their taking membership and we have got to renew our attack some day soon, so on the whole I recommend his reelection.

You may be sure I am awaiting with interest some report of what transpired in Washington.

Best regards to you all.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

SERVICE DESIRED	
Day Message	
Letter	
Night Message	
Night Letter	
Customers should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.
Check
Time Filed

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

COPY. Colorado Springs, January 23, 1917.
~~Denver~~, Colorado,

Pierre Jay, New York City

Argument was based on hypothesis we could count large gold fund derived from note issue as assets stop. In that case gold would be released to exporting member banks in four ways. First they could liquidate stock exchange and other loans, receiving silver certificates and greenbacks at clearing house which they would deposit with us and ask gold for excess balance. This makes us in effect redemption agents for Treasury and converts gold reserve into other money. Second same members could also concentrate collection out of town checks with us, creating excess balances for same purpose, but we would get gold through settlement fund and the conversion process first described would shift to other Reserve banks. Third, They could present our notes. Fourth, Get gold by rediscounting. We should be prepared to meet demands in all these forms instantly and without hesitation and could do so if our note issue was right.

Benjamin Strong.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FO

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the or one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM in consideration whereof it is agreed between the sender of the telegram 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 telegram received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its telegrams.

2. In any event the Company shall not be liable for damages for any mistakes or delays in the transmission or delivery, or for those caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid one per cent. thereof.

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

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

5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices 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 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 the foregoing terms.

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

THE WESTERN UNION

NEWCOM

CLASSES OF SERVICE

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to

Letter shall be delivered on the day of the events; but that the Company's obligation is subject to the condition that there shall remain no transmission and delivery of such Day Letters outside regular office hours, subject to the priority of regular telegrams under the conditions of service.

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

NIGHT LETTERS

Accepted up to midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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 case with respect to delivery by mailing such Night Letters at destination, postage prepaid.

B. Night Letters shall be written in plain English. Code language

98

Denver, Colorado,
January 25, 1917.

CONFIDENTIAL.

Dear Pierre:

Yours of the 18th reaches me after a few days' visit with Masson at Colorado Springs. I must write ~~you~~ confidentially and reluctantly about the suggestion of John Bassett Moore, concerning which I telegraphed today as per enclosed confirmation. A number of talks with him on various subjects and reports of discussions which he has had with Warburg convinced me that as a director he would be thoroughly impracticable. He has no knowledge of banking and how in the world it could be suggested that a man whose job in life is to lecture on international law, write ~~text~~ books and render opinions on that subject, could be of value to us, I fail to see. It would distinctly violate the provisions of the Act requiring that Class C. directors be men of banking experience. Furthermore, he is decidedly a reactionary and superconservative on various subjects which are of vital interest to us. I do not feel at liberty to write Delano, but hope you will not hesitate to represent my views strongly to him.

The Malburn appointment is, of course, a dandy; nothing could suit us better. He will solve the many problems in our District to everybody's satisfaction, or I am very much mistaken.

I will be glad to see Curtis and hear details of that announcement. I guess the pressure was pretty strong, judging from suggestions in recent letters from Washington. Thank you heartily for your letter. I will write separately in reply to your others.

Very sincerely yours,

CE DESIRE
Message
Mark an X opposite service desired;
TELEGRAM
MITTED AS A
MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Form 1206

Receiver's No.

Check
98

Time Filed

ving telegram, subject to the terms
of, which are hereby agreed to

Denver, Colorado,
January 25, 1917.

Pierre Jay, Federal Reserve Bank,
New York City, N. Y.

Moore suggestion impresses me most unfavorably particularly
when not referred to you or me stop. Hope you advise Delano I am
decidedly opposed to such appointment.

Benjamin Strong.

Chg. Benjamin Strong,
4100 Montview Blvd.,
Denver.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED. A telegram telegraphed back to the original office for correction is an UNREPEATED TELEGRAM. AND THE COMPANY IS NOT RESPONSIBLE FOR SUCH TELEGRAMS.

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED telegram, but shall be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty words or 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 telegrams.

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 telegram, except by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater sum is agreed to be paid hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to the sum of one per cent. thereof.

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

4. Telegrams 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 offices in 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, contract for him for such delivery at a reasonable price.

5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices; and if a telegram is accepted 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 date of the telegram 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 as hereinafter set forth.

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

THE WESTERN UNION TELEGRAPH

INCORPORATED

NEWCOMB CARLTON, PRESIDENT

CLASSES OF SERVICE

DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 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 not permissible.

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

D. This Day Letter is received subject to the express understanding and agreement that the Company does not undertake that a Day Letter will be delivered by the Western Union Telegraph Company.

<http://fraser.stlouisfed.org/>
Federal Reserve Bank of St. Louis

Letter shall be delivered on the day of its date absolute 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 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 midnight for delivery on the morning of the ensuing business day, at rates still lower than standard rates, as follows: The standard day rate for 10 words or less for the transmission of 50 words or less, and one-fifth of the day 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 "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 addressee, and the Company shall be deemed to have discharged its obligation in such case to delivery by mailing such Night Letters at destination prepaid.

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

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

98
Denver, Colorado,
January 26, 1917.

Dear Pierre:

About the rear door, mentioned in the weekly report, I agree with Mr. Woodward that the original plan was by far the safest and that it would be much better to provide separate access for the force on the fifth floor, and keep the crowd out of our own office. Ultimately the other elevator, for which framing was made, should be installed and I have no doubt that later we will need some of the space now occupied by the booths in the corridor.

The matter of gold bars I am covering in another letter.

Curtis wires he arrives Sunday evening and we will probably go to Colorado Springs for his visit. I cannot wait for his arrival, but of course I want him to see Dr. Sewall before he leaves.

Best regards to all of you hard-worked slaves.

Yours faithfully,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/cc

98
Denver, Colorado,
January 26, 1917.

Dear Mr. Jay:

After further considering your letter regarding the matter of gold bars, I have taken the liberty of writing to Governor Harding as per enclosed copy simply in order to save time, as I regard the matter as of much importance. It would be desirable for the bank to make a formal application also.

Yours very truly,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Enc.

98

Denver, Colorado,
January 27, 1917.

Dear Mr. Jay:

Thanks for yours of the 24th and for the copy of your talk at the luncheon. Please don't hesitate about publishing it on account of any thought of plagiarism. We are all saying the same thing many times over in different words, and it all helps the good work along. Besides that, I haven't any feelings on such matters at all.

The only suggestions that I would make are noted in pencil and the following comments relate to them:

The facility for issuing Federal Reserve Notes really eliminates one element of confusion which existed in 1914 because the Aldrich-Vreeland machinery was slow to operate. Had it been prompt, Clearing House loan certificates might not have been needed. Therefore I think the paragraph on this subject should relate more specifically to those elements of confusion relating to international payments.

You mention two results in the London discount market when rates are raised; there are really three. One is that it stops the drawing of finance bills on London; another is that it leads purchasers of bills drawn on London to carry them in portfolio instead of discounting them in the market; and the third is that it attracts new money to London for investment in bills.

The volume of bills you mention is really not held solely in London, but principally in the English and Scotch banks, as bill dealers like the Union Discount Company and more particularly the firms

To - Mr. Jay.

January 27, 1917.

distribute bills to all the provincial and Scotch banks in large volume. Many of these have no London offices.

I am under the impression that a fair average of the reserve in the Bank of England banking department is nearer \$200,000,000 than \$150,000,000. It seems to me this paragraph misses the principal point however, which is that the English money market has in past years always had so much floating capital invested in foreign credits which can be promptly recalled home, that it has a claim for almost instant payment upon the gold of other nations far exceeding its own gold resources. You will recall the axiom that a 10% Bank of England rate will bring gold out of the ground. That axiom grew out of the tradition that the bank act is never suspended except after the bank has first established a 10% discount rate, and it was for that reason only that a 10% rate was established in August 1914.

The reference to the Federal Reserve Bank resources representing only one-half of the country's banking power is a little obscure to the general reader unless explained, also the word "cover" I think would relate to the entire security and the word "reserve" would apply more particularly to the porportion held in gold.

The Secretary of the Treasury has, I believe, full discretion now as to the denominations of silver certificates and United States notes and generally the policy has been to increase the volume issued in the smaller denominations. It is the gold certificates which are controlled by statute.

Reference to the gold cover of Bank of England notes I believe would be generally misunderstood, as the public ordinarily does not

To - Mr. Jay.

January 27, 1917.

understand the difference between the issue and the bank departments. They will read in the newspaper that the reserve of the bank is 18% or 19% and will wonder why you make the statement that the gold cover is 66%; I would elaborate that a little.

I think the address is very good indeed and would certainly have it printed.

The news about Malburn is immense and I know you are all as much pleased as I am. I am unable to say anything about Mr. Whitmarsh, who is quite unknown to me, except in the two capacities you mention. I would prefer to see one of a number of those which you suggested as some of them I think would be excellent directors, and I know so little about this man.

I hope that you and Treman get into communication with Malburn and advise him officially, or semi-officially, that anything in our power which can be done to facilitate his work, is at his disposal, and do it so positively and unconditionally that the record will be unmistakable. He is a fine fellow and I am delighted at the appointment.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City, N. Y.

BS/CC

Denver, Colorado,
February 19, 1917.

Dear Mr. Jay:

Reference is made in a recent letter to Mr. Saunders attending a meeting of our Board and I read in the newspapers of his appointment. Would you mind writing me fully about it? I don't know who he is or anything about him and would appreciate all the news, particularly as I would like to write him and haven't his address.

Yours very sincerely,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
February 21, 1917.

My dear Jay:

I have two interesting letters from you but have been behind in my correspondence and this is my first chance to catch up. Mr. Cann has sent me some correspondence about the Spanish Exchange situation. After reading it over I am satisfied that the Board in Washington has gone off half cocked about that matter and that there is nothing whatever to be accomplished by dealing with Spain, unless at their own request and initiative. If the matter comes up again, would you mind sending me particulars?

I hope you and Mr. Treman understand just what we ought to do about the gold bars, because if the matter is not handled right we may get caught on some loss, but if rightly handled, the position of the Bank will be much strengthened. It all depends upon the character of the arrangements to be made with the Treasury Department. What you want to accomplish is to get United States standard mint bars, without paying the bar charge of 50¢ per 1000 and without being liable to pay remelting charges in case later it becomes necessary to surrender the bars and take out gold certificates or gold coin. How the arrangement is to be worked out must be developed by negotiations with the Department, and I would suggest that you delegate to one of our officers, say Mr. Cann, the task of making a thorough investigation of that subject and a report to the officers, copy of which I would like to see. Please do not make the mistake of trying to do this yourself; it will take time needed for other things and there are men in the office perfectly competent to work up the detail.

To - Mr. Jay.

February 21, 1917.

What Mr. Malburn says about greenbacks and silver certificates is true enough; they were not presented in large quantity in 1914, but just the same when we were trying to raise \$180,000,000 of gold for the New York City debt payable abroad and to meet other obligations due abroad, the gold held in the Trust fund could not be used. Its use was never suggested and had it been used I have no doubt it would have caused serious uneasiness.

I am glad to learn of the development of arrangements with Malburn.

I hope the detail of the office arrangement will not be allowed to run along until we are too cramped. The mechanical arrangements of the office should keep well ahead of our development and we can now afford to spread out a bit, as our earnings seem to be pretty well assured.

Curtis and I got much enjoyment in our visits with your friend Bishop Atwood, who is most hospitable and thoughtful and shared many a good meal with us - at least we with him.

Alken has written me of his decision not to come to New York. I deeply regret it, but have written him once more to try and draw him out a little more fully as to his reasons, and to put it up to him again and see if I cannot get him to come out here and talk matters over.

Starek's letter is certainly very decent. I do not think he has any deep affection for you or me, however.

I have read the draft of the report of the committee on Federal Reserve bank drafts which you send, also one received from Mr. Treman; they are not quite the same, but I judge yours is the latest vintage.

To - Mr. Jay.

February 21, 1917.

I will write him on that subject as my correspondence has been with him right along. The deeper you fellows get into the subject, the more you will be convinced that the plan which has been gradually evolved in connection with foreign exchange is the only safe one to employ in connection with these drafts. You may come to it reluctantly, but come to it you will sooner or later - possibly after some loss such as San Francisco seems now to face in connection with the Seattle failures.

Let me suggest that you fellows at the office try and avoid duplicating too much on some of these special matters. Sometimes I get a letter from one and sometimes an other on the same subject, indicating that work overlaps too much. I sincerely hope that is not allowed to continue for it makes a wretched organization.

Thank you heartily for keeping me so well posted. I feel a little more up-to-date after my bully visit with Curtis.

With best regards,

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
February 26, 1917.

Dear Mr. Jay:

Thank you for yours of the 23rd in regard to Mr. Saunders. You don't give his full name and address, which I will be glad to have as I would like to write him. The appointment is a disappointment to me, not because I know anything against him, but because he is an entire stranger and I have no information as to his qualifications. Possibly Woodward knows him well enough to have an opinion.

I don't cotton to your argument about his being qualified because he is a Democrat; did you mean by that statement that he was a "deserving" Democrat?

It is imperative that the officers of the bank who are responsible for extending credit shall be fully informed in regard to the status of all banks on the doubtful list. If there is any delay or hesitation on the part of the Comptroller in giving Malburn necessary authorities, it seems to me Mr. Treman should submit a formal request to the Federal Reserve Board, not necessarily in the expectation that we will get the information, but in order to make a record to justify what I would then recommend as a policy of the bank, viz.- that we should announce at once to the member banks that we are proposing to develop an examination department and make it the regular policy of the bank to examine member banks from time to time, not necessarily as frequently as does the Comptroller, but with due regard to the relations now sustained by the various members with the Reserve bank, implying of course that our examinations will be for our own information whenever we believe it desirable to make them. This, of course, should be

To - Mr. Jay.

February 26, 1917.

submitted to our Board as it is an important matter of policy. Won't you be good enough to take it up with Mr. Tremen?

In view of the statement contained in your letter about the National Butchers and Drovers Bank, it is unnecessary to introduce a word of caution as to the kind of paper that we take from them and the care with which it is checked up.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

SERVICE DESIRED	
Message	
Day Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

Send the following telegram, subject to the terms
of check hereof, which are hereby agreed to

Denver, Colorado,
February 26, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Wire received. Glad application approved stop. Answering your query see item six of table of charges of Mints and Assay offices effective April fifteenth last stop. If we deposit foreign coin or bars we would ordinarily receive payment in gold certificates which in turn are exchangeable for gold coin that may have been somewhat abraded and thereby suffer loss stop. If we take fine or standard bars we must pay the charge of fifty cents per thousand dollars of value stop. As we are accumulating bars for purpose of export at bullion value in order to avoid abrasion loss on gold coin we should likewise if possible avoid paying the fifty cents charge stop. If we deposit gold coins of standard values such as English or French refined expense should be nominal and Treasury possibly will waive the bar charge.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview Blvd.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FO

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originator. The one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM. In consideration whereof it is agreed between the sender of the telegram 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 telegram; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its telegrams.
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 loss of a telegram caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued. In writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid by the sender, one per cent, thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other telegraph company to the destination.
4. Telegrams 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 in towns of more than 5,000 population. Beyond these limits the Company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent, contract for him for such delivery at a reasonable price.
5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices. If accepted 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 one month after the date of the transmission of the telegram.
7. Special terms governing the transmission of messages under the classes of messages enumerated below shall apply to messages in each of the foregoing terms.
8. No employee of the Company is authorized to vary the foregoing.

THE WESTERN UNION
IN
NEWCOMB

CLASSES OF SERVICE

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 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 not permissible.
- C. This Day Letter may be delivered by the Telegraph Company by telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.
- 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 the events; but that the Company's obligation is subject to the condition that there shall remain no interruption of the transmission and delivery of such Day Letter during regular office hours, subject to the prior transmission of regular telegrams under the conditions named.

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

NIGHT LETTERS

Accepted up to midnight for delivery on the ensuing business day, at rates still lower than the standard day rates, as follows: The standard day rate for the transmission of 50 words or less, and one-fifth of the day 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 not permissible.
- No employee of the Company is authorized to vary the foregoing.

Denver, Colorado,
February 27, 1917.

Dear Mr. Jay:

Your telegram, advising the consent of the Federal Reserve Board to the appointment of the Bank of France, is just received and of course I am glad to have this matter settled so far as the action of the Board is concerned, but still feel that I should repeat what I think I have written to you or Mr. Treman once before, that we have been forced by the Board's unfortunate announcement into putting the cart before the horse in these negotiations and in a way which may later cause us a little embarrassment if we should fail in closing our negotiations. I refer particularly to the possibility that we may encounter some snags in our dealings with Pallain, when we would be in the position of having announced our intention of appointing the Bank of France and then being turned down. It behooves us now to get the job done.

About your question in the same telegram as to the 50¢ charge for gold bars, I replied by night letter as per enclosed confirmation.

Possibly you and Treman may not have realized in these matters the great importance of the subject of abrasion on American gold coin and, generally, of Assay Office charges when you come to deal with gold bars for export. The problem has two sides: one being presented when we take gold to the Assay Office, because what we receive in payment is simply the check of the Assay Office which may be exchanged at the Sub-Treasury for gold certificates or for actual gold coin which is within the limit of abrasion, viz.- one-half of one per cent, and the other when we get bars, to which I shall refer later. There is no way that I know of by

To - Mr. Jay.

February 27, 1917.

which a depositor of gold at the Assay Office can get the actual full equivalent of the gold contained in his deposit in the shape of American gold coin that is brand new without any abrasion, except that occasionally he may have good luck in getting bags of eagles which have been recently minted. At any rate, it is not a dependable thing by any means and, consequently, when we turn gold in for our own account to the Assay Office in order to get out from the Treasury gold that is suitable for ear-marking or export, the safe thing is to take gold bars. Then the other side of the question above mentioned presents itself because the Assay Office makes a charge of 50¢ per \$1000 of value for bars of mint standard, or greater, fineness. This charge of 50¢ per \$1000 does not seem to be very severe when gold is being dealt with in small quantities, but if the Federal Reserve Bank of New York should undertake to accumulate \$50,000,000 of gold bars, it would cost \$25,000, or if the System as a whole should undertake to accumulate \$100,000,000, it would cost double that.

It was for that reason that the letter to the Bank of England contained the provision that it did on the subject of bar charges which I thought should be absorbed by the Bank of England in the exchange rate.

I am sure I have no suggestion to offer as to how this matter can be dealt with except by negotiations with the Department. I suggest that you turn it over to some of our fancy figurers at the office and let them work up a suggestion.

Please bear in mind the distinct difference between our position and the position of a bank like the National City. If the National City Bank wants to export gold, it makes up the figures to show what the exchange is to cost, based either upon getting gold coin where the abrasion

To - Mr. Jay.

February 27, 1917.

may run any where from $1/4$ to $3/8$ per cent, or upon getting gold bars where there is practically no abrasion, but where they will have to pay the 50¢ a \$1000 premium. Bars always produce cheaper exchange than coin, but whatever may be the cost it is figured in the exchange rate so as to absorb the abrasion loss or the 50¢ charge, so that it always comes back to the City Bank out of the proceeds of exchange sold.

Our position in exporting gold is quite different from that. We would be shipping gold, or ear-marking it, to settle an account which we owe to a creditor and the gold must be dealt with upon the basis of its intrinsic value, with no possibility of our recouping ourselves for abrasion or bar charges in the exchange rate; therefore, when the Bank of England, for example, asked us to ship gold in settlement of balances due them, it means so many ounces of fine gold, irrespective of whether it is in the form of coin which we have taken at face value, though abraded, or in the form of gold bars for which we have paid a premium.

Of course the arrangement appears to put the same burden on the Bank of England when we ask them to ship gold to us, but the Bank of England is in position to protect itself at all times because it is the market for gold in London. A large part of the gold that it gets is purchased on the basis of its bullion value at the rate of 77 s. 9 d., so the bank sustains no loss for abrasion on account of its large purchases of bullion, and it is also protected against mint charges because the bullion which it buys at 77 s. 9 d. per ounce is converted by the Mint into gold coin at a rate which will produce 77 s. 10- $1/2$ d. per ounce.

Were we in the position which we should be in, of buying gold as does the Assay Office, we would be afforded the same protection because

To - Mr. Jay.

February 27, 1917.

our gold would come to us largely upon the basis of intrinsic or bullion value.

In the above I make no reference to remelting charges, which I understand you have already thoroughly investigated and which, of course, only arise after we have obtained bars and then decided to surrender them instead of keeping them to meet possible export demand.

Nor have I referred to the possibility that both the charge of 50¢ for bars and the remelting charges could be recovered by the bank, if we were to adopt the policy of selling bars to member banks for export, because I do not think the latter policy should be adopted until the whole subject of our relations with the Assay Office and Treasury Department has been thoroughly studied and a comprehensive policy adopted.

What I have written above is based upon a very general knowledge of these matters, and it really is impossible for me to do more than point out certain difficulties which may have to be dealt with and leave it to you who are in touch with the Assay Office and the Treasury Department to investigate all features of it thoroughly, so that we may have a full understanding of them in every detail, and so that we are sure we know what we are doing. Again, I want to suggest that we have lots of men in the office who are competent to make these studies and investigations, without burdening you or Mr. Treman or Mr. Curtis with the task.

I hope the above proves to be of some value in working out the problem.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 1, 1917.

Dear Mr. Jay:

Your second telegram in regard to the remission of Assay Office charges has just been received and I am replying as per confirmation enclosed. Possibly it was my stupidity that I did not understand your first telegram as calling for an argument as to how the Treasury might be persuaded to waive the 50¢ charge. I thought it was rather the argument from the standpoint of the Reserve Bank that you wanted.

Elaborating somewhat on my telegram, I have always been quite clear that the Reserve banks should accumulate gold bars, provided they could do so without risk of serious loss or expense, because it seemed so inevitable that the demand for bars for export would be one of the post war developments. It would not interest us particularly to have the bars except we succeeded in concluding banking arrangements of the character contemplated in London and possibly Paris. With those arrangements now approaching completion, I think we are justified in accumulating the bars at once and my letter to you of February 27th explains this in some detail.

If you will assume for the purpose of argument with the Department that the Federal Reserve Bank gets all imported gold and that the Assay Office is only called upon by the Federal Reserve Bank to take gold coin or bars and convert it into standard bars and hand them back to you, I think you will realize that a considerable saving will be effected to the government. All of the expense of shipping gold for coinage purposes from New York to Philadelphia will be eliminated as to the gold which we retain.

To - Mr. Jay.

March 1, 1917.

Likewise the expense of shipping the coin from Philadelphia back to New York the actual expense of minting the coin will be avoided and the expense to the Treasury Department of using large quantities of gold certificates and constantly reissuing them, once they get into circulation, will also be avoided.

There are other arguments that might be advanced which are not quite as apparent as this one. As I understand our free coinage laws, it is intended that citizens shall have the right to take gold to the mint and have it coined practically without profit to the government. The operation of the mint, however, is now quite profitable; I think last year the mints and assay offices made three and a half millions net; at any rate a large sum, no doubt some part of it from these various assay charges. If we undertake in our operations to relieve the government of some heavy expenses and do so solely as a matter of patriotism, as for instance with our note issue, I should think it would justify our asking the government to waive certain charges out of which they make a profit, in order that this department of our business which is conducted at a loss and in the public interest, should be conducted at as small a loss as possible. In other words, that the government should not make money out of us in this particular department of our business.

Then again, if we advance money to make cash payments for gold instead of the Treasury making those advances, it frees a certain amount of money in the Treasury which may be some advantage to the government.

But after all our claim should be based upon the broadest ground which is that we are undertaking a public function at considerable expense

To - Mr. Jay.

March 1. 1917.

to us, which heretofore the government has conducted at a profit; the government should at least forego the profit in our favor.

Now all of the above relates specifically to transactions in coin and bars of known quality, that is suitable for coinage purposes. There is \$150,000,000 of gold produced in this country every year which is turned in to assay offices and mints largely in the West; it may be to some extent in New York. Also the assay office in New York has transactions with various refineries throughout the East who deal in gold that is used commercially instead of for coinage. I am entirely in the dark as to the way these transactions are conducted, as to the quality of the gold handled and whether it is feasible for us at the present time to effect an arrangement with the Treasury for any kind of gold other than the coins of nations which have a high standard of coinage and bars which are at least of mint quality, so I can simply suggest that these matters all be carefully investigated; I will be glad to hear the result.

With best regards,

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Enc.

P Jay

Denver, Colorado,
March 2, 1917.

PERSONAL.

Dear Mr. Jay:

I suppose it is better when one feels sore to get it out of his system right away, rather than to let it fester. I am sending this personal note to lodge a complaint on the way this question about gold bars has been handled by the bank. If you will look back through the correspondence addressed to the officers at the time the first purchases of gold were being made from J. P. Morgan (I think it was nearly six months ago, certainly three or four) you will find some very definite letters from me, urging that steps be taken to investigate the subject of acquiring gold bars right away. I went so far as to suggest that we arrange if possible to retain some of the gold then being delivered in the form of bars. This matter apparently has been neglected during all this time and now at the last minute when we ought to have all the facts in hand and know how to deal with it, it is being taken up by telegraph; a most unsatisfactory method of handling such a complicated problem and one which is almost certain to result in misunderstanding and error. Frankly, it is a very bad and slipshod way in which to run a bank. I know that it will sound ungrateful and churlish for one who is away and under such circumstances as I am, where you fellows are doing my work and your own, as well, to be complaining about it but my complaint is simply about lack of method and forethought in organizing this kind of work. There are half a dozen men in the office that could have made this investigation and had it completed and effective long ago, had they been set at the job; that was the way the problems of the Fiscal Agency accounts were handled,

To - Mr. Jay.

March 2, 1917.

and nothing could have been handled more satisfactorily.

Another thing that I think you overlook, is that I am only able from here to indicate a possible policy to be pursued in these matters, the feasibility of which must be developed by study, investigation and negotiations, on the ground, where data and people are available.

To tell you the truth, I am writing this letter frankly to emphasize what has been apparent to me for some time, and that is that the Senior officers of the Federal Reserve Bank do not organize their work nearly so well as do the Junior officers, and it has caused me no end of worry out here to feel that things are sometimes allowed to slide along, as this has apparently been, just for want of a little forethought, such as would be necessary to give intelligent directions to such men as Higgins, Jefferson, Cann, or almost any one of the boys, to work up an intelligent study and report. I hate these last minute, half-baked, telegraphic decisions on important matters, and everytime something like this arises I feel tempted to pack my trunk and go home and try and find out what is the matter.

Please get that longhand letter out that I wrote you about organizing the work, and I am sure you will understand my writing this letter, which is the frankest I have yet indulged in along these lines.

I know you will take what I say in good part.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

P.S. After reading the above I wanted to assure myself and convince you that what I have written is justified, so I am sending you copies of letters on this subject, addressed to Mr. Treman and to you, commencing with October 13, 1916, which I think you ought to read carefully, and then please return

To -

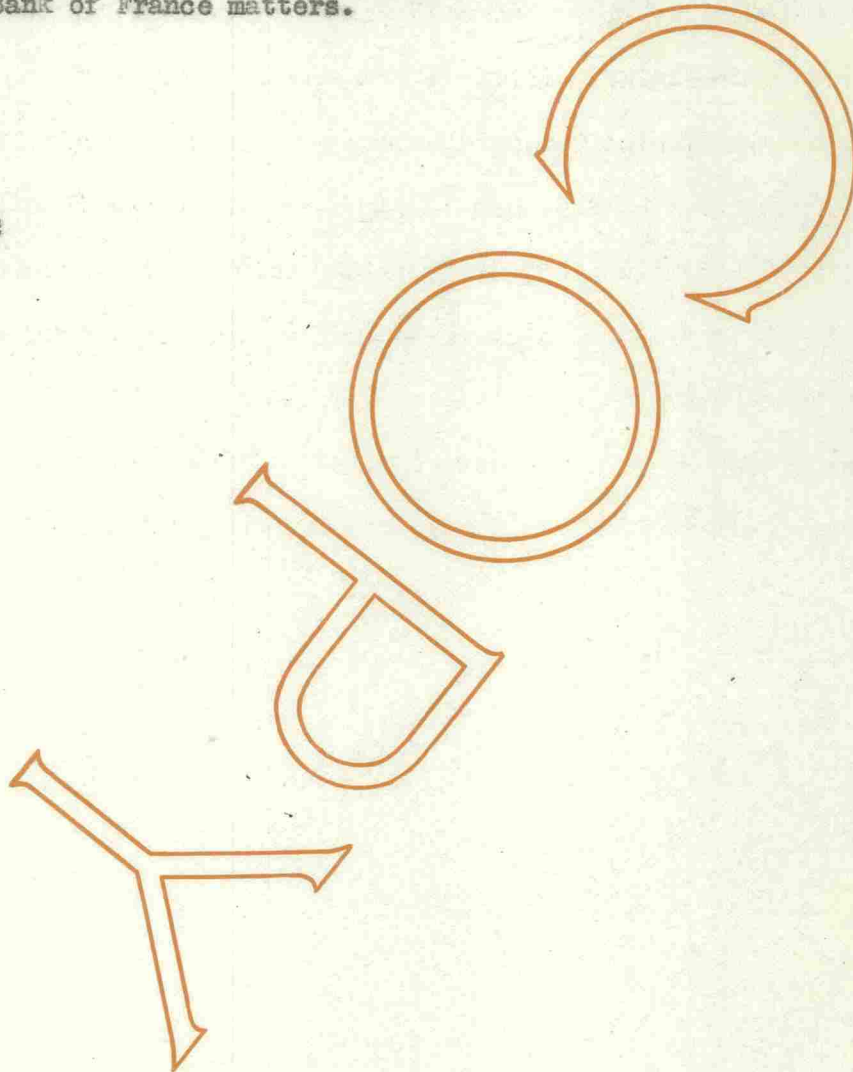
Pierre Jay, Esq.,

March 2, 1917.

to me.

Had these letters been regarded as of any importance, and certainly my language was strong enough, this subject would have been investigated and the questions raised, such as the one covered in your last telegram, would all have been dealt with by correspondence between us in ample time, so that we would know what we were about in handling the Bank of England and Bank of France matters.

BS/CC



Denver, Colorado,
March 5, 1917.

Dear Mr. Jay:

Thanks for sending me the analysis of bills owned. Only the following comments occur to me:

Brown Brothers is the largest line of the Private Bankers and I should think was well along towards maximum, but your recent examination of their figures affords you better opportunity to judge of this line than I can have from here.

Bank of United States I would deal with cautiously.

Landenburg, Thalmann I judge has been carefully considered and their figures fully discussed. I have written about that situation recently and have no specific knowledge myself.

Yokohama Specie Bank. \$1,000,000 line would seem to me as being about full, except that they only appear as endorsers on bills that I should judge are otherwise well supported.

Stone, Timlow & Co. I am not acquainted with this name, but presume you have a satisfactory statement.

I am quite unable to check up the lines on Trade Acceptances and the various foreign endorsers and my suggestion is that it would not be prudent to leave the determination of this matter entirely to one man in the office who is buying the bills. This means no reflection on his judgment, but some one of the Senior officers should constantly be reviewing these lines and checking the judgment of the Junior.

It does not really seem necessary to send these figures out more

To - Mr. Jay.

March 5, 1917.

than once a month, as there is quite a little work entailed. I sincerely hope you fellows are not overworking and that you succeed in putting the detail where it belongs.

Best regards and many thanks for your letter.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/cc

P. S. Mail just received brings me another copy of the statement of bills, which I am returning with this.

Enc.

Denver, Colorado,
March 6, 1917.

Dear Mr. Jay:

I have just received a batch of letters from you of the 2nd, and thank you for all that you write. None of the letters require particular reply so I won't inflict you.

Mr. Cann sent me the correspondence, etc., about Spanish exchange. I gathered the impression from the earlier correspondence, originated in Washington, that they had been unduly agitated by this situation, which was not exactly as had been represented to them, leading, among other things, to that unfortunate letter that Governor Harding wrote Mr. Tremen. It all now seems to be straightened out and I am mighty glad of it.

Unless I am mistaken, from now on we are going to see some erratic exchange movements; the situation will certainly need to be watched.

Best regards.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 6, 1917.

Dear Mr. Jay:

Many thanks for yours of March 2nd in regard to our new director, which I have read with interest. I want to write him and meantime hope that you all find him a most agreeable associate.

Sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 7, 1917.

Dear Mr. Jay:

How about our Annual Report? I assume it has been printed and distributed by now, and I would like right well to see a copy of it, as well as a copy of the Annual Report of the Federal Reserve Board to Congress.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 7, 1917.

Dear Mr. Jay:

Thanks for sending me copy of yours of March 3d, addressed to Secretary McAdoo on the subject of Assay Office relations, which strikes me as being first rate; I hope it produces results.

I would not hesitate to undertake to store just as much gold for the Assay Office as possible and make it clear to McAdoo that we are willing and anxious to strain our facilities to the utmost in order to be of service, because, reviewing the last two and a half years, I am sure you will agree that they have done as much for us and frequently at inconvenience to themselves. A good, strong, cordial reply to this suggestion will undoubtedly help.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 7, 1917.

Dear Mr. Jay:

I have just been reading the memorandum respecting difficulties experienced with the Yokohama Specie Bank during periods when money rates have stiffened in New York. In this connection won't you read the memorandum in the Credit file, reporting my conversations with the bankers in London about this institution?

It is very important that Mr. Kenzel and the other officers pursue a course in this matter which will avoid possibilities of a misunderstanding. I have always urged Mr. Kenzel to scrupulously avoid making explanations to brokers or others as to why we do or do not buy specific bills. These explanations are like adjectives in statutes; they lead to misunderstandings. It seems to me the safest policy to pursue is always to say we are not in the market at the moment, or that we are not interested at the moment. In other words, our policy towards the Street should be never to make explanations so that they are trained to understand that at the Reserve Bank a "yes" or "no" answer can always be given without implying an indorsement of a bill, or, on the other hand, without any reflection upon a bill. In case the Yokohama Specie Bank should make direct inquiry of us on this subject, we can well afford to tell them that our policy as to the bills of that bank has been amply disclosed by our acceptance of their figures and by the considerable purchases that we make from time to time, but that the Reserve Bank never makes commitments as to the amount of bills which it buys and its policy must be to keep free of any understanding or obligations of any character whatever of its transactions under Section 14.

To * Mr. Jay.

March 7, 1917.

If they display any uneasiness or dissatisfaction, it might be pointed out to them that American institutions and firms with which we deal under Section 14 voluntarily furnish us with considerable information about their affairs and, naturally, that our attitude as to bills when we are in the market to buy must be governed somewhat by the freedom by which information is volunteered to us.

I am led to make these suggestions partly by information which I gathered in London as to the policy of the Bank of England in discriminating as sometimes it does when bills are offered in large amounts. Lord Cunliffe introduced me to the head of the Bill Department, Mr. Paget, whom I questioned particularly on this point, and he said that the policy they pursued was substantially as I have suggested above, but that it took a good deal of tact to avoid giving offense. He thought that the well-known policy of the Bank in avoiding explanations was their greatest protection.

I hope the above may be of value .

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

March 12, 7.

Mr. Pierre Jay,
Federal Reserve Bank,
New York City.

Dear Mr. Jay:-

Thank you for your letter of the 8th which was here on my arrival yesterday. Aiken was also here and last evening McDougall joined us for dinner, so we had a regular Federal Reserve Bank party. I am unable yet to send you any word in regard to my talk with Aiken as that was reserved for this morning.

About the Philippine National Bank arrangement, Dr. Willis also sent me a copy of his letter to the Federal Reserve Bank of San Francisco and you probably have by now read my letter addressed to Mr. Treman, which really states all I am able to suggest at the present time.

Confidentially, I think our officers should take into consideration some recent developments in Washington, of which you may or may not be advised. Among recent amendments submitted to congress which failed of passage was one which proposed that the Federal Reserve Board should have power to require a Federal Reserve Bank to appoint correspondents abroad by their direction. I have no doubt that this change was suggested by some member of the administration and had particular reference to business to be conducted in South America and possibly the East. It would be very much better for us to agree now upon the terms of arrangements with such correspondents under the law as it stands and of a character which would not interfere with the business of our member banks, rather than run the risk of having unsatisfactory arrangements imposed upon us as a result of some change in the law such as the one I refer to.

Mr. Pierre Jay--2.

After my first letter to the bank some month ago, on this Philippine National Bank arrangement Dr. Willis wrote me that not having heard from us he assumed that we were not interested in the matter and was going ahead with some other plan. In general I have had a feeling that some complaint had been made in Washington that we had been quite active in negotiating arrangements in London and Paris, but rather slow in making progress in South America and the Philippines.

The correspondence above referred to as to the Philippine matter and the draft of a letter which I sent to Mr. Treman last week I hope will answer your specific questions about these arrangements, and as to our general policy I really think we should show a little more activity than has yet been evidenced.

I will try and write you again tonight.

Best regards to all of the office.

Yours very truly,

*[Signed in
Chicago]*

Denver, Colorado,
March 15, 1917.

Dear Mr. Jay:

I am sorry to learn from Mr. Treman that you have been laid up and hope that it is not serious.

Referring to yours of the 7th, my letter with exhibits was sent for your own detailed examination and not for Judge Curtis', and unless you take the time to study what I sent you yourself, I will feel that all of my efforts have been thrown away.

So far as judicial procedure is concerned, I don't mind you retaining Judge Curtis, in whom I have great confidence, but don't forget that the judge is out here in Denver and he is the fellow that is going to have a hand in preparing the judgment of the Court.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 17, 1917.

Dear Mr. Jay:

An advance copy of the Annual Report of the Federal Reserve Board is just received and it suggests the desirability of our making a careful selection of the names of certain foreign banks to which we would send copies of our own Annual Report and of the Annual Report of the Board. It is hardly necessary for me to make up a list out here, but I would generally suggest sending copies to the financial publications of London and Paris, to the Manchester Guardian, to all the big stock banks and private bankers of London that do any important international business, the same in Paris and, of course, to the various government or central banks of Europe and South America.

So many of these institutions are either old correspondents of mine or some of their officers are personal friends, that I believe it might be a good plan to give the mailing of these reports a little personal attention by attaching a printed slip, to the effect that it is sent with my compliments, but as to that please use your own judgment.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 19, 1917.

Dear Mr. Jay:

I have read with much interest your letter of March 14th to Secretary McAdoo. While the letter does not specifically so state, I assume that the offer is not intended to apply to deposits of gold other than bars and coin imported from abroad. The effecting of this arrangement, if it meets with the Secretary's approval, will make it increasingly important to effect arrangements for accumulating bars and even though we are not yet ready to submit suggestions in regard to foreign arrangements generally to the other Reserve banks, it might be a good plan to take time by the forelock and ascertain whether the other Reserve banks would join us in the plan of accumulating bars so that we might have a good round supply. If anything is done along this line, it might be well to intimate that the proposal is a preparatory move towards the development of our foreign business.

It has occurred to me that this whole subject of the handling of gold ought to be investigated in other districts than ours. I find on making inquiry here in Denver that the local Mint handles gold in considerable quantity, produced by the mines of this district and, of course, a similar situation exists on the Pacific Coast as to the California and Alaska production. It would not be a difficult matter for the Kansas City and San Francisco Federal Reserve Banks to get a similar control of

To - Mr. Jay.

March 19, 1917.

the local gold production that we would get under this arrangement of the imported gold.

I suggest your handing this letter to Secretary Curtis as he may want to put the subject on the program for the next Governors' Conference.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 26, 1917.

Dear Mr. Jay:

Thank you for copy of your letter of March 21st addressed to Governor Harding, which I endorse without reservation.

Let me suggest, if not too late, that I think the Federal Reserve Bank, in view of the assistance which the government has given us in the Sub-Treasury and elsewhere, should offer to do everything in its power to take care of the surplus of gold now accumulating in New York, even if it involves building new boxes in our vaults.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 26, 1917.

Dear Mr. Jay:

Thank you for copy of your letter of March 21st addressed to Governor Harding, which I endorse without reservation.

Let me suggest, if not too late, that I think the Federal Reserve Bank, in view of the assistance which the government has given us in the Sub-Treasury and elsewhere, should offer to do everything in its power to take care of the surplus of gold now accumulating in New York, even if it involves building new boxes in our vaults.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
March 31, 1917.

Dear Mr. Jay:

I was glad to have yours of the 27th, enclosing the statement of Acceptance Liabilities. It discloses one thing which surprised me and that is the extent to which the National City Bank is holding its own bills. This is an unfortunate development and when I get back I am going to try and talk them out of this pernicious practice.

Acceptance credits would naturally decline after about the first of February on account of the reduced volume of current bills but I am a bit disappointed that the total showing is not larger.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City, N. Y.

BS/CC

Denver, Colorado,
April 4, 1917.

Dear Mr. Jay:

It was nice to hear your voice over the telephone last evening and we were fortunate in having a fairly good connection.

In regard to a foreign exchange man, I think I wrote you some time ago, suggesting that we might look up a man named "Brady" who was with the Bankers Trust Company for some years and I believe received a thorough training under Mr. Kent. He was taken by the National City Bank and is in their foreign department; I believe they have made him an Assistant Cashier. He is a fine looking fellow, very much a gentleman, has I believe independent means and Kent always thought him an unusually good man. We might explain to Mr. Vanderlip that I feel as though I had some personal claim on him and it may be that he would develop into a good enough man to put in charge of all of our foreign business, such as it is. Better ask Mr. Kent about him first.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

98

Denver, Colorado,
April 4, 1917.

CONFIDENTIAL.

FILING DEPT.

APR 11 1917

FEDERAL RESERVE BANK

Dear Mr. Jay:

The whole subject of Government finances that we were discussing last night should be dealt with by our Government just now on the very highest plain of intelligent statesmanship. Mistakes can be made that will be well-nigh irreparable. During my exile out here I have been reading some books on this subject, one by the way recently published by your friend Francis Hirst, who is a pacifist crank but has written a rather interesting book called "The Political Economy of War."

The histories of the English wars, as well as our Civil war, bring out with startling distinctness the following essential principles of war finance:

1. Borrowings by the Government can only be successfully affected when the Nation is able to expand its revenues from taxation to such an extent that confidence is inspired in the ability of the Government to promptly reduce the war debt at the conclusion of the war. England learned this lesson by mistakes made in the Napoleon wars, the Crimean war and even in the Boer war.

2. The second important principle is the necessity for placing loans on such a basis that it will advance in market value over the issue price. In such a situation as the present one the Government should not put out any long time loans at less than 3-1/2% and should give the holders the right to convert into a higher rate loan, in case subsequent loans are made at higher rates.

To - Mr. Jay.

April 4, 1917.

A definite and well considered scheme for retirement of the debt out of taxes should be adopted now as a part of any borrowing program. There has been much dispute by economists as to the wisdom of a government's establishing a sinking fund which operates at a time when it is borrowing money to duplicate its borrowings for sinking fund purposes. Objections to such a policy would not apply in this country on account of the enormous possibilities of revenues from taxation, consequently I think our Government should at once adopt legislation looking to the establishment of sinking funds that will give the public assurance of the prompt retirement of the debt.

4. Believing as I do that we could conduct a war for years to come and pay the entire cost out of taxes, I think the Government should place only very moderate amounts of long time bonds, should announce definitely its policy of meeting war expenses by taxation and then should borrow from time to time on short notes, pending the development of a revenue policy which will permit the retirement of short borrowings.

5. As revenue bills cannot be made productive of income for a considerable period, the immediate problem facing the Government is one of temporary financing, rather than permanent financing, and right here great skill must be applied in order to avoid dislocating the money markets.

A scheme somewhat as follows has been in my mind: The Treasury should arrange to make all offerings of Government bonds and short notes by districts, the headquarters in each district to be the Federal Reserve Bank. The prospectus of each loan or issue should provide that subscriptions may be received at the price fixed through all National and State banks and private bankers

To - Mr. Jay.

April 4, 1917.

and through all post offices. These subscriptions to be turned in to the Federal Reserve Bank of each district and when payments for the loans are made, the payments to be distributed over a period of time and to be paid in to the Federal Reserve Banks through the Member banks, if possible. The transaction may result in some rediscounting temporarily, if very large loans are placed. The ability of the English Government to handle their enormous loans without absolutely paralyzing their money markets has been due to the relations between the subscribers to the loans, the joint stock banks and the Bank of England. To describe what takes place there will illustrate the necessity for a similar arrangement here. When a payment for say 100,000,000 sterling on a British war loan is made, investors all over the country draw checks on the joint stock banks, which checks are paid into the Bank of England. This depletes the reserve balances which the joint stock banks are carrying with the Bank of England, transferring the credits on the Bank of England books from the joint stock banks to the Government. Simultaneously the Government pays off a great mass of short obligations which are held by the joint stock banks and, as a matter of fact, hundred of millions sterling are passed through the books of the joint stock banks, the Bank of England and the Government, without the slightest disturbance to the money market. As our Government has not made temporary borrowings similar to the English Government, our function would be to discount for our member banks, in order that they might make payments to us for account of their customers. You will see that the crux of the arrangement really lies in the willingness of the Secretary of the Treasury to make the fiscal agency of the Reserve Banks an

o - Mr. Jay.

April 4, 1917.

active one and to pile up large Treasury balances there which can be used in making discounts to members, pending its dispersion by the Government.

6. You may be shocked to hear me advocate the issuing of Government bonds which will not be free of income tax at the source. Germany is issuing tax exempt bonds. In doing so Germany is slipping a noose around her own neck financially, because she is entering into an obligation with the holders of government bonds which probably cannot be respected after the war and to tax the interest on bonds of that character is nothing short of repudiation. England has avoided that mistake and the French war bonds are liable for the surtax. It would mean issuing bonds at a considerable higher rate of interest and probably is an excess precaution in the case of this country on account of its wealth, but I nevertheless would do exactly that thing had I the power as an officer of the Government because the principle is sound and the principle of a tax exempt bond is not sound.

7. One of the most important proposals to consider just now is the character of financing that we will undertake for the allies. My idea would be not to make a gift as has been so frequently suggested, but to lend the money as a business transaction. This should be done by our sending commissioners to London and Paris to negotiate an arrangement which will meet their needs over there. We are now so close to the conclusion of arrangements with the Bank of England and the Bank of France that whatever loan is arranged should be affected in cooperation between the Reserve Banks and those two institutions, the proceeds paid into the Reserve Banks to be checked out by the government banks abroad, as required. This would enable us temporarily to buy bills for account of the Bank of England and the Bank of France,

To - Mr. Jay.

April 4, 1917.

thereby keeping our money rates down and facilitating loan transactions. This is a very important feature of our financial program and it makes me sick to be out here unable to have some part in discussing the matter. If a commission is sent abroad and it can be arranged, I certainly want to go and Dr. Sewall would agree to my doing so. One reason why I am particularly anxious to have a hand in that business is because of my relations with the people we have to deal with abroad for one thing, but particularly because it will give the Reserve banks an opportunity to go right ahead with plans for cooperation which were really inaugurated by me a year ago. I am sure you will understand just the way I feel about it.

8. There is one matter, however, in which our Government should at once extend assistance, certainly in France and possibly in England, and that is by the donation of a very large sum for war relief work. Those people have made the great sacrifice in loss of life, etc., which we have avoided. The least we could do would be to mitigate the horrors of the war by making a great contribution to all the various agencies for relief of those who have been afflicted by losses.

This is a very hastily dictated letter and the subject is of such magnitude that I cannot pretend to do more than skim the surface, without being on the ground to talk it over with the officers of the bank and particularly with the people in Washington. That is what I ought to do and, notwithstanding what you and the others have said, I am still greatly tempted to return for at least a few days' meeting.

6.

To - Mr. Jay.

April 4, 1917.

Many thanks to you for calling me on the 'phone. If important matters come up, don't hesitate to do so again, telegraphing me if possible in advance, so that I will certainly be on hand.

Best regards to you and the other boys.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/cc

Denver, Colorado,
April 9, 1917.

Dear Mr. Jay:

The re-print from the Trust Company's magazine which you sent is excellent and I hope you are going to give it wide distribution.

I have a couple of memoranda prepared by Mr. Kenzel in regard to Government bond issues,- The one dated April 5th, reporting his inquiries among various houses; I think if inquiry along this line is to be made, we could pick out a somewhat better list of houses as judges of the bond market. Harris, Forbes & Co. would stand at the top and following them I should say Lee Higgins & Co., White, Weld & Co., Kissel, Kinnicutt & Co., Montgomery, Clothier & Tyler, Wm. A. Reed & Co., with the representative houses. I would not consider the opinion of Sachs or Farrell as based upon thorough bond experience. One of the best organized bond distributing offices in the City is the Guaranty Trust Company and Franklin would be an excellent man to consult in those matters; also Kidder, Peabody & Company.

I am sending this suggestion because it does not strike me that a report of an ^{inquiry} of this importance is very well founded, if based upon opinions of those given in the circular, excluding the most important bond distributing houses in the City.

I do hope that the administration handles the financial program on broad lines, without suffering the penalties of such inexperience as was displayed in the early days in England.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 9, 1917.

Dear Mr. Jay:

Thanks for your of the 5th, with enclosures. I am greatly interested in what you say about the Trust Companies, but they are sly dogs and I would not count too much on their coming in until the Clayton Act is amended.

About more intimate relations between the Reserve Bank and its important members. The fault in that matter does not lie with us. I suggested repeatedly to Vanderlip, Wiggin and others that the Clearing House committee and the officers, or officers and directors, of the Reserve banks should have some regular meeting together, but, naturally, such a meeting could not very well result from action on our part alone and I thought should originate with the Clearing House committee. I also discussed this with Mr. Vanderlip when he was in Colorado last Fall. Why not have an arrangement for regular meetings at the Federal Reserve Bank (not at the Clearing House)? The London Clearing Bankers Committee, which consists of sixteen men, meets at the Bank of England once every week and there is no reason why the Clearing House Committee should not meet at the Federal Reserve bank once a week or twice a month.

In regard to Mr. Kenzel's memo. I think his views are probable sound but would be unpopular with the member banks. They would be afraid that this was the first step in doing business directly with their customers and ultimately would lead to the removal of many of the restrictions as to the character of business done by the Reserve Banks, and I do not know but what they would be right. Personally, I do not see how we can have a well organized

Denver, Colorado,
April 9, 1917.

Dear Mr. Jay:

Thanks for your of the 5th, with enclosures. I am greatly interested in what you say about the Trust Companies, but they are sly dogs and I would not count too much on their coming in until the Clayton Act is amended.

About more intimate relations between the Reserve Bank and its important members. The fault in that matter does not lie with us. I suggested repeatedly to Vanderlip, Wiggin and others that the Clearing House committee and the officers, or officers and directors, of the Reserve banks should have some regular meeting together, but, naturally, such a meeting could not very well result from action on our part alone and I thought should originate with the Clearing House committee. I also discussed this with Mr. Vanderlip when he was in Colorado last Fall. Why not have an arrangement for regular meetings at the Federal Reserve Bank (not at the Clearing House)? The London Clearing Bankers Committee, which consists of sixteen men, meets at the Bank of England once every week and there is no reason why the Clearing House Committee should not meet at the Federal Reserve bank once a week or twice a month.

In regard to Mr. Kenzel's memo. I think his views are probable sound but would be unpopular with the member banks. They would be afraid that this was the first step in doing business directly with their customers and ultimately would lead to the removal of many of the restrictions as to the character of business done by the Reserve Banks, and I do not know but what they would be right. Personally, I do not see how we can have a well organized

To - Mr. Jay.

April 9, 1917.

discount market unless the houses that are dealing in bills have better facilities for carrying them than at present. Yet, on the other hand, if we pattern our market after London's, we must recognize that the bill houses in London carry their bills with the joint stock banks and not with the Bank of England.

I hope that you fellows are not working too hard and find time for a little recreation now and then.

Best regards to you all.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 10, 1917.

Dear Mr. Jay:

Thank you very much for yours of the 6th, with enclosures.

About the proposed amendment to the banking law, I should suppose that it could be attacked on the ground that it would violate our Federal legal tender laws. Judge Curtis can tell you about that. Certainly it would be a mighty short sighted piece of business for the New York Legislature to authorize banks of deposit to shift their responsibility for legal tender payment of their depositors checks upon the correspondent in a distant city and if the National banks were smart in taking advantage of it, they should be able to give the State banks a pretty uncomfortable time in holding their business. Personally, I have lost all remnants of sympathy that I ever had for these cheese paring State Bankers, and think the time has come to get after them with a broad-axe. Your article in the Trust Company's magazine was a corker on that very point. Why not get some one to write up the legal features of the proposed statute and publish it in one of the banking journals. Personally, I think we have got the situation well in hand all over the country and should take advantage of the war crises to keep the screws on tight.

I have read the advertising material with much interest and have only two comments to make. I see no evidence of arrangements having been made to protect member banks against a duplication of advertising material in any given town. We experienced this same difficulty in the Trust Company in introducing travelers' checks and had to guard against such dupli-

To - Mr. Jay.

April 10, 1917.

cation which caused hard feelings and misunderstanding. The other point is the one mentioned in your circular - that the text advertises the Federal Reserve bank more than the member bank. That criticism strikes me as being a just one and would become apparent if member banks generally used this material and all of the newspapers of the country were running identical stuff at the same time.

If any new material is prepared, I would suggest reducing the text in those cases where an illustration appears. Experience I think has shown that very little reading matter is desirable with that type of boiler plate.

I am glad you got this thing off the calendar, for I know it has taken a lot of time and thought.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 10, 1917.

Dear Mr. Jay:

I have read Mr. Meridith's letter in relation to possible correspondence with the Bank of Montreal and still see little, if any, advantage to be gained by such a connection. Of course if war commences to develop the need for such relationship, we should probably establish it, but his letter indicates that he, himself, believes the advantages to be largely sentimental, rather than practical. So far as exchange is concerned, there really is little difference between the exchange situation between New York and Canadian citizens and the exchange situation between New York and other large cities in the United States. When war first broke out, New York exchange was at a considerable discount in Canada for a time because Canadian banks had big balances in New York and a lot of call loans there which they were unable to recall on account of our haphazard suspension of gold shipments. Such a situation is not likely to arise again, but if it should we might consider special measures to deal with it.

If the Canadian Government should propose any large financing in this country, then we might find it desirable to consider arrangements for an account, which just now I really cannot see the need for. Thank you for sending me his letter.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

OF SERVICE DESIRED

Day Message

y Letter

essage

t Letter

should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
April 16, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Answer to your telegrams twelfth and fifteenth delayed by absence stop. Systems relation to financing is most important and cannot be avoided stop. Have no doubt Chief will shortly realize this and believe we should prepare for large operation stop. Believe we should entertain Cunliffe informally so as to avoid embarrassment stop. If on arrival you find him agreeable I would like to give him dinner say at Sherrys to meet important bankers. If you feel bank should entertain it would necessitate giving large formal dinner which seems undesirable stop. Suggest ascertaining Morgans plans stop. Certainly think I should return for few days any way to meet him and would plan to cover date of entertainment stop. Hope our organization is being expanded to meet new developments.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the origin one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM in consideration whereof it is agreed between the sender of the telegram 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 telegram received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines or telegrams.

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, caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on one per cent. thereof.

3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company to its destination.

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

5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices; and if 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 one month after the date of the transmission.

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

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

THE WESTERN UNION

INCORPORATED
NEWCOMB CITY

CLASSES OF SERVICE

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 the events; but that the Company's obligation is subject to the condition that there shall remain no interruption of transmission and delivery of such Day Letter during regular office hours, subject to the prior transmission of regular telegrams under the conditions named.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

Denver, Colorado,
April 16, 1917.

Dear Mr. Jay:

Yours of the 10th, enclosing copy of letter received from Secretary McAdoo, just reaches me. With a little study, I have no doubt this can be worked out in such a way that we can now accumulate a large amount of bars. No time should be lost in doing so.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

April 17, 1917.

The committee in charge of sales of United States thirty-year Conversion $3\frac{1}{2}\%$ bonds for Federal reserve banks to-day considered replies received to its recent invitations for proposals to purchase bonds of this issue.

The committee announced that no satisfactory proposals were received and consequently no award was made.

The chairman of the committee indicated that this result was more or less anticipated, because of the changed conditions which have arisen since the proposals were invited following the introduction in Congress of the bill which authorizes the issue of \$7,000,000,000. of Government securities bearing a higher rate of interest than the bonds offered by the committee.

Denver, Colorado,
April 18, 1917.

Dear Mr. Jay:

I have no doubt that Cotton's view of the unconstitutionality of the proposed amendment to the State banking law is sound. Personally, I think the bill is unconstitutional, probably violating the Federal legal tender laws.

As to the advertising program, - my thought would be to call the attention of the bankers to whom the forms were sent to the fact that they were being sent to all banks and that they should make arrangements themselves in each town to avoid duplications. The other eleven Reserve banks should also be advised.

You have made a good selection in Mr. Gidney and I hope you get him. He is a bright fellow and will be a great help to you.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 18, 1917.

Dear Mr. Jay:

Thank you for yours of the 14th. I was so impressed with your article in the Trust Company's magazine that I thought it might pay to send a reprint to our member banks, although I realize that it might be construed as an attack and stir up animosities. Possibly your more conservative course of sending them where asked for is safer. On the other hand, I think the Clearing Houses of the country, of which there are over 250, should be furnished with say ten copies apiece; that might help some.

I thoroughly understand about the hurry call for views as to the bond issue and you must not think my suggestions are for other purposes than to help. Of course the bond game was one of our specialties at the Trust Company and I know the houses so intimately that I wanted to give you the benefit of the best views I had on the subject.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 19, 1917.

Dear Mr. Jay:

Many thanks for your telegram. I am glad to be advised that work is progressing in expanding our organization for I am sure that preparation is only wise at this time. I will be glad to hear details of the conference with the Clearing House committee. Possibly you have been able to bring about a better understanding on the subject of our settling for members.

I am relying on you to keep me advised of Lord Cunliffe's arrival and plans, also of any arrangements made for entertaining him.

Best regards to you all.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City, N. Y.

BS/CC

F SERVICE	
ay Message	
nt Message	
Night Letter	
If no class of service is designated the telegram will be transmitted as a fast day message.	

COPY OF WESTERN UNION TELEGRAM

Denver, Colorado,
April 22, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Thanks for your telegrams. You will not fail to advise me
of what you learn of Cunliffes plans and when I should return to meet
him.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview Blv.

Denver, Colorado,
April 22, 1917.

Dear Mr. Jay:

Thank you for your confidential letter of the 16th, which gives a fine account of recent developments and is just what I wanted.

The arrangement for stated meetings with the Clearing House Committee is fine; I hope those meetings will be held at our bank and not at the Clearing House.

Developments begin to indicate a chance of getting the state banks into the system. I hope the Board will foster this by recommending suitable amendments to the Act. The Clayton Act is the real obstacle in New York and certainly should be amended.

In submitting recommendations to McAdoo following your talk with him, let me suggest that these be put in the form of brief carefully arranged, specific suggestions by headings and paragraphs, so concisely stated that it will take a very short time for him to grasp them, and in that way I believe it would be of real assistance to him. We must, if possible, persuade him to permit the Reserve banks to become the real active and effective fiscal agents for the Government. If he does that, our place in the country's banking system will be established for all time. If he does not, we will rock along for a good while, leaving people in some doubt as to whether we are fish, flesh or good red herring.

Alexander's proposal of having the Advisory Council active to represent the government in financial matters strikes me as ridiculous. That organization has not demonstrated that it is effective for any

To - Mr. Jay.

April 22, 1917.

purpose. Undoubtedly the plan was suggested to Alexander, and I doubt if it originated in his own mind at all. The most effective instrument to represent the government would be the Reserve banks. They have officers, offices and a permanent organization of the character needed. The Advisory Council has none of these; they are just what the name implies - an advisory body and not an administrative body. I hope the suggestion is set upon definitely and permanently.

Undoubtedly the suggestion about deposits with non-member banks was made upon the hypothesis that Congress would pass an act permitting such deposits as they would not of course be permitted under existing law.

I do not agree with Warburg's view of having all the funds borrowed by the Government transferred to the Reserve banks. The matter has got to be handled according to the character of the transaction in each instance. The English method of handling these loans would not be exactly applicable here because they have so few banks to deal with and we have so many. If the Secretary of the Treasury has sufficient discretion to meet situations as they arise and then will trust the Reserve banks to handle each situation in the respective districts, all shock and disturbance can be avoided I believe, but if some arbitrary rule or some binding statute leads to control, then we may bump into trouble. I would not object to seeing the Reserve banks carry the deposits with the member banks, so that the principle of direct government deposits would be avoided and this would no doubt meet Warburg's objections. I do not think that it is safe for the government to conduct an immense transaction of this character and rely for the relief of the banks upon their discounting to the

To - Mr. Jay.

April 22, 1917.

extent that might become necessary. Besides that, as you say, transactions of that kind could only be conducted with ease if we had a discount market and if all the banks had portfolios of bills which could be liquidated.

About the pending bond issue, my view is that one billions should be issued at 3-1/2% and no more. On that basis they should sell at a premium and facilitate later operations.

In regard to the Hayes Bill, it would be far better for the State bank membership amendment to be passed first and the proposed tax held in abeyance say for sixty days, or for some period of time until the state banks had shown their disposition. Meantime, I see enough evidence of the possibility of many new members to justify recommending that you lay out a program of an organization for an examining force, so as to meet that situation when it develops.

Please bear in mind that loans to our allies will involve very extensive financial transactions in the way of exchange. We will need preparation to do our part if, as I hope, the Government places this matter in the hands of the Reserve banks. It is on that account somewhat that I am most keen to see Lord Cunliffe and get his views as to how matters should be handled, also to see McAdoo and ascertain his plans, or individually influence them, so we may be in position to do our part.

With the inevitable increase in discount operations, I hope both the Credit and Discount departments are all tuned up and ready to handle it.

Thank you for the memorandum of conversations with Sir Hardman

To - Mr. Jay.

April 22, 1917.

Lever. These matters should be drawn to the attention of McAdoo or Governor Harding, as they exhibit so well the dependence in financial the British Government on the Bank of England.

I am awaiting anxiously telegraph or telephone message from you as to my return to meet Lord Cunliffe, which I can do at any time, returning here if necessary for the balance of my leave, but I am planning to get back home the first of June.

Best regards and many thanks for your letter.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/cc

Denver, Colorado,
April 22, 1917.

Dear Mr. Jay:

Many thanks for your wires of the 21st. I hope you will not fail to make suggestions to Governor Harding along the line of my recent letters if possible.

Also please wire me promptly of any occasion for my return, even though for but a few days, in the expectation that I will return here at once until June 1st. I am telegraphing you to this effect today, having in mind, of course, the possibility of meetings with Lord Cunliffe.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Denver, Colorado,
April 23, 1917.

Dear Mr. Jay:

I have just read copy of your letter of the 19th, addressed to Governor Harding, about the \$200,000,000 loan, and it is certainly just the kind of a letter which should have been sent and I am glad you wrote it.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

99

PERSONAL.

Denver, Colorado,
April 24, 1917.

TELETYPE DEPT.
APR 11 1917
FEDERAL RESERVE BANK

Dear Mr. Jay:

This is to acknowledge wires from you and Mr. Curtis in regard to the telephone message which you tried to get through to me yesterday. Unfortunately, I had to go out early to keep appointments with the dentists and doctors, who I am supporting out here just now and incidentally and very confidentially, to meet a committee that was commissioned to ascertain whether I intended to make Denver my permanent home and, if so, whether I would accept the Presidency of one of the banks out here. Of course do not repeat this. On this account I did not get your message until late in the afternoon and Mr. Curtis' message, dated at 1:23 P.M. came at about the same time, that is around six o'clock, which seemed to me an inexcusable delay. Meantime, I heard you were trying to get me by telephone and spent a couple of hours in a fruitless effort to get a connection through to New York. Your wire and my talk with you last night, which was fine, explained the situation and by the time this letter reaches you, you will undoubtedly have gotten in touch with the whole Washington situation. I hate like the dickens to miss all that is going on and am doing so really out of deference to the repeated urging from the office that I do not come back just now and that it is unnecessary. Many thanks for your wires and for your telephone message and for keeping me so well posted.

To - Mr. Jay.

April 24, 1917.

It has been growing in my mind lately that one way in which the office work can be relieved for all of us is to get a small suite of private offices away upstairs in the building where we can get away from callers and office interruptions to do quiet work. It will also give those of us that feel the need of it a little fresher air and less dust. Won't you ask Mr. Higgins to look into this and talk it over with the other officers and see how it sounds to them? I had such an arrangement at the Bankers Trust and found it most convenient at times, also a great time saver.

What is the sentiment in New York in regard to Goldman, Sachs & Co. and their German affiliations and sympathies? We hold a pretty big jag of their paper and, personally, I would not hesitate to shut down on it entirely if they are not both in profession and in action good American citizens.

In connection with the large Government loans now coming along, we may have some little movement in rates. A change is likely to be immediate if the plan is carried out of having temporary borrowings withdrawn and placed with us and other Reserve banks to the credit of the Bank of England.

By all means I would keep our rate for bills steady throughout this period, even if we are obliged to accumulate ten, fifteen or twenty millions in doing so. Our reserve percentage is now about 84 plus and if the gold amendment is passed, it will bring it up pretty close to 90. So I think we can demonstrate our strength and ease the market without materially weakening our reserve position.

To - Mr. Jay.

April 24, 1917.

About the plan of having funds held at the credit of the Bank of England by the other eleven Reserve banks,- I really think it is a mistake unless an arrangement is made, which is quite feasible, to have all the drafts drawn on the Federal Reserve Bank of New York and pro-rata withdrawals arranged through the exchange accounts which we now carry with the other Reserve banks and as rapidly as the Bank of England draws on the Federal Reserve Bank in New York, we, in turn, could apportion the withdrawals from the other eleven and make a weekly settlement through the gold settlement fund. It is really an extraordinary departure from normal banking procedure to handle such an account otherwise, although I agree with you entirely that the funds raised in the other Reserve districts should be left on deposit there. I hope this matter can be worked out so that there is really only one exchange account, which would be between the Bank of England and ourselves.

I am not writing Mr. Treman today so hope you will show him this letter.

Now about my return, of course I must get back within the next few weeks and am particularly anxious to go back for a few days so as not to miss Lord Cunliffe; I will rely upon you to make the arrangements. Chicago will do if the Commission goes there, provided of course a definite engagement is made for me to meet him and have sufficient time for a conference.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

WESTERN UNION



NIGHT LETTER

GEORGE W. E. ATKINS, VICE-PRESIDENT

NEWCOMB CARLTON, PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

RECEIVER'S No.

TIME FILED

CHECK

SEND the following Night Letter, subject to the terms
on back hereof, which are hereby agreed to

Denver, Colorado,
April 25, 1917.

Pierre Jay,
Care Paul M. Warburg,
Federal Reserve Board,
Washington, D. C.

Thanks for wire. Can come on any time you say.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

or this

ALL NIGHT LETTERS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

The Western Union Telegraph Company will receive not later than midnight **NIGHT LETTERS**, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night telegram rates, as follows: The standard day rates for ten words shall be charged for the transmission of fifty words or less, and one-fifth of such standard day rate for ten words shall be charged for each additional ten words or less.

To guard against mistakes or delays, the sender of a night letter should order it **REPEATED**, that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated night letter rate is charged in addition. Unless otherwise indicated on its face, **THIS IS AN UNREPEATED NIGHT LETTER AND PAID FOR AS SUCH**, in consideration whereof it is agreed between the sender of the night letter 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** night letter, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any **REPEATED** night letter, beyond fifty times the sum 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 obscure night letters.*

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

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

4. Night letters 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 or 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 night letters until the same are accepted at one of its transmitting offices, and if a night letter 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 night letter is filed with the Company for transmission.

In further consideration of the reduced rate for this special "**NIGHT LETTER**" service, the following special terms are hereby agreed to:

A. **NIGHT LETTERS** may at the option of the Telegraph Company be mailed at destination to the addressee, 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.

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

THE WESTERN UNION TELEGRAPH COMPANY
INCORPORATED
NEWCOMB CARLTON, PRESIDENT

CLASSES OF SERVICE

TELEGRAMS

A full-rate expedited service.

NIGHT TELEGRAMS

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 next ensuing business day.

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 rate for each additional 10 words or less. Subordinate to the priority of transmission and delivery of regular telegrams. Must be written in plain English. Code language not permissible.

Telephonic delivery permissible. Day Letters received subject to express understanding that the Company only undertakes delivery of the same on the day of their date subject to conditions that sufficient time remains for such transmission and delivery during regular office hours, subject to priority of the transmission of regular telegrams.

NIGHT LETTERS

Accepted up to midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night telegram rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day rate for 10 words shall be charged for each additional 10 words or less. Must be written in plain English. Code language not permissible. Mail delivery, postage prepaid, permissible.

CLASS OF SERVICE DESIRED	
Fast Day Message	
Letter	
Night Message	
Night Letter	☒
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colo.,
April 26, 1917.
Denver, Col

Pierre Jay,
Federal Reserve Bank,
New York City.

Approve all definite suggestions for dinner including Peabody and
Lever stop. You Treman and Curtis of course stop. Following additions in
order named. Hepburn, Jim Brown, Lewis Clarke, Townsend and Aiken stop.
Particularly anxious Morgan attend. If however impossible substitute Davison
or Lamont stop. Later date will suit me as well if more convenient stop.
About bond plan suggest you submit all suggestions in writing to Secretary in
brief tabulated form sending copies to Board to avoid criticism stop. Feeling
tip top and keen to see you all.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. One-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE DESIRED	
Day Message	
Night Message	X
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
April 20, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Owing to mistake in transmitting your telegram regarding bond
issue I suggested your writing Secretary. After reading corrected
message think possibly inadvisable.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. One-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS IN consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

WESTERN UNION



NIGHT LETTER

GEORGE W. E. ATKINS, VICE-PRESIDENT

NEWCOMB CARLTON, PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

RECEIVER'S No.

TIME FILED

CHECK

SEND the following Night Letter, subject to the terms
on back hereof, which are hereby agreed to

Denver, Colorado,
April 27, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Thanks for telegram about Tuesday evening. Am just leaving
and feeling very fit. My best to you all.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

ALL NIGHT LETTERS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

The Western Union Telegraph Company will receive not later than midnight **NIGHT LETTERS**, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night telegram rates, as follows: The standard day rates for ten words shall be charged for the transmission of fifty words or less, and one-fifth of such standard day rate for ten words shall be charged for each additional ten words or less.

To guard against mistakes or delays, the sender of a night letter should order it **REPEATED**, that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated night letter rate is charged in addition. Unless otherwise indicated on its face, **THIS IS AN UNREPEATED NIGHT LETTER AND PAID FOR AS SUCH**, in consideration whereof it is agreed between the sender of the night letter 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** night letter, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any **REPEATED** night letter, beyond fifty times the sum 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 obscure night letters.*

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

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

4. Night letters 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 or 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 night letters until the same are accepted at one of its transmitting offices, and if a night letter 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 night letter is filed with the Company for transmission.

In further consideration of the reduced rate for this special "**NIGHT LETTER**" service, the following special terms are hereby agreed to:

A. **NIGHT LETTERS** may at the option of the Telegraph Company be mailed at destination to the addressee, 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.

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

THE WESTERN UNION TELEGRAPH COMPANY
INCORPORATED
NEWCOMB CARLTON, PRESIDENT

CLASSES OF SERVICE

TELEGRAMS

A full-rate expedited service.

NIGHT TELEGRAMS

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 next ensuing business day.

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 rate for each additional 10 words or less. Subordinate to the priority of transmission and delivery of regular telegrams. Must be written in plain English. Code language not permissible.

Telephonic delivery permissible. Day Letters received subject to express understanding that the Company only undertakes delivery of the same on the day of their date subject to conditions that sufficient time remains for such transmission and delivery during regular office hours, subject to priority of the transmission of regular telegrams.

NIGHT LETTERS

Accepted up to midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night telegram rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day rate for 10 words shall be charged for each additional 10 words or less. Must be written in plain English. Code language not permissible. Mail delivery, postage prepaid, permissible.

Denver, Colorado,
May 16, 1917.

Dear Mr. Jay:

This letter is simply to summarize some of the various suggestions we discussed and in particular to emphasize the desirability of making all of our preparations particularly as to organization well in advance of the need for doing so arising. Three copies are enclosed so that you can hand one to Mr. Tremen and one to Mr. Curtis, and I urge that those matters requiring immediate attention be divided up and put under way at once.

GOLD:

The bars and coin now in our vault should be put through the Assay Office and the resulting standard bars packed away in compartments as soon as possible.

We should ascertain from the Sub-Treasury if ample supply of gold certificates will be on hand for our use as required, if we find it necessary to surrender the gold bars, and if the supply is not there, they should arrange to get it.

A memorandum is in Secretary McAdoo's hands, suggesting discontinuing issues of small denomination gold certificates, and this should be followed up. If he makes the order, the Federal Reserve Board should be asked to notify each Reserve bank that it will be expected to supply all demands for currency in its district by issues of Federal Reserve notes.

VAULT:

I suggest that temporary shelving to pretty well fill the interior of the vault and made of fire-proof wood, be built at once, ready to set up

To- Mr. Jay.

May 16, 1917.

as soon as the gold is out of the way. These can be used for collateral for government deposits and collateral for discounts, if necessary.

WIRE TRANSFERS:

For reasons later stated I think we will have heavy demands on us in this matter and suggest providing larger quarters and more men for the work, who should be trained in advance in order to avoid delays.

OUTER OFFICE:

Possibly two additional desks can be put in here, for use by men who will be assigned to assist the present Junior officers.

BOARD ROOM:

I suggest that this be moved up-stairs and two officers' desks be provided for the present room for use in case of need. Meetings could be held in your room or mine, as one or the other of us will always be in attendance at Board or Executive meetings.

MONEY DEPARTMENT:

There is bound to be more activity in this department and I would arrange for its immediate enlargement by adding more men.

FEDERAL RESERVE NOTES:

If any plan can be started for encouraging larger issues of notes, I would inaugurate it at once. Possibly another circular to member banks will assist as, of course, it results in an automatic increase in our gold holdings.

DISCOUNT DEPARTMENT:

Preparation will have to be made for a considerable enlargement and possibly for transferring that work during the period of greatest activity to the Clearing House. Tentative arrangements for this should be made now. The

To- Mr. Jay.

May 16, 1917.

vault room there should be examined, a staff of men organized and I believe it may be desirable to ask for a special committee, say of three men - one well posted on commercial paper, another on securities and a third on the condition of member banks, whose function it would be to pass not only on temporary government deposits, but on discounts which we may be required to make.

UNDERSTUDIES:

I have emphasized in talking with the Junior officers the necessity that Sailer, Hendricks, Kenzel, Higgins, Chapin, Gilbert and Coe all break in men right away to relieve them in their work; this doubtless applies to others. If that is done, Mr. Gilbert could help Mr. Kenzel, Mr. Coe could help Mr. Hendricks and other good men ought to be assigned to assist the other three, but of course their places must be filled at once.

CURTIS:

I hope the committee work can be so arranged that Mr. Curtis will not be obliged to be out of the bank most of the time; his assistant, or possibly more than one assistant, should be drilled to relieve him.

INTERIOR COMMUNICATIONS:

Our 'phone service should be enlarged, should be spread to cover the various committee rooms and more pages should be employed and broken in at once.

EXCHANGE CHARGES:

With the Hardwick amendment passed, I do not see how the government can escape paying the exchange on checks received for the Liberty loan. This whole subject should be put in Mr. Hendrick's hands and meantime I should think the Board could be asked to introduce an amendment, if the President signs the present bill, either entirely repealing the Hardwick proposal or eliminating its application to these particular checks. Hendricks should get up a circular to

To - Mr. Jay.

May 16, 1917.

go to the member banks, which will set out exactly what we propose to do about all charges of exchange because, of course, we cannot pay them.

CLEARING HOUSE PLANS:

I have no report from McGarrah of the result of their meeting to consider plans to keep the money market easy and steady. This should be followed up, of course, and assurance made that the committee's work and ours will be in cooperation. The Clearing House Committee, or whoever is in charge, should I think report to Mr. Kenzel.

Also it seems to me the Clearing House should act at once in regard to the use of Federal Reserve notes for settling balances, as soon as the present bill amending the Federal Reserve Act is passed. This could include the plan to have member banks settle their balances by debit and credit on our books.

DAY TO DAY RATE:

The rate of 2% authorized by our committee had not been submitted to the Reserve Board when I left and I would be glad to learn what action was taken.

DISCOUNTS:

For reasons stated below, I anticipate large applications for discounts from the large member banks within the next few weeks. It might be well to ask them in advance to facilitate our work by having the paper to be sent to us done up in a certain way, say round amounts, with the discount figured according to the basis which we have adopted and have it ready in advance.

To - Mr. Jay.

May 16, 1917.

GOVERNMENT DEPOSITS:

The Liberty Loan prospectus, of which I have a copy, does not seem clear as to just what the Treasury proposes to do about the re-deposit of proceeds. I have suggested that the Secretary by a ruling authorize such deposits - Upon the security of any obligations of the United States Government, or its possessions.

The obligations of all states, counties and municipalities within the United States.

Eligible commercial paper, eligible bankers acceptances.

Any bond which the Savings banks of Massachusetts or New York state are allowed by law to purchase.

Any obligations of the allied belligerent governments which have been placed in our markets in this country, payable in dollars.

This gives a definite list and eliminates looking up dividend records, etc. If the plan is adopted, a printed list should be prepared, which would give all bonds in detail which are acceptable under this plan, and these lists should be distributed to all the Reserve banks.

SPECIAL DISCOUNTS:

If the Federal Reserve Board is willing to rule that notes given by member banks, or by their customers in order to finance the placing of this loan, are eligible for discount with us, this might make the conversion of these special deposits into discounts a simple matter.

WOODWARD'S COMMITTEE:

The responsibility of organizing the machinery for the loan transaction is a very serious and important one. We ought to make sure that the Committee appreciates the magnitude of the job and gets adequate quarters. The work of handling subscriptions must be greatly sub-divided and I suggest their handling this by geographical divisions ^{and} by banks and bankers by whom subscriptions are received, or by alphabetical arrangement. That committee will

To - Mr. Jay.

May 16, 1917.

need to study the question of shipping facilities very carefully when the handling of interim certificates comes along.

SPECIAL RATE FOR LOANS TO MEMBERS:

There seems a good deal of urgency in New York, and I found the same in Chicago, to have a special rate for rediscount of notes growing out of Liberty loan sales. I do not think that rate should be fixed until the amendments to the Reserve Act have passed and then only in case we have an understanding with the member banks and state banks as to the rates which they will charge their customers; possibly 3-1/2% would be justified after we had ascertained the possible volume, but I would hesitate to recommend that until the amendments have passed and we get a line on the possible demands.

ALLOTMENT OF BONDS:

There is strong pressure in Chicago to have the Secretary of the Treasury apportion say one-half of the loan, (one billion dollars) among the Reserve banks for immediate firm allotment. They say it will hold a good many subscribers who may get away, and it will also cover cases of large subscribers who are really acting for employees whose names might not be disclosed to us in detail. Those subscribers should not be cut down if the loan is over-subscribed. I believe the suggestion is a good one and will facilitate placing the loan.

SAVINGS BANKS:

As you have learned probably from Mr. Schenck, concern is developing less the placing of this loan will disturb their affairs. They want some kind of membership which will protect them, particularly in meeting demands for currency. Under proper safeguards, I believe such an arrangement should be made,

To - Mr. Jay.

May 16, 1917.

If, after discussion with them, it is found that their securities are of a character that can be made available to secure borrowings.

STATE BANKS:

Those State Banks that receive large subscriptions to the loan are going to be embarrassed in handling the matter, unless they make preliminary arrangements with member banks for borrowing money. A discrete circular, explaining the limitations of the law, might avoid a good deal of confusion and of course it should go to both member and non-member banks.

TRANSFERS OF BONDS:

Facilities must be provided in advance for splitting up interim certificates and the permanent bonds when delivered and for affecting transfers of registered bonds and interchange of registered bonds for coupon bonds and vicerversa. If we are to make these splits and transfers, we should be advised at once and prepare the necessary books and organize a department; the task will be immense. If we are not to do that work, the Treasury Department should instantly provide facilities.

BUDGET:

While I am Chairman of the Sub-Committee on the budget, I will be absent at the time when the most important work is undertaken, so I suggest that the Committee be asked to obtain estimates from every sub-committee for all probable expenditures for instant submission to Washington, in order to get preliminary approval.

COMMITTEE ORGANIZATION:

A printed list, giving out all the Committees, their officers, secretaries, etc., should be prepared and the type held so that changes can be made, each edition to be dated and numbered. This might be accomplished

To - Mr. Jay.

May 16, 1917.

by a chart, or directions as to where reporting should be made, according to the classification of the work.

CLEARING:

This still looms up as the most important and difficult problem. In view of the terms of the prospectus, I think the following is what will happen:

1. Interior banks will prepare for their subscribers' drawings and their own payments by withdrawing balances from New York. The laws of the interior may be sufficient to force all member banks to rediscount heavily with us and for that we should be prepared.
2. If these re-discounts are so heavy as to weaken us, we should not hesitate in turn to rediscount with the other Reserve banks, who will be correspondingly strengthened by these withdrawals from New York.
3. After the first payment is made, the government will be withdrawing balances throughout the other districts to New York. This will cause the withdrawal of government deposits in detail throughout the other districts and will put the burden of rediscounting on the interior Reserve banks. As we grow stronger as a result, we will pay off the rediscount extended to us by other Reserve Banks.
4. If the strain is pretty heavy, as they are weakened they may need to rediscount with us, we in turn growing correspondingly stronger as the funds are assembled in New York.

Stating the above four stages differently, it seems to me that the problem becomes one of avoiding a great shift of reserves between the Reserve banks themselves and that can be done by rediscounting arrangements which will affect the shift in the form of ear-marking discounts, rather than actually moving gold.

As the procedure may be as above described, I urge that the matter be taken up with the Federal Reserve Board, so that the other Reserve banks

To - Mr. Jay.

May 16, 1917.

will be well prepared in advance to do rediscounting for us as well as to rediscount with us, and that the rate for such transactions should be fixed in advance and everything be ready to move automatically. I want to repeat, however, what I stated in New York - that I have little fear of any serious situation arising if no very great body of subscribers anticipate and pay in full. If, however, as much as six or seven hundred million, or more of the loan is anticipated, it may be a serious strain on us. I cannot urge too strongly that these matters be all laid out well ahead of the emergency.

I will write in a day or two some suggestions about the mechanical labor of handling the loan.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/cc

Denver, Colorado,
May 17, 1917.

Dear Mr. Jay:

Spending Monday in Chicago gave me opportunity to meet with the Liberty loan committee at the Federal Reserve Bank and get a little idea of their plans. They have not organized as completely as we have, but still are making pretty good progress. The members of the committee have unanimously expressed the view that each Federal Reserve bank should have a definite allotment of bonds to sell firm at the present time, the total of the twelve allotments equaling say one-half the present issue. This suggestion is to enable them to make sales firm at the present time to large employers of labor who will make subscriptions for round amounts in behalf of their employes who are being solicited to subscribe and make payments in small installments. I enclose a sample card and leaflet explaining the plan advocated by the committee. The suggestion impresses me favorably because of the necessity for making these allotments firm so that employes may at once start their savings program and so that there may be no reductions in case of over subscription. It also enables large subscribers who do not wish to wait until the middle of June for allotments to have their subscriptions accepted at once. Possibly the enclosures should be referred to the appropriate committee.

I am leaving it to you to appoint the committee to deal with the Savings bank situation, suggested by Mr. Vanderlip at the Committee meeting I attended. I made no appointment because the terms of the prospectus and the matter of the denomination of the bonds had not yet been determined when

To - Mr. Jay.

May 17, 1917.

I was in New York.

I had a fine trip west and am satisfied after seeing Dr. Sewall yesterday that no ill effects resulted from my visit. Strange to say, I added 6 lbs. to my weight and now weigh 162.

Best success to your efforts. I realize with what devotion you are tackling the big job we have on hand and will be there to help sooner than you think.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Encs.

Message	IRE
Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
May 17, 1917.

Pierre Jay, Federal Reserve Bank, New York City, N. Y.

Telegram received. You must appreciate as fully as I do the possible danger of our affording too great encouragement for rediscount of loans on government bonds so long as the means for protecting our gold reserves are as inadequate as at present stop. Were the amendments passed I would have no hesitation in advocating three and one half percent rate specifically applying to such transactions only stop. Might not a general announcement of our policy serve the purpose without commitment as to rate stop. If the clearing house banks would agree to settle balances on our books I would feel that our reserve position would be almost as well fortified as though the loan amendment had passed and at this stage I am inclined to recommend putting the whole matter up to the clearing house committee for joint discussion with our directors and with the Liberty loan committee stop. Important they should realize our position just as fully as we do and if they all agreed to join in any measures necessary to protect our reserves we might then agree to establishing three and one half percent rate stop. We should on no account go below that and I would favor an understanding with principal banks that their rate will be four percent without discrimination to bond subscribers. Will appreciate telegrams keeping me posted. Later: Postscript telegram just received. This ruling makes two hundred millions gold available for us and I think justifies three and one half percent rate.

Benjamin Strong.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison of the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR SUCH consideration whereof it is agreed between the sender of the telegram 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 telegram, 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 telegram, beyond fifty times the sum 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 cipher or obscure words.
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 telegram, whether by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of the sum so stated.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Telegrams 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 or 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 deliver for him for such delivery at a reasonable price.
5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices; and if a telegram is sent to such office by 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 telegram is received by 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 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 MESSAGES

Full-rate expedited service.

NIGHT MESSAGES

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

LETTERS

Deferred day service at rates lower than the standard day messages 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 standard rate 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:

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

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

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

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE DESIRED	
Day Message	
Letter	
nt Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colorado,
May 17, 1917.

Pierre Jay, Federal Reserve Bank, New York City, N. Y.

Telegram received. You must appreciate as fully as I do the possible danger of our affording too great encouragement for rediscount of loans on government bonds so long as the means for protecting our gold reserves are as inadequate as at present stop. Were the amendments passed I would have no hesitation in advocating three and one half percent rate specifically applying to such transactions only stop. Might not a general announcement of our policy serve the purpose without commitment as to rate stop. If the clearing house banks would agree to settle balances on our books I would feel that our reserve position would be almost as well fortified as though the loan amendment had passed and at this stage I am inclined to recommend putting the whole matter up to the clearing house committee for joint discussion with our directors and with the Liberty loan committee stop. Important they should realize our position just as fully as we do and if they all agreed to join in any measures necessary to protect our reserves we might then agree to establishing three and one half percent rate stop. We should on no account go below that and I would favor an understanding with principal banks that our rate will be four percent without discrimination to bond subscribers. Will appreciate telegrams keeping me posted. Later. Postscript telegram just received. This ruling makes two hundred millions gold available for us and I think (Sg. Benj. Strong.) justifies three and one half percent rate.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscuring telegrams.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

NIGHT LETTER.

Denver, Colo., May 17, 1917.

Pierre Jay,

Federal Reserve Bank, New York.

Telegram received. You must appreciate as fully as I do the possible danger of our affording too great encouragement for rediscount of loans on government bonds so long as the means for protecting our gold reserves are as inadequate as at present. Were the amendments passed I would have no hesitation in advocating three and one half percent rate specifically applying to such transactions only. Might not a general announcement of our policy serve the purpose without commitment as to rate. If the Clearing House banks would agree to settle balances on our books I would feel that our reserve position would be almost as well fortified as though the loan amendment had passed and at this stage I am inclined to recommend putting the whole matter up to the Clearing House Committee for joint discussion with our directors and with the Liberty Loan Committee. Important they should realize our position just as fully as we do and if they all agreed to join in any measures necessary to protect our reserves we might then agree to establishing three and one half percent rate. We should on no account go below that and I would favor an understanding with principal banks that their rate will be four percent without discrimination to bond subscribers. Will appreciate telegrams keeping me posted later. Postscript. Telegram just received. This ruling makes two hundred millions gold available for us and I think justifies three and one half percent rate.

Benjamin Strong.

CLASS OF SERVICE DESIRED	
Fast Day Message	X
Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
May 18, 1917.

Pierre Jay, Federal Reserve Bank, New York City.

After further considering your wires believe three and one half percent rate will be justified in view of Boards ruling about note issue but suggest it should be predicated upon definite understanding with Clearing House that their members will charge say not over four percent for loans to their customers and if possible will settle Clearing House balances on our books stop. Announcement of rate should carefully avoid implying an invitation for members to make excessive use of our facilities during period of clearing new loan and we should not foreclose ourselves from increasing rate later if excessive demands make that course necessary.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. This, of course, is at one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram is received 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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, 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT

96DVF 103

CX DENVER CODO 956AM MAY 18 1917

PIERRE JAY

1714

FEDERAL RESERVE BANK NEWYORK NY

AFTER FURTHER CONSIDERATION YOUR WIRE BELIEVE THREE AND ONE HALF PERCENT RATE WILL BE JUSTIFIED IN VIEW OF BOARDS RULING ABOUT NOTE ISSUE BUT SUGGEST IT SHOULD BE PREDICTATED UPON DEFINITE UNDERSTANDING WITH CLEARING HOUSE THAT THEIR MEMBERS WILL CHARGE SAY NOT OVER FOUR PERCENT FOR LOANS TO THEIR CUSTOMERS AND IF POSSIBLE WILL ^{rather} SELL CLEARING HOUSE BALANCES ON OUR BOOKS STOP ANNOUNCEMENT OF RATE SHOULD CAREFULLY AVOID IMPLYING AN INVITATION FOR MEMBERS TO MAKE EXCESSIVE USE OF OUR FACILITIES DURING PERIOD OF CLEARING NEW LOAN AND

CLD

If none of these symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

symbol appearing after the check

RECEIVED AT

96DVF 103 SHEET TWO

WE SHOULD NOT FORECLOSE OURSELVES FROM INCREASING RATE LATER IF

EXCESSIVE DEMANDS MAKE THAT COURSE NECESSARY

BENJ STRONG

1259P

Denver, Colorado,
May 18, 1917.

Dear Mr. Jay:

Your two telegrams of yesterday reached me just as I was leaving for dinner with some friends and I was obliged to send you a very hasty answer.

I am not afraid of making a 3-1/2% rate, provided it is done in such a way that we will not invite the banking community to shift the whole load of carrying Liberty bond loans on to the Federal Reserve Bank of New York. You appreciate, as I do, that loans of that character can only reduce our gold reserve to the minimum required by the statute for the member banks to carry with us, or such amount less they are willing to permit their reserve to be impaired, but on the other hand it would be a shock to the banking community and to the country to have the impression get abroad that the whole burden of financing government loans has been forced upon the Reserve banks. Your second telegram, advising that we may use notes so discounted as security for note issues, which was quite new to me, puts quite a different aspect on this matter and I think justifies our making the rate, but we must, if possible, have some understanding with the Clearing House as to the method of settling balances as that will prevent their hoarding reserves and avoid the danger of sudden depletions in our reserve, even overnight, when these great transfers are being made.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

ENC.

Denver, Colorado,
May 19, 1917.

Dear Mr. Jay:

Replying to yours of the 15th about French coin. I would not hesitate to take over that which is contained in the present shipment and hold it as French coin, provided we can do so without liability for later expense in converting it. In other words, we should take it at the net value after deducting all costs for conversion into standard bars. The objection I intimated for doing so had relation to possible legislation which would demonetize all existing French gold coin, but I have been told that there is little prospect of such legislation, which was tried and proved to be a failure in Germany.

Personally, I would not hesitate to accumulate as much as \$100,000,000 all told in the form of bars and would not hesitate to hold sovereigns unmelted if we can acquire them on the basis above suggested for French coin.

You can understand how keen I am for news and how much I appreciate your telegrams, which are most thoughtful. Please do not overwork.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

CLASS OF SERVICE DESIRED	
Day Message	☒
Night Letter	☐
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colorado,
May 18, 1917.

Pierre Jay, Federal Reserve Bank, New York City.

After further considering your wires believe three and one half percent rate will be justified in view of Boards ruling about note issue but suggest it should be predicated upon definite understanding with Clearing House that their members will charge say not over four percent for loans to their customers and if possible will settle Clearing House balances on our books stop. Announcement of rate should carefully avoid implying an invitation for members to make excessive use of our facilities during period of clearing new loan and we should not foreclose ourselves from increasing rate later if excessive demands make that course necessary.

Benjamin Strong.

Chg. Benj. Strong,
4100 Montview.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

Denver, Colorado,
May 22, 1917.

Dear Mr. Jay:

Thanks for yours of the 17th. I am glad to get details of the work.

About that resolution, I have no doubt it is all right and judge that the action we discussed by telegram has been taken. Let me make another suggestion in that connection - I think it would have a wholesome effect if we applied from New York at once to the Federal Reserve Board for the establishment of the rate of discount to apply to rediscounts of one Federal Reserve Bank with another; the rate should of course be uniform. The early announcement for such a rate and arrangements for rediscounting as occasion might require, should convince the public and particularly the bankers of the country that we are alive to the situation. When the rate is approved a carefully worded announcement should be made, explaining that it is simply another step in preparation for financing the big loan and one designed to insure no disturbance to the money market, etc., etc.

About state legislation in New York, do you know if the move is on to have Federal Reserve notes count as reserves for state banks and trust companies? The legislation should accomplish that, either directly or indirectly, as proposed in the amendments to the Federal Reserve Act. Can't you start something along this line?

I will see you in New York a week from Wednesday.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

SERVICE DESIRED

Message

Night Letter

X

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
May 24, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City, N. Y.

Sorry was out and reply delayed stop. Suggest recommending to Secretary Baker that soldiers and others be paid in Bank of France notes to the extent they desire pay remitted abroad, each soldier privileged to retain any part of pay in American money at home stop. To extent paid in France Bank of France notes should be used and following procedure followed stop. Rates of exchange to be established by Secretary at regular intervals we purchasing for department sufficient francs for their requirements which we would remit to Bank of France to credit of paymasters as directed for such sums as required to make payments at rates established stop. Rates should not be changed unless fluctuations make necessary and rate established should leave slight margin in governments favor stop. Only other plan which occurs to me is for government to appoint Bank of France as fiscal agent which strikes me as unsatisfactory stop. Our arrangement with Bank of France could be perfected by cable on short notice stop. Kanzal wires money closed above three. Recommend using our funds to keep rate down.

Benjamin Strong.

Chas. Benj. Strong,
4100 Montview.

ALL TELEGRAMS TAKEN BY THIS COMP

To guard against mistakes or delays, the sender of a telegram should order one-half the unrepeatable telegram rate is charged in addition. Unless otherwise in consideration whereof it is agreed between the sender of the telegram and this

1. The Company shall not be liable for mistakes or delays in the transmission received for sending the same; nor for mistakes or delays in the transmission or for sending the same, unless specially valued; nor in any case for delays arising telegrams.

2. In any event the Company shall not be liable for damages for any mistake caused by the negligence of its servants or otherwise, beyond the sum of FIFTY writing hereon at the time the telegram is offered to the Company for transmission one per cent. thereof.

3. The Company is hereby made the agent of the sender, without liability destination.

4. Telegrams will be delivered free within one-half mile of the Company's towns. Beyond these limits the Company does not undertake to make delivery, contract for him for such delivery at a reasonable price.

5. No responsibility attaches to this Company concerning telegrams until by one of the Company's messengers, he acts for that purpose as the agent of the

6. The Company will not be liable for damages or statutory penalties in filed with the Company for transmission.

7. Special terms governing the transmission of messages under the classes of the foregoing terms.

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

CLASSI

FAST DAY MESSAGES

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

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

D. This Day Letter is received subject to the express understanding and agreement that the Company does not undertake that a Day

NIGHT LETTERS

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

STATEMENT FOR THE PRESS

5928
FILE ROOM

June 14, 1917.

File

Referring to the announcement made yesterday by the Comptroller of the Currency, Governor Strong of the Federal Reserve Bank of New York made the following statement:

The directors of this bank have established a rate of 3 1/2% which will apply to discounts made for its members where the proceeds are employed for the purchase of Liberty bonds, and a circular to that effect has recently been mailed to our members.

We understand that the statement issued by the Comptroller has been construed by some as a suggestion to member and state banks that this rate was established in order to enable the banks to purchase Liberty bonds for their own account to the extent of 6% of their resources, even though they must borrow from us to do so. But the policy of this bank, which is determined by its directors, has been to urge upon all banks the importance of placing the bonds as widely as possible among individuals and corporations in their communities, believing that the interests of the Government, as well as the business of the country, will be best served by a wide distribution of these long time bonds, thus leaving the resources of the banks free to take care of the requirements of business and industry and the temporary financing of the Government.

We feel that each bank should use its own judgment, governed by its obligations to its depositors, as well as to the Government, as to the amount of Liberty Loan bonds to be subscribed for its own account.

The response of the banks, individuals and corporations throughout the whole of this district has been so extremely gratifying that it is clear the banks have all used their best efforts, each according to its own circum-

stances and local conditions, to insure the success of the loan.

In the matter of accommodation to its member banks this bank also wishes to make its position clear, as follows:

All proper requirements of its members will be taken care of, but the bank's policy in making loans and rates will be determined by its directors, subject only to the approval of the Federal Reserve Board.

Number
Time Filed
Number of Words

THE COLORADO & WYOMING TELEGRAPH CO.

TELEGRAM

CLASS OF SERVICE DESIRED	
☐	Day Message
☐	Night Message
☐	Day Letter
☐	Night Letter
Patrons should mark an X opposite the class of service desired; otherwise FULL RATES will be charged. SEE BACK OF THIS BLANK.	

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

July 12, 1917

To Pierre Jay,
Federal Reserve Bank,
New York City

My suggestion to Gregory and Vanderlip contemplated meeting Gregory's wish to develop a skeleton permanent organization so that Gregory could be released as soon as possible. Stop. Neither he nor I discussed his continuing for future loans. Stop. It would, of course, be a mistake to put Anderson in charge of the present work, which should be finished by Gregory, and when his report completed, a new chief clerk should be appointed to work under Anderson. Stop. Anderson should not be expected to do the kind of work Gregory has done. Stop. The clerical work should be under our own salaried man.

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 this, one-half the unrepeatd message rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED MESSAGE AND PAID FOR AS SUCH, 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 received 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 sum 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 cipher or obscure messages.

2. In any event the Company shall not be liable for damages for any mistakes or delay 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 value 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 value equal 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 its 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 or 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. No employee of the Company is authorized to vary the foregoing.

THE COLORADO & WYOMING TELEGRAPH CO.

CLASSES OF SERVICE

DAY MESSAGES

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 next ensuing business day.

DAY LETTERS

A deferred day service at rates lower than the standard day message rates as follows: One and one-half times the standard day message rate for 10 words for the transmission of 50 words or less and one-fifth of the initial rate for each additional 10 words or less. Subordinate to the priority of transmission and delivery of regular day messages. Must be written in plain English. Code language not permissible.

Telephonic delivery permissible. Day Letters received subject to express understanding that the Company only undertakes delivery of the same on the day of their date subject to condition that sufficient time remains for such transmission and delivery during regular office hours, subject to priority of the transmission of regular day messages.

NIGHT LETTERS

Accepted up to midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day rate for 10 words shall be charged for each additional 10 words or less. Must be written in plain English. Code language not permitted. Mail delivery, postage prepaid, permissible.

98

Denver, Colorado,
128 Gilpin St.,
July 13, 1917.

My dear Jay:

Your telegram of the 11th reached me day before yesterday, just as I was headed for the country to visit some friends, and on that account the reply was somewhat delayed. I am not surprised that you did not understand the situation about Gregory. Confidentially, let me now explain in more detail than was possible in my telegram. Gregory was rather urgent that he be relieved, as you know, or if he was to continue until this job was finished up that I should make arrangements with Mr. Vanderlip, as some work was pressing at the City Bank. In considering what I should do about it, it struck me that it would be necessary for Mr. Gregory to finish up the present job completely and prepare the necessary final report to Washington. It would be a mistake to introduce a new man during the pendency of this work. At the same time I have been equally clear that Mr. Gregory should not be asked to undertake this job again, but that we should develop an organization of our own capable of handling the clerical work under the direction of such a man as Mr. Anderson might select.

In view of this, I asked Mr. Gregory to go right ahead, finish up the job so that we would not be swapping horses in

Mr. Jay,

July 13, 1917.

the middle of the stream, and begin the selection of men whom we might retain permanently for that sort of work. He has never reported to me in regard to a permanent organization, nor do I believe he did anything at all before I left, knowing how busy he was.

My suggestion is that arrangements be made to retain Mr. Gregory for the completion of the present work, which he told me he felt certain he could finish up well before the first of August, or even dispose of it so far as his personal presence was involved by the middle of July, leaving such good men in charge as we might select with his assistance. I do not think Gregory had the slightest expectation of doing anything more than finishing up his present work, but I told him that if he thought it was necessary for him to be attached to our staff in some way, I would take that up at the next Directors' meeting.

Personally, I have never had any difficulty in handling Gregory, but I realize that he is a rather complicated proposition and needs to be dealt with most tactfully.

I hope you succeed in keeping everybody happy. My letter to Vanderlip related entirely to the present job which Gregory should finish and no one else. I hope the above clears the matter up in your mind.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

98
Denver, Colorado,
128 Gilpin St.,
July 13, 1917.

Dear Mr. Jay:

I was asked to attend a meeting today at the Colorado National Bank to discuss the permanent Liberty Loan organization in this state. Their minds were turning distinctly in the direction of hooking up in some way with the American Bankers Association. I went over the ground with them, just as we have discussed it, all of which they thoroughly understand. They tell me they are absolutely in the dark here about future plans -- don't know how to organize, get no instructions from Kansas City, have no means of knowing how expenses will be provided and, in fact, are quite up in the air. The A. B. A. development and their own feeling that the Federal Reserve Bank of Kansas City cannot or will not help them get started promptly, emphasize the importance of some plan being sketched out for the benefit of the whole country just as promptly as possible.

I am distressed at being away but feel sure that the work must be quieting down by now and that you will feel free to give all of your time to this matter.

Some man like Franklin ought to be on the job in Washington, to cooperate with us, and through him the result of our work as modified by the Department when submitted should be distributed to the other Federal Reserve Banks just as soon as possible.

Mr. Jay. -

July 13, 1917.

The above I know is unnecessary to you, but Denver
is a shining example of lack of preparedness.

Very sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

COPY

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	X

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colorado July 16, 1917.

Pierre Jay, Federal Reserve Bank, New York City, N. Y.

Telegram received stop. Might be well for you to preside unless for some political reason but think you best judge stop. Blacketts presents might help on war savings discussion stop. Plan might develop better cooperation from banks if they were employed as savings organizations for war purposes stop. I suggested Fred or Albert Strauss to Secretary as financial advisor. Either would be excellent stop. Suggest early conference with Emerson regarding permanent publicity headquarters at bank acting under your supervision stop. Agree your views regarding Anderson but think whoever handles bond department should be satisfactory to him. They are so intimately related stop. Agree to wisdom appointing assistant cashiers but feel strongly advisability of retaining Davison for his department and Anderson for general selling management stop.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. If the half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR. *CLASS OF MESSAGE*

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED telegram, beyond fifty times the rate for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the rate 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.

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 telegram, caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one per cent. thereof.

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

4. Telegrams 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. 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 attract for him for such delivery at a reasonable price.

5. No responsibility attaches to this Company concerning telegrams until the same are accepted at one of its transmitting offices; and if a telegram is sent to such office 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 telegram is received 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 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

SERVICE DESIRED	
Day Message	
Night Letter	
Night Message	
Night Letter	
Senders should mark an X opposite class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

and the following telegram, subject to the terms on back hereof, which are hereby agreed to

Piorre Jay.

Page Two.

July 16, 1917.

Your suggestion of waiting until adjournment is the best step. Suggest proceeding with organization of special committees in addition to district committees same as last time step. Your telegram very encouraging. Hope conference will be able to submit definite recommendations for program to Secretary at early date and Franklin transmits same to other Reserve Banks to avoid confusion step. Delighted at progress in Guaranty matter.

Benjamin Strong.

Chg. Benjamin Strong,
128 Gilpin St.

ALL TELEGRAMS TAKEN BY THIS COME

To guard against mistakes or delays, the sender of a telegram should order half the unreported telegram rate is charged in addition. Unless otherwise considered whereof it is agreed between the sender of the telegram and the

1. The Company shall not be liable for mistakes or delays in the transmission of telegrams for sending the same; nor for mistakes or delays in the transmission or sending the same, unless specially valued; nor in any case for delays arising from

2. In any event the Company shall not be liable for damages for any mistake used by the negligence of its servants or otherwise, beyond the sum of FIFTY dollars hereon at the time the telegram is offered to the Company for transmission per cent. thereof.

3. The Company is hereby made the agent of the sender, without liability of destination.

4. Telegrams will be delivered free within one-half mile of the Company's offices. Beyond these limits the Company does not undertake to make delivery or contract for him for such delivery at a reasonable price.

5. No responsibility attaches to this Company concerning telegrams until one of the Company's messengers, he acts for that purpose as the agent of the

6. The Company will not be liable for damages or statutory penalties incurred with the Company for transmission.

7. Special terms governing the transmission of messages under the classes of messages foregoing terms.

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

CLASSE

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

D. This Day Letter is received subject to the express understanding and agreement that the Company does not undertake that a Day

business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

SERVICE DESIRED	
Day Message	
Day Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado, July 17, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City, N. Y.

Wire delivered too late to reply last night. Hope you can arrange with McGarrahs cooperation to prevent such an irregular money market which will have bad effect stop.. Plan for retaining Gregory would not appeal to me unless made satisfactory to Anderson stop. Believe Gregory best man for inside work so long as he does not deal with member and other banks stop. If Anderson agrees I have no objection.

Strong.

Chg. Benj. Strong,
128 Gilpin St.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison with half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR ON DELIVERY. In consideration whereof it is agreed between the sender of the telegram 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 telegram, 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 telegram, beyond fifty times the sum 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 cipher or in the transmission.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram is sent to such office 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 telegram is delivered 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 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 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 not permissible.
- C. This Day Letter may be delivered by the Telegraph Company by telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.
- 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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

98
Denver, Colorado,
July 17, 1917.

Dear Mr. Jay:

Thank you for your wire of the 16th. The telegraph company was stupid about the delivery and I did not get it until too late to reply last evening. An answer sent this morning, of which confirmation is enclosed, I fear will not reach you before the Committee meeting.

It will be unfortunate if our money rates get in disorder and I am wondering whether it might not be a good plan to get a little better line on the situation as to Government deposits and see whether the amount carried with the other Reserve Banks is not excessive and could not be transferred to New York so as to keep things a little easier. I do not need to caution you and Mr. Tremain of the necessity of skillful management of this matter just now, so as to avoid any tie-up of funds in the Reserve Bank. The Treasury will need to borrow large sums on short certificates before very long and they simply will find it impossible if we do not have much lower call money rates in New York. If the situation justifies, representation should be made to Secretary McAdoo in the near future as to the importance of getting additional legislation giving him wider authority in fixing rates on Government loans.

About Mr. Gregory's department, - I telegraphed you as I did because, while I fully appreciate Mr. Gregory's great value and ability, he is altogether too arbitrary and high-

To - Mr. Jay.

July 17, 1917.

handed to be again put in charge of a big piece of work which will bring him in too close contact with our own member banks and our banking friends. He antagonized all of the men in the Publicity Department and quite unnecessarily, according to my view, by many arbitrary directions without first making an effort to get together with them. The management of the selling end of the business must necessarily have such close contact with the Bond department that unless Anderson feels satisfied that he and Gregory can get along together, I would certainly sacrifice Gregory rather than Anderson. On the other hand, if Anderson and Gregory can be brought together to work in harmony, that would suit me very well, so long as Gregory was not in position to deal with these matters in such an arbitrary high-handed fashion as he did on the last loan.

I like Gregory and can get along with him all right, but I find that most people have difficulty in doing so and I certainly don't want to see a repetition of such a ridiculous situation as we had on the last loan.

It makes me feel very guilty to be loafing out here when you are struggling with these problems, and I will do anything in my power to help.

I wrote Mr. Morgan about the report that the Interborough was paying its employees in gold and enclosed is his reply.

Best regards to all of you at the office.

Faithfully yours,

Pierre Jay, Esq.,
New York City.

98

Denver, Colorado,
July 23, 1917.

Dear Mr. Jay:

I am replying to yours of the 19th and Curtis' letter of the 20th together, as I just learn that Curtis is in Washington. Confirmation of my telegram is enclosed.

About our bond issue division, of course Mr. Gregory's advice and assistance will be of very great value. No one recognizes his ability more than I do. On the other hand, if Gregory is to have supervision of that department, he must be relieved of all his present work. Otherwise, confusion is sure and we have too much centering in one man; therefore my vote for this plan would be conditioned upon someone taking over Mr. Hendrick's work instantly and try Mr. Hendricks on Mr. Sailer's job, so that Mr. Sailer can devote all of his time to organizing the bond issue division. I am absolutely clear about this and am determined that we shall not make the mistake of the past in having certain men so heavily burdened that they have to work night and day. In fact, I would prefer to see Mr. Gregory continue his present work and put some one man in charge of the bond issue division, - say a man like the Bankers Trust Co's clerk that we sent to Washington, as the present plan means breaking in two men to new duties, whereas putting a new man in the bond issue division would involve breaking in only one man to new duties.

I have no doubt Mr. Lins can handle the Government de-

To - Mr. Jay.

July 23, 1917.

posit end, provided he is supported by competent clerks working with him on one hand and supervised by competent committee, say Mr. Davison and his associates on the other.

I am a little disappointed about the decision regarding Mr. Sailer, which doubtless was very carefully considered before being adopted.

About Mr. Anderson, there is no doubt whatever in my mind of his importance in the organization, but possibly we can let that await my return. In preference to having Gregory detached from his regular work, I think I would have preferred to let Gregory retire and put Anderson in charge of the whole bond issue job, if he were willing to do that work. That would involve making him an acting deputy governor of the bank. However, it is hardly fair to impose my views upon you fellows when I am so far away and not able to discuss the plan with you.

We should be very careful in selecting one man like Gregory to be paid special compensation and not pay others who are doing similar supervisory work. If we pay one, we should pay all and on that point I think Gregory is making a mistake and possibly we are too.

In regard to the report sent by Curtis - there are only two or three points which need special reference, for I think it is excellent in every way.

To - Mr. Jay.

July 23, 1917.

It should recommend that a larger issue of Treasury certificates of indebtedness be authorized by Congress at once. If that is not done, you are bound to see the Secretary of the Treasury advance the date for placing the next loan, for I am sure the government will need the money. This will furnish excuse for getting wider discretion in fixing rates of interest.

2nd, Much confusion and difficulty resulted from the delays in the receipt of literature by each of the Reserve Banks during the last campaign. A strong recommendation to the department that this literature be prepared at once that the terms of the loan are decided and sent out confidentially, if necessary, so that we all get a fair start. This applies to buttons and all other material, including posters, etc.

3rd, The Secretary of the Treasury should, in my opinion, send preliminary communications to the Reserve Banks in such detail as is now possible, which will advise them that the Reserve banks are to be employed on the next loan, and outline some procedure for the appointment of local committees throughout the respective districts. Here in Denver they are absolutely in the dark as to what should be done; they know nothing about the provision for expense and can get no information from Kansas City. If preliminary circulars can be sent out by Secretary McAdoo to all the Reserve banks, relating merely to matters of organization, etc., it will get a lot of that work by us before the actual loan campaign commences. This should likewise

To - Mr. Jay.

July 23, 1917.

include provision for publicity, which is of much greater value in advance than it is at any other time.

I did not include it in my telegram, but I think that consideration should be given to Mr. Daws' plan of having a part of the issue allotted to each district sold firm, without chance of reduction on allotment when the loan is offered, and having the bonds actually allotted up to the maximum, in the order in which subscriptions are received. If two billion bonds are sold firm that way and one billion subject to allotment, I believe it would produce a larger over-subscription than by placing the whole three billion, subject to allotment.

I think also there is considerable doubt about the $3\frac{1}{2}\%$ rate. My personal view is that a 4% rate would result in an overwhelming subscription, would put the whole five billion issue at a premium, and, while it would reduce bond values somewhat, in which case we would all suffer on our other investments, yet I think it would conform to the experience of England and in the long run produce better results. I am thinking of course of a possible long war and very much heavier financial burdens than contemplated by most people.

I am a little concerned by the failure of cooperation, or possibly I should say by refusal of cooperation in the money market last week. We should not see 10% money. With that in mind, I am going to suggest that you arrange for a meeting of the Liberty Loan committee and the Clearing House committee for

To - Mr. Jay.

July 23 1917.

a day or two after my return, so that we can have a little discussion with them before I go to Washington for the meeting on the 15th, and I have asked Mr. Treman to get up some data as to the eligible balance and loans held by the banks in New York, so that we can deal with the matter intelligently. Possibly I should have asked him also to get a report from Mr. McGarrah as to the action of the Clearing House committee in respect to requiring members of the Clearing House to carry a reserve against stock exchange loans made by New York banks for out of town correspondents. That is one of the most fruitful causes of trouble in the money market in time of strain.

You say nothing in your letter about our additional accommodations at the bank and I think they should be very considerably enlarged and am doubtful if the 5000 ft. taken on the 4th floor will give us all we need. The men should have ample accommodations, meeting rooms, etc., and I wish you would tell Mr. Sailer, if he handles the clerical work, that I was very much dissatisfied with the disorderly appearance of the room on the 5th floor in the bond issue division, where we should have had better filing facilities and better provision for supplies of circulars, etc; also more waste-baskets, places to hang coats and hats and, generally, keep the litter and confusion out of the place where work is being done.

I am awaiting with interest the report on the savings program. That little article I wrote for Emerson is bringing letters and inquiries to me from various sources, indicating considerable interest in the subject, and I think the government

To - Mr. Jay.

July 23, 1917.

ought to take action to appoint directors or a committee or government officer to take charge of that matter and put it under way forthwith.

Was any consideration given to possible legislation to make the Government a first preferred creditor of all depositary banks, so as to avoid handling collateral entirely? This would be a tremendous relief and I do not see why it should not be done.

I hope you get consideration of these various suggestions but also that you do not underrate my appreciation of the work of the meeting, which I believe was splendid and will produce the results.

Best regards to you all.

Sincerely yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

CLASS OF SERVICE DESIRED	
Day Message	
Letter	
Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colorado, July 23, 1917.

Pierre Jay, Federal Reserve Bank,

New York City.

Yours nineteenth and Curtis twentieth with report Liberty Loan conference just received stop. Think report excellent and changes now unwise unless exceedingly important stop. Think meeting should have recommended legislation for larger issue indebtedness certificates at once as dates of payment provided probably not early enough to cover requirements even including present authorized issues stop. Department should be requested to get literature in hands of Reserve Banks of all districts well in advance. Much confusion caused before by delay stop. Would also recommend preliminary letter from Secretary to Reserve Banks, stating plans in detail being formulated and requesting banks to notify all committees in respective districts to develop preliminary organizations stop. Am writing fully.

Benjamin Strong.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. r this UCH
one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR IN CONSIDERATION WHEREOF IT IS AGREED BETWEEN THE SENDER OF THE TELEGRAM 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 telegram, beyond fifty times the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, 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 copy or obscure telegrams.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE DESIRED	
Day Message	
Letter	☒
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colo., July 25, 1917.

Pierre Jay, Federal Reserve Bank,
New York City, N. Y.

Telegram received stop. Changes suggested by Sweezy in organization undoubtedly wise but doubt if Anderson would accept position suggested and I believe he is too important and experienced a man to do Secretarial work unless he is expected to assume direction of detail work of distribution stop. Think matter should be frankly discussed with him stop. I regard his work as important because of his firms influence which must not be overlooked stop. No occasion to appoint him an officer on plan of organization suggested stop. I am still reluctant to shift Sailer upon whom we must depend to build up bank organization and fear our plant will suffer if new man is substituted in his place.

Benjamin Strong.

Chg. Benj. Strong - 128 Gilpin St.

CLASS OF SERVICE DESIRED

Fast Day Message

Day Letter

Message

Night Letter

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

COPY OF TELEGRAM SENT.

Denver, Colo., July 26, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

After careful consideration am convinced it will not be advisable to submit proposed changes in the committee either at a meeting or privately. The committee is appointed by the Bank and I would prefer to follow precedent and make changes if needed without consulting anyone outside our board stop. Suggest you tell Vanderlip matter is in my hands stop. Prefer to retain alternates as prompting prompt action stop. Don't forget that in the last analysis we must boss the job,

Benj. Strong.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. **THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH.**

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, 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 cipher or in the telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	☒
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colo., July 26, 1917.

Pierre Jay, Federal Reserve Bank,
New York City.

It seems to me very important that steps be taken promptly to
line up American Bankers Association National Association of Advertising
Men Four Minute Men and other similar organizations for effective
cooperation with us. As these organizations not represented at last
conference they may get disgruntled if not promptly consulted.

Benjamin Strong.

Chg. Benj. Strong,
128 Gilpin.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. *THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH.* In consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.*

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE DESIRED	
Day Message	
Night Letter	X
Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado,
July 27, 1917.

Pierre Jay,
Federal Reserve Bank,
New York City.

Night letter from New London received. Delighted with progress in arranging organization stop. Referring my last telegram urge that no changes in general committee be discussed until my return stop. Vanderlip's suggestion of two closely affiliated institutions indicates possibility of unpleasantness arising from reopening of that subject for discussion stop. Any changes thought desirable should be made by appointment of chairman.

Benjamin Strong.

Chg Benj. Strong,
128 Gilpin St.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. This one-half the unrepeatd telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR IN FULL. In consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS	SERVICE DESIRED
Day Message	
Night Letter	☒
Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colo., July 30, 1917.

Pierre Jay, Federal Reserve Bank,
New York City, N. Y.

What you report in your telegram just received impressed me
very favorably. Thank you for keeping me posted.

Benjamin Strong,

Chg. Benj. Strong,
128 Gilpin.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. This is an UNREPEATED telegram and paid for on the basis of one-half the un-repeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR ON THE BASIS OF ONE-HALF THE UNREPEATED TELEGRAM RATE.

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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 addressee, 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.

96

Denver, Colorado,
July 31, 1917.

Dear Mr. Jay:

The enclosed letter from Mr. Finlaw, which I have acknowledged, explains itself.

Many thanks to you for your telegrams, advising me of progress in Liberty Loan matters. I will be back so soon now that I won't burden you with a long letter, except to repeat my suggestion about Mr. Sailer. I doubt if it is a good plan to divide work and responsibility, as suggested in your telegrams. Mr. Sailer has too much of the routine work to do himself any way, and I think if we sub-divided his work among the other officers, it would be better. All that he will be able to cover will be the general supervision of the cashiers, such as he would give to any department. Personally, I would like to see Watt of the Bankers Trust Co. on the job upstairs, for I think he is competent to handle it. Mr. Woodward knows about his work. We can talk over any necessary changes in the Committee on my return.

Best regards to you and all the others.

Faithfully yours,

Pierre Jay, Esq.,
Federal Reserve Bank,
New York City.

BS/CC

Enc.

CL	OF	SERVICE DESIRED
"	L	Day Message
"	L	Letter
"	L	Night Message
"	L	Night Letter
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.		

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

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

Denver, Colorado,
August 2, 1917.

Pierre Jay, Federal Reserve Bank,
New York City.

Have one article on waste and economy about completed
and will start another at once stop. Hope to bring something
back with me.

Benjamin Strong.

Chg. Benj. Strong,
128 Gilpin St.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

PERSONAL

98
August 21st, 1917.

Dear Mr. Jay:

Thank you for yours of the 15th enclosing Mr. Gregory's report, which I am glad to have.

not in this file

The situation has changed since you left. The Secretary of the Treasury and the Federal Reserve Board has called for a meeting of auditors and men in charge of the Liberty Loan detail work to be held in Chicago next Friday, at which all of these matters are to be taken up in detail. We are sending Sailer, Gregory and Raasch and I am hopeful that something will be accomplished but regret that one of the Governors of the reserve banks ^a or members of the Federal Reserve Board could not be there to captain the job.

The situation seems to be rather complicated in regard to quarters owing to the question of permanency of the bond delivery department, but hope to have a decision from Washington soon and can then conclude arrangements. McGarrah offers his building for three months for \$10,000, we to furnish service. Three months will not be sufficient and if we take it it should be for three months with an option of an additional three months.

Thanks for the various suggestions, all of which appeal to me, but some of which we certainly cannot put over. One possible

8/21/17.

exception is the method of distributing deposits which we are now working on with Crosby. Will follow this up but won't bother you with results for this is your time to rest and loaf.

Am interested in what your friend in Sante Fé said about government deposits.

Have a letter from McAdoo asking if we will put Martin Vogel on our Committee. This worries me a bit and I am going to talk with Crosby about it. Our Committee might consider it as evidence of lack of confidence and an arrangement for private reports, which they would resent.

I am very glad to get a good word about your location and wish very much you would write me how you feel it would do for little Katherine this Winter. As you know, her health has not been of the best and I want to keep her out of ^{the} New York climate. I would send her there with a competent governess and am wondering whether she would enjoy it and get the right things for a little girl of twelve to eat.

We will have a Board meeting on Wednesday as there are a number of matters to deal with, including the question of another bonus to the clerks.

Had a delightful Sunday at Woods Hole and next Sunday am going to do the god-father business for Curtis' baby, and incidentally visit Colonel House. The following Sunday and over Labor Day, I will probably spend at Woods Hole. Don't worry about us here. We are getting along and I think you will be satisfied with the progress when you return.

Sincerely yours,

Pierre Jay, Esq.,
Care Ashley Pond,
Los Alamos Ranch,
Buckman, Sante Fé County, N. M.

Misc. 34

FEDERAL RESERVE BANK
OF NEW YORK

Sent by

W. U.

JFC/CEP

2:55 P. M.

98

(FOR BINDER)

COPY OF TELEGRAM

New York, August 22, 1917.

Pierre Jay,
Los Alamos Ranch,
New Mexico.

Telegram received Much distressed at your news stop Directors today voted that in their judgment and in the best interests of the bank you must not consider returning before October fifteenth and must take as much rest beyond that time as may be necessary stop They also voted that so far as they had jurisdiction and in so far as the bank is concerned you be granted necessary leave of absence on full pay

BENJAMIN STRONG.

FEDERAL RESERVE BANK
OF NEW YORK

Sent by

W. U.

(SEND TO FILES)

JTC/CBP
2:55 p. m.
COPY OF TELEGRAM

New York, August 22, 1917.

Pierre Jay,
Los Alamos Ranch,
New Mexico.

Telegram received Much distressed at your news stop Directors today voted that in their judgment and in the best interests of the bank you must not consider returning before October fifteenth and must take as much rest beyond that time as may be necessary stop They also voted that so far as they had jurisdiction and in so far as the bank is concerned you be granted necessary leave of absence on full pay

BENJAMIN STRONG.

Chas. Fed. Res. Bk.,

B-5

98

August 24, 1917.

Dear Mr. Jay:

I am terribly distressed indeed to learn of your illness, and yet, in some ways, feel that it may be a good thing. You are just as determined and persistent with regard to your own health as I have been in the past, and you must not smile at hearing this from me, because at the present time I am in better condition than ever before and report with satisfaction that I have added forty pounds net to my weight.

Now, about yourself, you must absolutely settle down to a determined course of recuperation, abandoning all thought of coming back here until the doctors say it is absolutely safe and wise. I go so far as to urge that you stay West all winter if necessary. Do not think for a minute that it won't embarrass us and cramp us a lot. We miss you every day, but I am going to see this organization shaped up so that you can do that and then, when you come back, may be I will take another dose of medicine myself.

I am not going to bother you with business in this matter, but simply say that all the various matters regarding both the office arrangements and Liberty Loan developments are progressing favorably. Arrangements about the quarters, the organization and all the other details are taking shape without unnecessary delays, and the bond issue department upstairs has now completed deliveries and is cleaning up on the report.

Things are so quiet here that I have been leaving at noon occa-

Pierre Jay, Esq.,

-2-

sionally. I am doing so to-day in order to go up to Manchester and spend Sunday with the Curtis's, play some golf, and take part in the christening of their youngest boy. I will also visit Colonel House.

Mrs. Jay is on her way to join you, and I am glad of it.

Take care of yourself and have a good time.

Very truly yours,

Pierre Jay, Esq.,
C/o Mr. Ashley Pond,
Buckman, Sante Fe County,
New Mexico.

BS/RAH

RESERVE BANK
NEW YORK

Sent by

(SEND TO FILES)

BY AIR
Western Union
11:00 a.m.
COPY OF TELEGRAM

98

August 24, 1917.

Pierre Jay, Esq.,
C/o Ashley Pond
Buckman, Santa Fe County, New Mexico

Be sure and keep me posted about your progress and condition and do take care of yourself. Our directors are very deeply concerned about your health and propose to deal with the matter with a high hand so please stay where you are. Others have join in sending love.

Benjamin Strong.

Chgo. Fed. Res. Bank
120 Broadway

B-5

98

August 30th, 1917.

Dear Mr. Jay:

I have not written you partly because I have been busy and partly because I have been away week-ends, etc.

Your telegrams, while reassuring in a way, nevertheless have caused me a good deal of uneasiness and I am hesitating as to the wisdom of sending you any word of the office at all for fear you may be induced to put your mind on it too much instead of sticking to the job of getting well. I rely on Mrs. Jay, however, to protect you and am delighted she is there with you.

The enclosed letter from Breckinridge Jones explains itself. If you do not feel like answering it, send it back to me and I will answer it for you.

News is not particularly important. We have concluded a lease of 50 Wall Street for three months with option for three months renewal. Have decided to put the Transit Department in the upper floors of that building and put the whole Liberty Loan organization on the fourth and fifth floors of the Equitable. This will make it easier to keep in touch and direct the campaign.

The new bond issue campaign will not start until October 1st at the earliest - possibly a little later. I was in Washington yesterday and talked quite fully with McAdoo about his plans, finding

To Mr. Jay.

Aug. 30, 1917.

as I expected, that the amount of money required is staggering and that \$3,000,000,000 of bonds is the smallest amount which they can possibly afford to offer.

We are gradually working up the loan organization throughout the entire district. Anderson is away just now but Sweezy is here on the job and we will hold a meeting of the General Committee next week to push along organization matters only.

While money rates continue about as they have been, demands from the West are beginning to be felt and yesterday our discounts (principally for one day paper of New York banks), went up \$16,000,000. I don't want to advance rates unless it is necessary until after the bond bill passes as the Treasury will need about \$300,000,000 every two weeks from now on. We got \$250,000,000 on the 28th.

Treman and Kenzel are now the only ones away on vacations so we are not as hard pressed at the office. Treman will be back in a few days.

My best regards to you.

Sincerely yours,

Pierre Jay, Esq.,
Care Ashley Pond, Esq.,
Buckman, New Mexico.

BS/VCM

98

September 4, 1917.

Dear Mrs. Jay:

This typewritten reply to your note of August 29th is the best I can do at the moment without delay.

I am delighted to have direct word from you of Pierre's progress and plans. We have been very much concerned in regard to his condition, and particularly that he might be led to doing something foolish in returning to New York too soon. Your letter is very reassuring.

Won't you please tell him that we are getting along fine in our various Liberty Loan plans, for I know that is much on his mind. We have taken all of 50 Wall Street for three months with an option for three months renewal, and have moved all of the bank departments from the fifth floor into that building, giving all of our space on the fourth and fifth floor to Liberty Loan matters. This simplifies our problem very much, and from now on we will build up the organization right under our own roof where we can watch it and direct it with the least inconvenience to the bank.

Please tell him that while we have a big undertaking ahead of us, I feel confident of success and am in very fit condition to do my share. But I would be deceiving you and him if I did not admit quite frankly that we miss him very much and are very keen to see him back again, but not until he is perfectly well.

Mrs. Pierre Jay

-2-

September 4, 1917.

Please give him my love.

With warmest regards to yourself, I am,

Very truly yours,

Mrs. Pierre Jay,
C/o Ashley Pond, Esq.,
Los Alamos Ranch,
Buckman, Sante Fe County, N. Y.

BS/

98
FILING DEPT.
SEP 10 1917
FEDERAL RESERVE BANK

September 7, 1917.

Dear Mr. Jay:

I was delighted to have Mrs. Jay's letter and to-day your telegram advising of your progress.

I am not going to send you a long letter this morning as I am uptown cleaning up a lot of important work and must await a little more leisure.

Things are moving along all right. We are making fine progress in the loan organization. What pleases me still more, it looks as though we would get an organization of all the banks in the city of a character to avoid money troubles this fall.

Treman is here, and after a weekend visit to his family to-morrow will be regularly on duty.

Sincerely yours,

Pierre Jay, Esq.,
Los Alamos Ranch,
Buckman, New Mexico

BS/RAH

do not
P Jay

September 11th, 1917.

Dear Pierre:

It was a tremendous relief to us all to have your letter of September 3rd. You exhibit an humble spirit far beyond anything that I approached during my exile, and it is a very good sign. Pneumonia is one thing - TB is quite another, and now that you know absolutely what the difficulty is there will be no doubt of your complete recovery if you maintain that humble spirit, but don't forget that a dose of pneumonia is an invitation to later trouble if you don't let things heal up completely. It is the same as pleurisy in that respect.

I had a call from a man from the ranch whose name I do not recall. He told me a good deal about your being taken ill and how ill you were. We are all mighty glad Mrs. Jay took matters in her own hands and went out to join you and it is also good news to know that Learned Hand is there. Good company will be no small part of your convalescence.

Many thanks for your advice about Katherine. I am writing Palmetto Inn to get particulars about rooms, etc. and looking up the school matter. This year, I want Katherine to avoid the New York Winter but she is perfectly well aside from an old lesion which is completely healed. However, I want to be on the safe side.

I withdraw my suggestion about thinking too much of business. Of course that cannot well be helped but don't let it stimulate you too much. I know that Western climate and those high altitudes have a tendency to stir up one's ambition and I hope you will restrain it. Mrs. Jay is our reliance in this matter.

Warburg was in the office when your letter came so that he, Tremen and Curtis are advised as to how you are doing. They are all delighted.

I will write Breckinridge Jones about state bank membership. Please do not bother, however, to answer my letters. They will be more gossip than business.

I will see that Tremen gets on the job about the A. B. A. Convention. My own talk must be confined to the Federal reserve banks and war financing and I fear the subject of check collections will not look well in that dignified company.

Now about news: We had about 400 replies to Tremen's gold letter - not one of them dissenting and all very satisfactory. Gold is coming in now faster than ever and the other reserve banks have been instructed by the Federal Reserve Board to send out a letter similar to ours. The note issue of the whole system last week expanded nearly \$80,000,000 which shows what can be done. I do not expect to see this rate maintained.

Davis, (Acting United States Attorney General), has rendered an opinion which will be published this week to the effect

To Mr. Jay.

Sept. 11, 1917.

that the Clayton Act cannot be applied to state banks which apply for membership in the Federal Reserve System or, stating it differently, he goes so far as to say that the Federal Reserve Act affirmatively settles this question when it states that the powers of state banks derived from the state of their incorporation cannot be repealed or restricted. So it is reported to me by Harding. Sabin and Wallace will be informed and I will be much mistaken if they do not apply for membership in the near future.

Curtis is busy on gold export licenses and I am going to Washington this afternoon to take up that whole subject with a number of others who are called to Washington for that purpose.

The Trading with the Enemy Act has been favorably reported out of Committee in the Senate.

We have added Wallace and Frew to the Liberty Loan Committee but Vogel is out of town and I have not yet seen him about his appointment. We have organized a Committee of Six of which I am going to serve as Chairman to deal with the whole New York money situation and the enclosed letters and papers outline the first subject. This plan was enthusiastically accepted by our Loan Committee but Woodward is not in agreement with us and for a time his views influenced Peabody and Palmer, but the Executive Committee yesterday finally formally approved the plan and the letter. (I omitted to say above that the gold matter is being

To Mr. Jay.

Sept. 11, 1917.

energetically followed up and Gidney is watching it closely. We are also following up the matter of Clearing House settlements and next week I hope to start another discussion in regard to using Federal reserve notes at the Clearing House and have a thorough canvass made of Stephen Baker's plan for a clearing house for stock exchange call loans.)

I have good news from Ben. When the American forces reached France, he got very restless - as he described it, he was simply a miserable poilu and at the same time was parading around in an English officers' uniform. He has just written me that he is one of six boys selected from his unit of 50 men to go to a French officers' training school for five weeks' training before getting a lieutenant's commission and then be put in charge of either a transport or ambulance unit. Nevertheless, I expect him to be transferred to the American Army as that is to be the policy if plans in Washington are carried out.

It looked as though this week's sale of Certificates of Indebtedness would fail. Yesterday morning the New York total was \$28,000,000, the rest of the country, \$36,000,000. At the Liberty Loan Committee meeting the difficulty was disposed of by members underwriting \$200,000,000. I have told them in Washington that the rest of the country need not expect us to carry their load and I think \$200,000,000 a generous allowance for New York. Mr. Baker, as usual, took the lead agreeing to underwrite \$200,000,000.

To Mr. Jay.

Sept. 11, 1917.

So much for now. I will try and keep you posted so long as you do not write me long letters. Just tell me how you are. And don't be too pleased about that salary business. It struck me as being absolutely inadequate. Your share of the work at the bank is hardly exhibited by the relation of 40 - 60.

Please give my best regards to Mrs. Jay and my love to yourself.

Faithfully yours,

Pierre Jay, Esq.,
Care Ashley Pond, Esq.,
Los Alamos Ranch, Sante Fé County,
Buckman, New Mexico.

BS/VCM

Mr. Strong was obliged to catch a train for Washington before the above was finished.

98
October 9, 1917.

Dear Pierre:

Just a line to say that I am busy as the dickens and unable to write you as I should like to, but that everything is going all right and we don't expect you back, certainly, before the first of November. Please take your time and come back ready for the fray and not half ready.

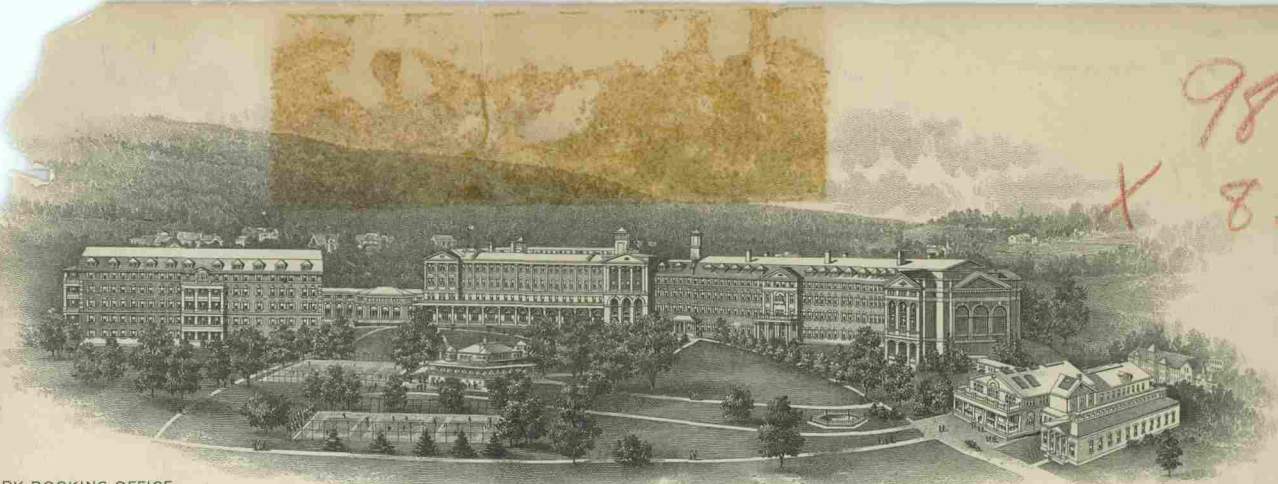
We are delighted to hear such good reports of you from Mrs. Jay.

Sincerely yours,

Pierre Jay, Esq.,
Care of Mr. Robert M. Ferguson,
Tyrone, New Mexico.

BS/RAH

98
X 85



NEW YORK BOOKING OFFICE
THE RITZ-CARLTON HOTEL
46th STREET & MADISON AVENUE
ROOMS FOR THE HOMESTEAD HOTEL
MAY ALSO BE RESERVED AT
THE RITZ-CARLTON, PHILADELPHIA

THE HOMESTEAD

CHRISTIAN S. ANDERSEN, RESIDENT MANAGER

BATH HOUSE IS UNDER THE DIRECTION OF
DR. FRANK HOPKINS, MEDICAL DIRECTOR
OPEN ALL THE YEAR

HOT SPRINGS, VA. November 13, 1917.

FILING DEPT.

DEC 26 1917

FEDERAL RESERVE BANK

Mr. Pierre Jay
Federal Reserve Bank
New York City.

Dear Pierre:

Many thanks for your letters. I won't attempt long answers.

The money arrangement strikes me as admirable and I hope Mr. Treman keeps on top of that job and that you won't burden yourself with all the detail.

About the Goodrich financial plan, confidentially, the spirit of my talk with Wiggins was absolutely ignored by those gentlemen and resulted in a situation which I particularly cautioned them against. I will give you details when I see you and later I hope to induce you to come down here for a bit and take another rest.

I am loafing here mornings and playing golf afternoons. Mr. and Mrs. Anderson have stayed for another week, which was a Godsend, and Friday Mr. and Mrs. Pratt, Miss Dixon, Mrs. Willard Straight and possibly some others are coming down, so I will get company.

Best regards to all at the bank.

Sincerely yours

Peer

See File
10/22/17

P.S. Enclosed is a letter forwarded to me from Mr. Hoover with the pamphlets therein mentioned. Possibly you will take this up with him advising him that I am away. I think we should comply with his request. Mail of

Mr. Pierre Jay

-2-

this character should not be forwarded to me and possibly
you will ask Mr. Hendricks to turn it over to you or Mr.
Curtis for attention.

Rs.

CLASS OF SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

FLOW AHL 133 COLLECT

HOTS SPRINGS VA 1030AM NOV 24 1917

PIERRE JAY

1030
FEDERAL RESERVE BANK NEWYORK

TREMAN AND CURTIS HAVE FULL PARTICULARS REGARDING PRESS STATEMENT
STOP IT WAS A NECESSARY PART OF THE PROGRAM TO ENCOURAGE BANKS TO
LOAN FREELY AT FOUR PERCENT STOP I UNDERSTAND AND SYMPATHIZE WITH
RESERVE BOARDS FEELING ABOUT CENTRALIZED CONTROL OF RATES UNDER
PRESENT CONDITIONS BUT WOULD REGRET SEEING ANYTHING DEVELOP TO
DESTROY LOCAL RESPONSIBILITY STOP IN VIEW OF ACTION OF ADVISORY
COUNSEL AS PROVIDED BY LAW AM INCLINED TO RECOMMEND FOUR PERCENT
FOR FIFTEEN DAYS AND FOUR AND ONE HALF FOR NINETY DAYS ON COMMERCIAL
PAPER THREE AND THREE QUARTERS BASE RATE FOR BANKERS BILLS LEAVING
RATES FOR LOANS ON LIBERTY BONDS UNCHANGED FOR TWO WEEKS AT LEAST
STOP THIS WILL AVOID POSSIBILITY OF APPEARANCE OF BAD FAITH ON OUR
PART IN INCOURING BANKS TO LOAN FREELY AND THEN RAISING OUR RATES

FILING DEPT.

NOV 27 1917

FEDERAL RESERVE BANK

STRONG

1056AM

CO NOV 24 AM 11 08

& others, If we could have
 a carbon of some of
 these it would help
 very much to keep
 us all au courant
 with your views &
 activities & promote
 harmony of action
 between us in relating
 with the B². I'm
 leaving here today
 for home feeling very
 fit & cough much
 reduced. May stop
 over Tuesday in Washington

to see how the land lies.

Dear Ben -

Happy new year.
 1916 is a good one to
 have over. 1917 will
 see you back with us.
 You did a grand
 job on the annual report
 for which I haven't
 half thanked you. I
 am inclined to shorten
 it up very much &
 leave out some or
 all charts. What

Hope you
 had a
 fine time
 with the
 boys.
 Carry the
 love to
 all.
 M. J.

PALMETTO INN
 AIRPORT SOUTH CAROLINA

Jan 1st

would you say to that?

Thanks also
for your views on the
letter I wrote to remain
app. parring F.R.Bh.
checks. One point
there, which you may
not have noticed (+
I think it is funda-
mental) is that the
home F.R.Bh. on which
the check is drawn
should in every case
advise the F.R.Bh.
which is to buy the

check, by letter or wire as
the case may require. This
puts it back to the principle
of the transfer system, viz a
direct transaction between
F.R.Bh. & does away any
need of a guarantee or
underwriting.

You speak of your
Memorandum being full up
with letters to the B-2 & plan

COPY OF LONGHAND LETTER

PALMETO INN
AIKEN, SOUTH CAROLINA

January 1st, 1917

Dear Ben:

Happy New Year. 1916 is a good one to have over. 1917 will see you back with us.

You did a grand job on the annual report for which I haven't half thanked you. I am inclined to shorten it up very much and leave out some or all charts. What would you say to that?

Thanks also for your views on the letter I wrote Treman about parring Federal Reserve Bank checks. (One point there, which you may not have noticed, and I think is is fundamental) is that the home F. R. Bank on which the check is drawn should in every case advise the F. R. Bank which is to buy the check by letter or wire as the case may require. This puts it back to the principle of the transfer system, viz. a direct transactions between F. R. Banks and does away any need of a guarantee or understanding.

You speak of your stenographer being full up with letters to the Board and Glass and others. If we could have a carbon of some of these, it would help very much to keep us all au courant with your views and activities and promote harmony of action between us in relations with the Board. I'm leaving here today for home feeling very fit, and cough much reduced. May stop over Tuesday in Washington to see how the land lies.

Yrs.,
P. J.

Hope you had a fine time with the boys, and sorry the Board matter interrupted so rudely.

98

FEDERAL RESERVE BANK
OF NEW YORK

PERSONAL

B.A. Jr.
JAN 10 1917

January 6, 1917.

Dear Governor Strong:

I enclose a memorandum from Mr. Treman which brings up an important subject in which I know you are interested, and I should like before discussing it with Mr. Treman to get your views if possible.

I suppose there will be no difficulty with those firms from which we have obtained written statements, but what do you think our attitude should be with regard to Messrs. Brown, Morgan & Seligman?

In talking over the telephone with Mr. Warburg yesterday I gathered that there might be some difficulty with the proposed change in Mr. Curtis's salary, and suggested that the Board might like to discuss the matter with our committee which is going to be in Washington next Wednesday. I am enclosing copy of a letter received from the Board as well as of my reply, and should like very much to have your views on the subject before I submit the matter to our board at its next meeting.

At our board meeting on Wednesday we postponed until the next meeting consideration of our member of the advisory council. The matter was discussed informally and the desirability of having a member who could attend meetings seemed to appeal to some of the directors. ~~At~~

The others felt rather inclined to proceed promptly to a reelection. My own mind is open on the subject and I should naturally be influenced by your views. *I think I wrote or wired you about this from*

Faithfully yours,

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

Benjamin Strong

Aiken

Office Correspondence

FEDERAL RESERVE
BANK OF NEW YORK

Date Jan. 3, 1917.

To Mr. Jay

Subject: Confidential Reports.

From Mr. Treman

I would like to discuss with you and arrange some plan for securing confidential reports of December 30, 1916 from the various acceptors whose confidential statement we now have.

RHT

RHT/VCM

98

FEDERAL RESERVE BANK
OF NEW YORK

D.A.H.

January 18, 1917.

JAN 25 1917

Dear Governor Strong:

Governor Harding came down yesterday about ten o'clock and Mr. Delano a little later. Before Mr. Delano arrived Governor Harding, Mr. Treman and I had a chat in which Governor Harding explained quite fully the conditions surrounding the announcement of the Bank of England matter with the evident intention, as it seemed to me, of setting things entirely right between himself and Mr. Treman, all of which was accepted in good part and the desired result, I think, fully accomplished as far as was practicable.

We are being pushed quite hard by some olive oil importers to open up negotiations with the Bank of Spain for the earmarking of gold here, but we have taken the position that the Bank of Spain should initiate the negotiations and have explained this to Mr. Warburg who, however, seems quite anxious to have something done. We explained our position to Mr. Harding and he seemed to approve of it.

We showed our visitors through the bank from top to bottom, including the new vault, and they seemed very well satisfied. Then we went into the directors' room and got Mr. Hendricks in and discussed with them the question of collecting nonmember bank checks through express companies, showing them that we were making all our plans to do so and were only awaiting their absolute backing before starting it. They said that they thought it would be advisable on the whole to postpone it until the present Congress adjourned on March 4th so as to see what was done along the lines of the amendment permitting nonmember banks to avail themselves of the clearing

facilities of the System, and to see what was done along the line of the Kitchen bill to permit member banks to charge exchange. They felt it would be best not to add any irritant to the present situation until Congress had dealt with these questions. They said, however, that after the fourth of March they expected to have the post office order reinstated and that we would then have the facilities of the post office for our collections and after that time, assuming no change is made by Congress in the situation, we would have the full and complete backing of the Board in pushing the matter forward to a completion. We suggested the desirability of the Board's taking the matter up with other nearby reserve banks to get them to make preparations to do likewise so that we would not be the only ones in this country to bear the inevitable opprobrium, and they said they would do so.

We then asked Mr. Jefferson to come in and tell them briefly how he audited the work of the bank. After that I had some little discussion regarding Clayton matters with them, and then we went up to lunch. The party consisted of Messrs. Alexander, Woodward, Hepburn, L. L. Clarke, Thorne, Frew, Martindale, Peabody, Towne, Curtis, Treman and myself. After lunch Mr. Delano spoke briefly, stating his belief in the necessity for close touch between the members of the Reserve Board and the important member bank officers in order that each should understand one another. Mr. Harding then began to read the amendments, starting at the beginning of the bill, which relates to the abolition of the deputy Federal reserve agent. Unfortunately they had to go on the Congressional and had to leave a little before three in order to take it from the Pennsylvania Station. The consequence was that Governor Harding did not get to the important amendments in time to have any satisfactory discussion of them. In fact, there was

hardly any time for the expression of views on the part of the bankers.

On the whole therefore, while the conference was good in a personal way it did not accomplish much in the way of an exchange of opinions. We are all convinced that similar conferences, which we should have every month or six weeks, should always be held in the evening when no one has a train to catch. Mr. Morgan in telephoning me later in the afternoon, as I have written you on the yellow sheet, said that he had had quite a talk with Mr. Delano a few weeks ago on the train as to the desirability of arranging such conferences. He felt that unless it could be done the bankers and the Board would get so far out of touch as to lead to an undesirable situation.

When Mr. Treman and I were talking with our visitors in the morning Governor Harding asked us our views as to the question of having lower rates for short time maturities than for long time maturities. He said that Mr. Warburg had a feeling that among the European banks the longer maturities went at the lower rates. I said that my understanding was that the rates at which the different maturities went depended on people's judgment as to whether money was going to be cheap or dear. If they thought money was going to be dear they would take the short maturities at the lower rate. *vice versa* I said that I felt that in our rediscount rates, just at present at least, we should not attempt to vary them to meet these fine points, but that where we would have to exercise our judgment as to rates would be in the open market purchases of bankers' acceptances. This expression seemed to agree with his view of normal banking practice, and I wish you would give us your views on the subject. Thus far, with the idea of keeping as near the shore as possible, we have not attempted to discount the future of the money market, but have in a rather rigid way bought acceptances of shorter

maturities at the lower rates. I gathered that Mr. Harding's question arises out of the suggestion of Mr. Warburg that we should consider reversing the practice.

While the conference did not accomplish as much as we had hoped in the way of a discussion of the amendments, we all feel that it was a step in the right direction and are firmly convinced that we should continue such conferences although under more favorable conditions.

Very truly yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

PJ/RAH

B.A.W.

JAN 25 1917

FEDERAL RESERVE BANK
OF NEW YORK

Jan 18 - 98

Dear Ben

Just a line of gossip.
We learn from Harding that Starch
is to be replaced as chief ex's by
Malburn, & that it will probably
happen very soon. Starch will then
be removed as director. Isn't that
a wonderful piece of news? Selous
said Warburg was discussing John
Barrett Moore as Starch's successor
in the Bd. Some how it doesn't
ring just right to me. How does
it strike you? Warburg has never
mentioned him to me.

As to the Bk of England
matter we gather that it was
really international pressure that
led to the announcement. Curtis
will tell you all the details we
have heard when he sees you
which will be better than
my writing you. I wish I could
come out to you, as you have
mentioned, but fear that is out

of the question as I've been away
almost as much as you
nice July 1st

Geo Roberts report
on you, & your letters with
talk of going abroad this
summer are all to the good.
Keep it up—

Everything here is
running along nicely as far
as I can see. I agree with you
about visits of my bankers to the
board, but we ^{here} had nothing to do
with the Kent-Hempill visit.
I suggested it but on your advance
objection dropped it, & Hempill
later called up Harding who in-
vited him to come.

With very best regards

W. P. F.

COPY OF LONGHAND LETTER

FEDERAL RESERVE BANK OF NEW YORK

Received B.S. Jr.

Jan. 25, 1917

January 18, 1917

Dear Ben,

Just a line of gossip. We learn from Harding that Starek is to be replaced as Chief Examiner by Malburn, and that it will probably happen very soon. Starek will then be removed as Director. Isn't that a wonderful piece of news? Delano said Warburg was discussing John Bassett Moore as Starek's successor in the Board. Somehow it doesn't ring just right to me. How does it strike you? Warburg has never suggested him to me.

As to the Bank of England matter, we gather that it was really international pressure that led to the announcement. Curtis will tell you all the details we have heard when he sees you, which will be better than my writing you. I wish I could come out too, as you have suggested, but fear that is out of the question as I've been away almost as much as you since July.

George Roberts' report on you, and your letters with talk of going abroad this summer are all to the good. Keep it up.

Everything here is running along nicely as far as I can see. I agree with you about visits of N. Y. bankers to the Board, but we here had nothing to do with the Kent-Hemphill visit. I suggested it but on your adverse suggestion dropped it, and Hemphill later called up Harding who invited him to come.

With very best regards,

Yrs.

P. J.

98

FEDERAL RESERVE BANK
OF NEW YORK

January 19, 1917.

Dear Governor Strong:

Very many thanks for your letter of January 15th and the telegram relating to the election of the member of the Advisory Council. I believe Mr. Treman has advised you of what transpired at the committee conference in Washington. In fact, Mr. Treman has been writing you so regularly of late that I have not written much, feeling there was no point in duplicating information.

There is one matter I do think of, and that is the expense of all the telegrams you have been sending from time to time, to me while I was in the South and to Washington which you have not sent "collect." You must have quite a bill stacked up against us, and I trust you are keeping careful track of this and billing us at intervals. Won't you report on your practice in this respect the next time you write?

This morning at our meeting we discussed the advisability of preparing a plan in the near future for acting as custodian for the securities of country member banks, the general sentiment being that we should perform this service for them without charge in view of the fact that it has always gone with their reserve balances and without specific charge. If you have any views, favorable or unfavorable to the plan, or a suggestion as to how or when we should advise the member banks, won't you dictate them some day and send them along. We hope to have a plan ready for consideration by the end of next week.

Faithfully yours,

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

PJ/RAH

SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 17 E. PIKES PEAK AVE., COLORADO SPRINGS, COLO.

A91D BW 70 BLUE 3 EXTRA

W NEWYORK NY VIA DENVER COLO JAN 23 1917

BENJ STRONG

115

ANTLERS HOTEL COLO SPRINGS COLO

IN YOUR LETTER DEC FOURTH TO DELANO YOU SAY THE SYSTEM IF PROPERLY
FORTIFIED WITH GOLD COULD RELEASE FIVE HUNDRED MILLIONS TO EUROPE
STOP AGAINST WHAT WOULD THIS BE RELEASED STOP WOULD IT BE REDISCOUNTS
BILLS PURCHASED NOTE REDEMPTIONS OR GENERAL CREDIT SHRINKAGE OR
ALL OF THESE STOP SHOULD APPRECIATE NIGHT LETTER AS TRUST CO
LUNCHEON ADDRESS COMES TOMORROW AND SHOULD LIKE TO BE SURE OF MY
GROUND

PIERRE JAY

12 56PM

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Western Union
10:15 a.m.

(TO BE MAILED)

98

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

January 23, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Colorado

In your letter December fourth to Delano you say the system if properly fortified with gold could release five hundred millions to Europe Stop Against what would this be released Stop Would it be rediscounts bills purchased note redemptions or general credit shrinkage or all of these Stop Should appreciate night letter as trust company luncheon address comes tomorrow and should like to be sure of my ground

Pierre Jay

Chge. Fed. Res. Bank
120 Broadway

B-2

FEDERAL RESERVE BANK
OF NEW YORK

B.A. Jr.
JAN 27 1917

98
January 24, 1917.

Dear Governor:

I am extremely obliged for your telegram received this morning about methods of releasing gold, which entirely confirms the view that I had held.

I am enclosing a copy of the talk in the shape I presented it to-day. If you get time to look it over I should appreciate it. The point of view from which I should particularly like you to look it over would be to see whether or not it is worth publishing, either in its present or in some changed form which you might suggest. Several people after the meeting asked if they could have copies of it when published. I said that I did not know whether it would be published or not. Personally, I feel as though it were an important enough subject to publish, but it is so largely a plagiarism from your works that I think you ought to be the one to say.

The news slips to-day give word of the removal of Mr. Starek as Chief Examiner and the appointment of Mr. Malburn in his place. One of the names Mr. Warburg is considering is T. F. Whitmarsh, director of the Irving Bank and director and the active member of Francis H. Leggett & Company. Woodward, I believe, thinks very highly of him. Do you know anything about him? If so, drop me a line.

Faithfully yours,

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

Pearce
PJ/RAH

enc.

98

FEDERAL RESERVE BANK
OF NEW YORK

D.A.H.
FEB 21 1917

February 2, 1917.

Dear Governor Strong:

Replying briefly to your telegram of January 25th, I understand from Mr. Warburg that some suggestions have been sent to Spain through the State Department and our minister there. I think that they may have originated in the Reserve Board, but I was assured by Mr. Warburg that the representations were merely informal and intended to interest people in Spain, and did not in any way commit us.

I have just talked with Mr. Malburn, with whom Mr. Treman and I were lunching, about the practice of the Assay Office in regard to re-melt charges, and he suggests that we should take the matter up with Mr. Bovee here, and thinks there should be no difficulty in arranging it. He is under the impression that this is frequently done where the bars have only been out a short time. I hope to go over to Mr. Bovee's this afternoon.

Mr. Malburn tells me that as far as he knows there was no large volume of greenbacks presented during 1914; consequently, there was no necessity for drawing on the gold reserve fund. Nor does he think there was any large volume of silver certificates presented for redemption. Warburg has suggested some revision of my paper in this respect, and in view of what Mr. Malburn says it seems as though, as a matter of tact if not of fact, we should probably speak a little more cautiously on the position of the Treasury.

We talked with Mr. Malburn about cooperation between this bank and his department, and he assures us that we shall have it. He also agreed to bring in his country examiners from time to time to spend an hour or two

with us in talking over the system and generally putting them in a position to discuss it in an intelligent and friendly manner with country bankers.

At the next favorable opportunity we will bring up with him the question of getting more definite credit information and impressions concerning country banks. I did not think it was advisable to bring this up with him in our first conversation.

We have written the Bank of Montreal along the lines suggested in your letter of January 18th to Mr. Treman.

I notice what you say in your letter of January 26th about the rear door and the fifth floor exit. I believe that the one we will come to eventually is the fifth floor exit and that we might as well get prepared for it soon and develop the proper organization there. Mr. Sailer is urging that we should take the space back of our teller's space. Our board is reluctant to do so on account of the expense of \$2,500. for a very dark piece of space. We are negotiating with the building to make a special agreement in connection with the lease of it at a lower rental.

I was mighty glad to learn that you had finally arranged to go down to Phenix. I have a very old friend living there, the Right Reverend J. W. Atwood, Bishop of Arizona, and know that he will be glad to do anything in his power for you by the way of putting you in the way of people or things in Arizona, and I am going to telegraph him to-day to be sure to get into communication with you when you arrive. He is a most friendly person, somewhat talkative and with rather a peculiar way of talking at that, but a mighty good hearted fellow, and ready, I am sure, to do anything for you.

Hoping you will have a bully trip and a respite from the more northerly climate, I am,

Faithfully yours,



2/2/17.

P. S. By the way, Aiken is to be in town next Tuesday, and I understand is going to have a chat with Mr. Woodward and Mr. Peabody.

Benjamin Strong, Esq.,
C/o Adams Hotel,
Phenix, Arizona.

PJ/RAH

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

B30GSZ 50 NL

Q NEWYORK FEB 3 1917

BENJAMIN STRONG ESQ

642

CARE ADAMS HOTEL PHOENIX ARIZONA

DIPLOMATIC RELATIONS SEVERED STOCKS STRONG ACCEPTANCES QUIET AT THREE
 PERCENT OUR OFFICERS WELL SATISFIED WITH SITUATION IN BANK ALL URGE
 YOU NOT TO THINK OF RETURNING WILL SUMMON CURTIS ONLY IF NECESSARY SEE
 MY OLD FRIEND BISHOP ATWOOD IN PHOENIX WHO WILL GLADLY GIVE YOU ANY
 ASSISTANCE NEEDED IN ARIZONA

PIERRE JAY

FEB 4 546AM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

111

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT
A111SQ 19

Q NEW YORK 138P FEB 5 1917

DENJ STRONG

275

CARE ADAMS HOTEL PHOENIX AZ

ONE THIRTY STOP PURCHASED BILLS MODERATELY AT THREE CALL MONEY THREE
TIME AND COMMERCIAL PAPER FOUR EVERYTHING VERY QUIET

PIERRE JAY

1PM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

A322GSMO 24

Q NEWYORK 544PM FEB 5 1917

BENJAMIN STRONG 587

CARE ADAMS HOTEL PHOENIX AZ

FIVE THIRTY STOP MARKET CLOSED STRONG BOUGHT SIX MILLIONS BILLS

ISSUED THREE MILLION NOTES EVERYTHING QUIET EXCEPT SLIGHT UNEASINESS

AMONG FOREIGNERS HAVING INTEREST ACCOUNTS

PIERRE JAY

527PM

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

A34S Q 16

CO NEWYORK 1120A FEB 6 1917

BENJ STRONG

78

CARE ADAMS HOTEL PHOENIX AZ

ELEVEN THIRTY STOCKS STEADY AND DULL PRIME BILLS SETTING THREE
AND ONE QUARTER EVERYTHING GENERALLY QUIET

PIERRE JAY

1015AM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

B51GSZ 36 NL

NEWYORK FEB 7 1917

491

BENJAMIN STRONG

HOTEL ADAMS PHOENIX AZ

STOCKS CLOSED OFF ONE TO TWO POINTS STOP MARK AND KRONEN EXCHANGE
STRONG PROBABLY DUE TO SWITCHING FUNDS TO GERMANY BOUGHT FIVE
MILLION BILLS THREE TO ONE QUARTER SAVINGS BANK WITHDRAWALS DECREASING
MATTERS GENERALLY CONTINUE QUIET

PIERRE JAYD

FEB 8 556AM

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

A16 GSMD 14

Q NEWYORK NY 1047AM FEB 9 1917

BENJAMIN SRONG

39

CARE ADAMS HOTEL PHOENIX AZ

YESTERDAY BOUGHT FIVE MILLION BILLS SAME RATES STOCKS STEADY MONEY
RATES UNCHANGED EVERYTHING QUIET

PIERRE JAY

953AM

SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

A135SQ 38 BLUE

Q NEW YORK 225P FEB 10 1917

BENJ STRONG

226

ADAMS HOTEL PHOENIX AZ

QUIET AGAIN TODAY STOCKS FIRM BANK STATEMENT SHOWS FOLLOWING
 DECREASES IN MILLIONS DEPOSITS ONE HUNDRED LOANS EIGHTY EXCESS
 RESERVE ONE HAVE NO FURTHER TELEGRAPHIC ADDRESS HAVE BEEN SENDING
 MAIL TO DENVER MONDAY HOLIDAY BEST REGARDS TO YOU BOTH

P JAY

136PM

98

FEDERAL RESERVE BANK
OF NEW YORK

February 15, 1917.

R.A.L.
FEB 21 1917

Dear Governor Strong:

I do not seem to have any acknowledgment stamp on your letter of January 27th making a number of most valuable suggestions in connection with my talk at the Trust Companies lunch. *many thanks.* I have been spending ~~the~~ morning, the first opportunity I have had, in going over it and putting it in shape for the printer to whom it will go to-morrow.

At the end of the letter you speak about Malburn and cooperation with him. Mr. Treman and I lunched with him promptly after he came over here and the next day asked him to give us confidential advice about those of our members who needed special looking after. He suggested we write him a letter to that effect, which we did, and which I presume he forwarded to Washington. Yesterday he telephoned that he was ready to give us informally such information as we desire. It really looks like the beginning of a new era.

I send you a copy of a letter Mr. Starek wrote me which was read at the directors' meeting yesterday. We all thought it was a very nice letter. Mr. Locke made a great point of his view that Mr. Starek should have resigned to us and not to the Federal Reserve Board. The consequence was that our board took Mr. Starek's letter as a resignation and voted to accept it, with Messrs. Peabody and Jay refraining from voting.

I believe Mr. Treman has sent you a copy of the final report of the committee on Federal reserve bank drafts. Woodward has been corresponding with Harding about it and I think Harding is coming around to the point of view expressed in it. Woodward also had Delano at his place in Maryland on

Sunday afternoon and feels that he made considerable headway with him also.

Mr. Forgan was in the office this afternoon and I gave him a copy of the report which he is going to read over and discuss with us to-morrow. He and Woodward have been corresponding on the matter and I think Mr. Forgan agrees with our point of view. He is thinking of getting the Advisory Council to take the matter up with the Board.

We are coming on nicely with the private bankers' statements. All of them are coming across except J. P. Morgan & Company, to whom we have not yet suggested the matter, but Mr. Treman or I will do so informally the next time either of us see Mr. Morgan.

I am not writing you much these days because Mr. Treman, I believe, is getting off a daily letter to you, and in his careful way is probably covering all the news.

I understand that we are to have Curtis back here next Monday, which will be pleasant. I was mighty glad to hear from him last week that he found you in such good shape.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

PJ/RAH
Enc.

New York City,
February 12, 1917.
Hotel Collingwood

Mr. Pierre Jay,
Chairman, Federal Reserve Bank,
New York City.

My dear Mr. Jay:

As a matter of formality permit me to record the fact that on January 31st I sent my resignation as a director of the Reserve Bank of New York to the Federal Reserve Board at Washington. In so doing I conformed to a rule of the Reserve Board applying to chief national bank examiners serving as Class C directors of Reserve banks; this rule regards such examiners practically as ex-officio directors whose service as directors expires automatically with their service as examiners. My tenure of office as chief examiner having ended by reason of action taken by the Comptroller of the Currency, I felt it incumbent upon me therefore to resign as a director, and my resignation has been accepted.

In thus concluding my service as a director of the New York reserve bank I take pleasure in saying that my association with you and other fellow directors has been most agreeable and gratifying. My esteem for the gentlemen constituting the board is enhanced by my knowledge that they are doing a great and useful work in a public spirited and unselfish way. While we have not always been in entire accord in matters involving the development of the new banking system, I consider it a tribute to the capacity and breadth of view of the directors that our occasional divergent views did not affect the progress or interests of the bank.

With personal regards to you and other members of the Board, I am,

Sincerely yours,

(S igned) Charles Starek.

Feb 22 1898

49 EAST SIXTY-FOURTH STREET

for trade acceptances
& wants us to do
likewise. I told him
I'd take it up with
the board but only
after talking the
matter over with
various merchants
& seeing if we can
get any movement
started. I am going
to try to be in Wash-
ington on Feb 28 so
as to see what is
going on & talk
things over with
Walburn before

13
The bit on the vault will be

Dear Governor -

We had
a light attendance at
the office yesterday
Curtis, Kengel &
Hendricks holidaying
& Cann called to
Montreal where his
wife has been having
an operation which
he wires was suc-
cessful. Woodward
lunched with
Walburn & he says
they will probably

make definite provision for the 3's in a week or 10 days. Borton is following Richmond's example in buying bonds from members & Warburg & Woodward think we'd better follow suit. Otherwise our members will get the worst of it. The Chronicle on Saturday returns to the charge again, on the basis of my report, as I felt sure when writing

if they would. But they have gotten vicious & they end the first paragraph by saying that after reading the report it is ~~easy~~ to see where the policies of the Board come from & which N.R. bank dominates the system! Warburg is trying to stir up interest in trade acceptances & has gotten Borton & Phila. to reduce their rates to 3%

C O P Y (handwritten letter)

49 East Sixty-Fourth Street Feb 22nd.

Dear Governor -

We had a light attendance at the office yesterday, Curtis, Kenzel + Hendricks holidaying + Cann called to Montreal where his wife has been having an operation which he wires was successful. Woodward + I lunched with Malburn + he says they will probably make definite provision for the 3's in a week or 10 days. Boston is following Richmond's example in buying bonds from members + Warburg + Woodward think we'd better follow suit. Otherwise our members will get the worst of it. The Chronicle on Saturday returned to the claim[?] again, on the basis of my report, as I felt sure when writing it they would. But they have gotten vicious + they end the first paragraph by saying that after reading the report it is easy to see where the policies of the Board come from + which F.R. bank dominates the system! Warburg is trying to stir up interest in trade acceptances + has gotten Boston + Phila. to reduce their rates to 3% for trade acceptances + wants us to do likewise. I told him I'd take it up with the board but only after talking the matter over with various merchants + seeing if we can get any movement started. I am going to try to be in Washington on Feb. 28 so as to see what is going on + talk things over with Warburg before he goes. From the interior of the bank there's nothing to report. The bids on the vault will be in tomorrow. Best regards

(signed) P.J.

FEDERAL RESERVE BANK
OF NEW YORK

D.A.H.

February 23, 1917.

FEB 26 1917

Dear Governor Strong:

I have just received your letter of February 19th and only learned the day before yesterday from Curtis that you did not know who had been appointed in Mr. Starek's place. I had supposed that Mr. Warburg had written you of this appointment from Washington.

I was advised of the election by telephone the day it was made but as Mr. Saunders was traveling in the South, the Board did not receive any word from him for ten or fifteen days later. In fact, I think it was just before our last board meeting that they received his acceptance. He is a man about fifty years of age and his affiliations in the Directory of Directors are as follows:

A. S. Cameron Steam Pump Works, Dir.
American Institute of Mining Engineers, Pre. and Dir.
Edison-Saunders Compressed Air Company, Dir.
Ingersoll-Rand Company, Chairman of the Board of Dirs.
Ingersoll-Sergeant Drill Company, Pres. and Dir.
International Harvester Company of New Jersey, Dir.
International Harvester Corporation, Dir.
International Pneumatic Tube Company, Dir.
Peoples National Bank of Westfield, The, Dir.
Rand Drill Company, Pres. and Dir.

I understood from Mr. Warburg when I was in Washington on Tuesday that he has been quite a friend of the administration. Secretary McAdoo met him at the time of the Pan-American conference, when Mr. Saunders was chairman of one of the Central American groups. Mr. Woodward meets him as a fellow director of the American International Corporation and says that he is an interested and rather talkative director. At our directors' meeting which he attended last week we naturally heard little or nothing from him

FEDERAL RESERVE BANK
OF NEW YORK

B.A.H.

February 23, 1917.

FEB 26 1917

Dear Governor Strong:

I have just received your letter of February 19th and only learned the day before yesterday from Curtis that you did not know who had been appointed in Mr. Starek's place. I had supposed that Mr. Warburg had written you of this appointment from Washington.

I was advised of the election by telephone the day it was made but as Mr. Saunders was traveling in the South, the Board did not receive any word from him for ten or fifteen days later. In fact, I think it was just before our last board meeting that they received his acceptance. He is a man about fifty years of age and his affiliations in the Directory of Directors are as follows:

- A. S. Cameron Steam Pump Works, Dir.
- American Institute of Mining Engineers, Pre. and Dir.
- Edison-Saunders Compressed Air Company, Dir.
- Ingersoll-Rand Company, Chairman of the Board of Dirs.
- Ingersoll-Sergeant Drill Company, Pres. and Dir.
- International Harvester Company of New Jersey, Dir.
- International Harvester Corporation, Dir.
- International Pneumatic Tube Company, Dir.
- Peoples National Bank of Westfield, The, Dir.
- Rand Drill Company, Pres. and Dir.

I understood from Mr. Warburg when I was in Washington on Tuesday that he has been quite a friend of the administration. Secretary McAdoo met him at the time of the Pan-American conference, when Mr. Saunders was chairman of one of the Central American groups. Mr. Woodward meets him as a fellow director of the American International Corporation and says that he is an interested and rather talkative director. At our directors' meeting which he attended last week we naturally heard little or nothing from him

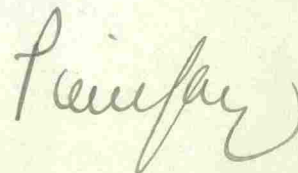
and he was obliged to leave before we adjourned on account of another meeting.

He lives out in New Jersey and it is my impression that the Ingersoll-Rand Works are out there also.

We had rather recommended R. H. Williams of Williams & Peters as our first choice and from what Warburg tells me it seemed to lie between him and Saunders, but Williams being a Republican and Saunders, a friend of the administration and, I presume therefore, a Democrat, the selection was a natural one. I had not heard before it was announced that Saunders was being considered.

On the 21st I had quite a long conference with Mr. Malburn, who has received authority from the Comptroller to give me information concerning any bank in the district which Mr. Treman or I ask about. He is inclined to be in every way cooperative but wishes to be rather conservative about progress until he finds out how the land lies. He also thinks that he will make better progress with the Washington end if he advances cautiously. I guess this is good judgment on his part. The reason for the conference was with regard to the National Butchers & Drovers Bank of this city, which is discounting quite heavily with us and with respect to which the Department feels some concern. Mr. Malburn promised to consult with his associates and let me know shortly what other banks there were in the district with which they felt we should proceed with caution.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colo.

PJ/CEP

SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

410NY OC 21 DUPLICATE OF TELEPHONED TELEGRAM

FY NEWYORK NY 659P FEB 26 1917

BENJ STRONG

1203
4100 MONTEVIEW BLVD DENVER COLO

BANK FRANCE APPLICATION APPROVED TODAY PUBLICATION THURSDAY PLEASE NIGHTLETTER

ALP SUGGESTING GROUNDS FOR REQUESTING TREASURY TO WAIVE FIFTY CENT GOLD

BAR CHARGE

PIERRE JAY

MAR 1 1917

522PM

441308
No. 441308
Sended to Benj Strong
Time 551P
By Au to be mailed

POSTAL TELEGRAPH-CABLE COMPANY

NIGHT LETTERGRAM



THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED) TRANSMITS AND DELIVERS THIS NIGHT LETTERGRAM SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE BACK OF THIS BLANK.

TELEPHONE MAIN 4500

DELIVERY NO.

INDEPENDENT COMPETITIVE PROGRESSIVE

4-647

23 NY. N. 118 N. L. 8:19pm.

CB., NEW YORK, Feb. 28, 1917

Benjamin Strong, Esq.,

4100 Montview Blvd. Denver, Col.

TELEPHONED

To Same

By Le

Date 8-25a

Thanks your telegram anticipate no difficulty with Remelt charge and are discussing fifty cent charge with Assay office and Roberts but not making much progress stop. Can you furnish any reason based on Broad policy to advance for Remission of this charge other than natural desire to escape it. stop. No mention of it in yours to Harding dated January twenty sixth stop. Have made formal application for two matters mentioned therein stop. Secretary inquires whether if assay office would reestablish old rule advancing only ninety per cent on gold deposited for assay we would agree to advance the percentages assay office now advances so that public would not be affected stop. What do you suggest we reply.

Pierre Jay.

B.A.V.

MAR 1 1917

POSTAL TELEGRAPH-COMMERCIAL CABLES

OPERATOR'S NOTATIONS,
TIME SENT, Etc.



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN NIGHT LETTERGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

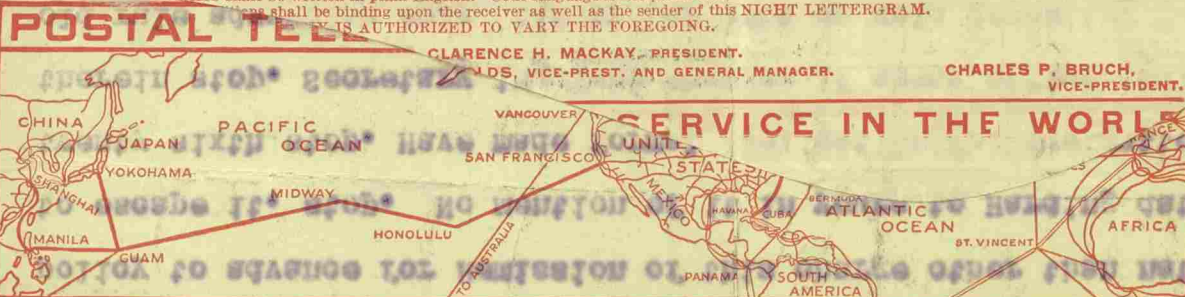
The Company will receive, not later than midnight, NIGHT LETTERGRAMS, written in plain English, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night message rate, as follows:
The standard day rate for a ten-word day message shall be charged for the transmission of a NIGHT LETTERGRAM, containing fifty words or less, and one-fifth of the standard day rate for a ten-word day message shall be charged for each additional ten words or less in such NIGHT LETTERGRAM.

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 this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED MESSAGE AND PAID FOR AS SUCH, 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 received 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 sum 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 CIPHER 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 fifty times the REPEATED message rate, at which amount this message, if sent as a REPEATED message, is hereby valued, unless a greater value 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 value equal 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 its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. This Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within thirty days after the message is filed with the Company for transmission.

In further consideration of the reduced rate for this special "NIGHT LETTERGRAM" service, the following special terms are hereby agreed to:
(a) NIGHT LETTERGRAMS 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 LETTERGRAMS at destination, postage prepaid.

GRAMS shall be written in plain English. Code language is not permitted.
This shall be binding upon the receiver as well as the sender of this NIGHT LETTERGRAM.
NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN NIGHT LETTERGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

The Company will receive, not later than midnight, NIGHT LETTERGRAMS, written in plain English, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night message rate, as follows:
The standard day rate for a ten-word day message shall be charged for the transmission of a NIGHT LETTERGRAM, containing fifty words or less, and one-fifth of the standard day rate for a ten-word day message shall be charged for each additional ten words or less in such NIGHT LETTERGRAM.

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 this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED MESSAGE AND PAID FOR AS SUCH, 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 received 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 sum 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 CIPHER 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 fifty times the REPEATED message rate, at which amount this message, if sent as a REPEATED message, is hereby valued, unless a greater value 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 value equal 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 its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. This Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within thirty days after the message is filed with the Company for transmission.

In further consideration of the reduced rate for this special "NIGHT LETTERGRAM" service, the following special terms are hereby agreed to:
(a) NIGHT LETTERGRAMS 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 LETTERGRAMS at destination, postage prepaid.
(b) NIGHT LETTERGRAMS shall be written in plain English. Code language is not permitted.

7. The above terms and conditions shall be binding upon the receiver as well as the sender of this NIGHT LETTERGRAM.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

FEDERAL RESERVE BANK
NEW YORK

PJ/RAH
Postal night letter
5:45 p.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

February 28, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Colorado

Thanks your telegram Anticipate no difficulty with remelt charge and are discussing fifty cent charge with Assay Office and Roberts but not making much progress Stop Can you furnish any reason based on broad policy to advance for remission of this charge other than natural desire to escape it Stop No mention of it in yours to Harding dated January twenty sixth Stop Have made formal application for two matters mentioned therein Stop Secretary inquires whether if Assay Office would reestablish old rule advancing only ninety per cent on gold deposited for assay we would agree to advance the percentages Assay Office now advances so that public would not be affected Stop What do you suggest we reply

Pierre Jay.

B-2

Charge Fed. Res. Bank

FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

Dear Governor Strong:

With regard to the Spanish exchange matter referred to in your letter of February 21st, the people who went off half-cocked were the Pompeian Company who made themselves a regular nuisance and have gotten up a printed propaganda on the subject. They kept pestering the Board and the Board asked me for a report on the subject, which I think Mr. Cann made, and I think the Board then felt ready to drop it. Mr. Kent, Mr. Rovensky, Mr. Gardin and others kindly assisted us in getting up the data.

I do not know whether Mr. Cann sent you a copy of our report to the Board but I should be glad to send it to you. *if you wish.* The main gist of it was that with sterling and francs at a discount all over the world and the London market closed as a settling center, settlements with neutral nations naturally turned to the United States and depressed our currency with respect to theirs. I presume that the situation existing between this country and Scandinavia is closely related to the depreciation of sterling and francs.

Very truly yours,

Pinney
Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

98
P. J. /

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

March 2, 1917.

D.A.W.
MAR 5 1917

MAILING DEPT.
MAR 11 1917

Dear Governor Strong:

Referring to your letter of February 26th, Mr. ~~W. L. Saunders~~ ^{W. L. Saunders} is
W. L. Saunders of 11 Broadway. I think I told you the other day all
I knew about him at the time. He is an active businessman, as the
list of his offices will show. Woodward does not know him well and
only expressed the opinion of him which I have passed on to you in my
last letter.

He is chairman of the Naval Advisory Board, which was gotten
up about a year or more ago, consisting of members appointed by the
different engineering societies of the country. They have been mak-
ing a survey of the industries of the country. He lives in New York
but votes from Plainfield, N. J., and I have heard it said that he had
political ambitions in New Jersey. He was a member of the Democratic
Campaign Committee last summer and very active in the campaign. As to
his business or other qualifications to be a valuable director with us,
I think that on paper at least we are much to be congratulated, but we
cannot tell for some months how he will work out as a director.

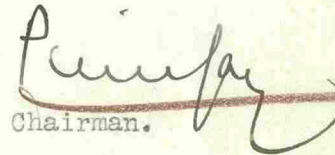
I think it would be a mighty good plan if you would write
him. Treman, Curtis and I had him to lunch on Tuesday and endeavored
to give him a little idea of our work, in which he seemed interested.

I must confess that it was a disappointment to me to have him
named without consulting us after all the work we had done in looking
up good men, but I have an entirely open mind on the subject and shall

be only too happy if he proves to be a good director.

I agree with you as to Starek's affection for you and me.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

P. S. Mr. James Brown has been in on another matter and spoke of knowing Mr. Saunders as a member of the permanent committee of the Pan American Conference on Nicaragua. He said that he was a most active and energetic man, and that he had made his money himself. He thought that he had a great deal of influence with the administration, and while he did not know much about banking would make an excellent director for us. He said he was especially good in organizing anything which had to be put before the public.

98
tentative report of
our Directors Committee
on F.R.B.A. draft matter

For your criticism & suggestions
P.J. 98

referred the report of the committee recommending a plan whereby a reserve bank could be made re-servable at par at another specified Federal reserve bank, has given the matter much consideration, has consulted with several leading bankers in regard thereto and respectfully presents the following report:

At present the great majority of the member banks keep accounts with correspondents in one or more of the large centers, drafts on which they and their depositors use in settlement of accounts due in various parts of the country. Inasmuch as balances with such correspondents will soon cease to count as reserve it is desired to provide the country banks and their customers with a method of transferring funds to points where payments are to be made which will be as satisfactory as the drafts they have hitherto used. This would doubtless tend to eliminate accounts of many country banks now kept in the large centers and might, therefore, prove detrimental to the interests of the member banks in such centers, but the committee, as well as the bankers consulted, have endeavored to consider the plan with the sole objects of

- (a) Making it a practical and effective method of transferring funds for the country banks, which it is desired primarily to assist, and
- (b) Assuring thorough protection to all concerned in its use.

THE PRESENT METHOD OF SETTLING ACCOUNTS.

The method of settling accounts throughout the country may be illustrated by the following case:

The merchant at Brownsville, Texas, who buys a bill of goods from Marshall Field & Company in Chicago on credit, unless it is expressly otherwise

To the Board of Directors:

Your special committee, to which was referred the report of the committee of governors of Federal reserve banks recommending a plan whereby a draft drawn by a member bank upon its Federal reserve bank could be made receivable at par at another specified Federal reserve bank, has given the matter much consideration, has consulted with several leading bankers in regard thereto and respectfully presents the following report:

At present the great majority of the member banks keep accounts with correspondents in one or more of the large centers, drafts on which they and their depositors use in settlement of accounts due in various parts of the country. Inasmuch as balances with such correspondents will soon cease to count as reserve it is desired to provide the country banks and their customers with a method of transferring funds to points where payments are to be made which will be as satisfactory as the drafts they have hitherto used. This would doubtless tend to eliminate accounts of many country banks now kept in the large centers and might, therefore, prove detrimental to the interests of the member banks in such centers, but the committee, as well as the bankers consulted, have endeavored to consider the plan with the sole objects of

- (a) Making it a practical and effective method of transferring funds for the country banks, which it is desired primarily to assist, and
- (b) Assuring thorough protection to all concerned in its use.

THE PRESENT METHOD OF SETTLING ACCOUNTS.

The method of settling accounts throughout the country may be illustrated by the following case:

The merchant at Bronxville, Texas, who buys a bill of goods from Marshall Field & Company in Chicago on credit, unless it is expressly otherwise

stipulated, undertakes to pay Marshall Field & Company in currency, or in a sight draft which they can at once convert into currency on presentation in Chicago. Delivery of the merchant's check upon his local bank is not such a payment. At best, it is a postponement of the payment until the check can be sent to Brownsville and collected and the proceeds transmitted to Chicago. To avoid the delay consequent upon the collection of a Brownsville check, the merchant is accustomed to procure from his local bank a draft upon its correspondent in Chicago which, when remitted to Marshall Field & Company can be converted into cash at once by them.

THE FEDERAL RESERVE TRANSFER SYSTEM.

Some eighteen months ago the Federal reserve banks undertook to transfer funds for its members from one district to another, either by mail or telegraph. But the member banks and their customers are so much more accustomed to drawing checks than to ordering transfers in settlement of accounts that the present facilities of the transfer system have not been generally availed of. Your committee understands that the plan under discussion is designed to complete the transfer system by enabling a member bank to transfer money to distant points by drawing a draft on its own Federal reserve bank which will effect payment through the Federal reserve bank of the district in which such point is situated. It is in the interest of good business that payments should be made promptly, effectively, and in a method which will be generally acceptable, and with all efforts in that direction, of which the proposed plan is a very important one, the committee wishes to give every assistance.

THE PLAN OF THE GOVERNORS' COMMITTEE.

The plan of the governors' committee is to make the draft of a member bank upon its own Federal reserve bank receivable at par when presented

at any other designated Federal reserve bank, allowing such receiving Federal reserve bank to charge the draft to the home Federal reserve bank and collect the amount through the gold settlement fund.

The member bank issuing the draft protects itself by charging the amount to its customer. The reserve bank upon which the draft is drawn protects itself by charging the amount, when advised, against the reserve deposit of the member bank. The reserve bank at which the draft is receivable at par, although required to allow immediate credit for the amount, protects itself, as far as it can, by making this credit tentative until the draft has been collected and actually paid at the home Federal reserve bank. Your committee suggests the following criticisms of the plan:

- (a) The proposed draft would not be an instrument effecting prompt payment, but an instrument postponing payment until its amount had been collected at a distant point. In the opinion of your committee, therefore, the proposed plan will prove ineffective and cannot be made satisfactory to the country bank and its customers unless it is made an instrument of actual rather than tentative payment at the Federal reserve bank of the district in which the payment is to be made.
- (b) What has given drafts on New York, Chicago and other large centers their acceptability has been the fact that they would be finally paid at those points. It has been urged that under the governors' plan the tentative credit would in almost every case become an actual credit, but in the opinion of your committee this uncertainty would make the plan, as a substitute for New York or Chicago draft, ineffective. Some of the large banks in Chicago and elsewhere have made arrangements in European and other countries whereby their banking customers may draw drafts payable at certain designated foreign places. These drafts are generally used and give satisfaction because they effect actual payment. It is certain that they would not give satisfaction if they were made only tentatively payable at these foreign places but had to be returned to Chicago for final payment.

- (c) The committee's plan provides for no advice between Federal reserve banks. The receiving Federal reserve bank, therefore, finds itself in the position of having to decide in each case how much credit it will extend to the member bank depositing such drafts. If it curtails this credit the immediate availability of the draft disappears; if it is compelled by regulations of the Board to extend such credit regardless of the strength of the member bank, an undesirability element of weakness would be introduced into the System.
- (d) Under Section 16 of the Act each Federal reserve bank has undertaken to perform two services for its members:
- (1) To assist them in collecting funds (represented by checks) due from distant points;
 - (2) To assist them in transferring funds due to distant points.

The purpose of the plan is essentially a transfer of money under No. 2. Yet the operation of the plan brings it under No. 1, since the draft has to be sent for collection and final payment to the distant point

- (e) The proposal to limit a member bank to not exceeding \$10,000. of such drafts in any one day is a difficult limit for the home Federal reserve bank to enforce and an impracticable limit for the paying Federal reserve bank to observe. Should there be any limit upon the amount of drafts a member bank may draw upon funds actually available for the purpose at its Federal reserve bank?

such drafts payable on advice at any designated Federal reserve bank.

This modification would entail two changes in the plan:

- (1) That the home Federal reserve bank should advise the paying Federal reserve bank, usually by mail, but by telegraph if necessary, to pay the draft.
- (2) That the paying Federal reserve bank should be ready to assume the responsibility of actually paying the draft on advice.

With this modification, every party to the transaction would be protected, the member bank by charging its customer's account, the home Federal reserve bank by charging the member bank's account, and the paying Federal

reserve bank, upon advice from the home Federal reserve bank, by charging the amount to the account of the latter; whereas the merchant in the district of the paying Federal reserve bank would receive an instrument which would effect for him prompt and actual payment of his account.

OBJECTIONS TO THE SUGGESTED MODIFICATION.

The possible objections to the modification suggested by your committee seem to be -

- (a) That the draft might reach its destination before the advice;
- (b) That it adds to the responsibility and labor of the paying Federal reserve bank.

With respect to (a) your committee believes that in practice the advise would proceed promptly by the most direct route to the paying Federal reserve bank, whereas probably the great majority of the drafts would go first to parties in places other than the location of such bank; would be by them deposited in local banks, and in turn be forwarded to the paying Federal reserve bank. This usual procedure would give ample time for such bank to receive this advice. Even were the drafts to be used in the paying Federal reserve bank's city a day would usually be required for the deposit of the draft by the creditor and its passage through the clearing house. Thus in nearly all cases there would be a margin for the receipt of the advice. But should a draft arrive before the advice, either it could be held awaiting the arrival of advice or instructions could be requested by wire. In practice a member bank drawing for a substantial amount and fearing lest it should arrive before the advice would stamp the advice to its home Federal reserve bank "Please wire." This might often be necessary in the case of direct remittances between member banks where the payee is in a Federal reserve bank city. In cases where the member bank is situated geographically between the two reserve banks in question and desires to draw frequently special arrangements could be made between the reserve banks, signature cards filed and limits

agreed upon. In the opinion of your committee advice between Federal reserve banks would not prove cumbersome. The member bank would advise in duplicate, and one of these advices the home Federal reserve bank would sign and forward to the paying Federal reserve bank.

With respect to (b) it is the belief of your committee that the responsibility is a reasonable banking risk which should be assumed by Federal reserve banks. Probably more drafts would be drawn on the Federal Reserve Bank of New York than on any other Federal reserve bank, and its officers believe that the necessary machinery to pay such drafts upon advice would be entirely practicable.

RECOMMENDATION OF COMMITTEE.

Your committee recommends that the directors of the Federal Reserve Bank of New York, desiring to cooperate in every way with the Federal Reserve Board in their effort to provide country banks with a practical and effective method of transferring funds through the medium of their own checks, urge that the plan presented to the Federal Reserve Board be modified so as to make drafts "payable upon advice" instead of "receivable for immediate availability" at the Federal reserve bank of the district in which the payment is to be made. Under such modification protection is given to all concerned; the evils of postponing the day of payment are avoided; exchange is eliminated; the drafts of the member bank, however, remote, are as good as if it were located in the city of the paying Federal reserve bank, and become the equivalent of cash at the time and place where they are to be finally used.

FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

Dear Governor Strong:

With regard to the gold bar situation, we are now going at it, and I am ever so much obliged for the two telegrams you sent me. Mr. Cann started to make a report as you suggested, but then the Butchers & Drovers matter came up and we have had him up there all the week with two assistants, making a thorough study of their paper so that we may in future deal with them with some confidence on the basis of the actual paper they offer. At the present time we have some 60% margin on ~~their~~ loans, aggregating something over \$400,000, which they have with us. It is a difficult situation to deal with because the officers do not seem to be able to say "No" to customers.

Going back to the gold bar matter, I am trying to get some light from Mr. Roberts this morning, he having been away for a couple of days, and the Superintendent of the Assay Office is coming over to see me later in the morning. Unfortunately Mr. Cann's departure next week will prevent him from carrying this matter on.

The matter was rather brought to a head by Mr. Bovee's having asked us two days ago whether we would store a considerable volume of gold bars for him in our vault, and we consider this to be an exceptional opportunity to try to get him to make concessions to us on the bar charge, etc. We have not yet determined whether we can lend him space, but think that at least we could help him out in a small way by

buying, say, \$50,000,000. of bars.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

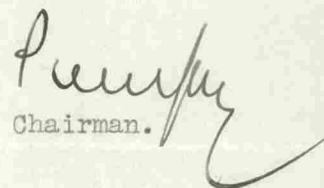
FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

Dear Governor Strong:

As to duplication on the part of Treman and me, referred to in your letter of February 23rd, I should say that this was at a minimum, because I am assuming that Mr. Treman is keeping you fully posted as to everything. My impression of the reason I sent you a copy of the report on Federal reserve bank drafts was because Mr. Treman was away on the day the last vintage was produced, although I am not absolutely positive of this.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

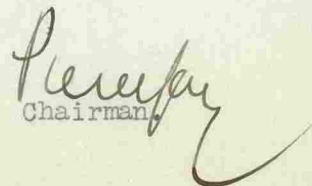
Dear Governor Strong:

Referring to your letter of February 26th, we received from Mr. Malburn a list of all banks under special examination, and a statement from him that after inquiring in the office he did not know of any other banks towards which we should act with caution in making rediscounts.

There are a dozen banks on the list and we are starting to look into them.

I think we shall get along all right with Mr. Malburn, but being entirely new at the business he naturally wants to go a little slowly, and after having jogged along for two years I think we can afford to be patient for another month or two, during which time we hope to develop the plan of getting the examiners to come in and see us when they are in town and discuss the banks under their particular supervision.

Very truly yours,


Chairman

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

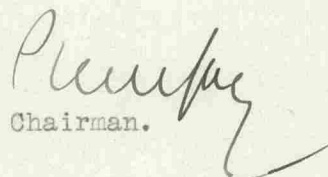
FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

Dear Governor Strong,

I have just been advised by the Comptroller that he is sending over \$25,000,000. of Federal reserve notes to the Subtreasury here to be held under his own custody and released to us in case of emergency. This will be an additional supply to that which we hold in our own vaults.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

March 2, 1917.

Dear Governor Strong:

Mr. Treman has handed me your letter of February 19th with regard to gold, as I have undertaken to look after the adjustments with the Assay Office and the accumulation of gold. There does not seem to be anything in it to answer just at the moment. When I see Mr. Bovee I will inquire from him as to whether any arrangement can be made about the French bars.

Very truly yours,


Chairman

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

March 3, 1917.

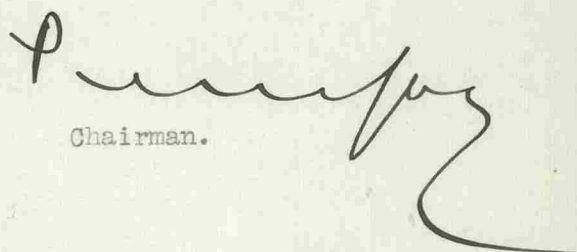
B.A. Fr.

MAR 7 1917

Dear Governor Strong:

I enclose copy of a letter I am writing to the Secretary of the Treasury to-day upon the matter of the readjustment of relations with the Assay Office, which I think will explain itself.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

PJ/RAH
Enc.

FEDERAL RESERVE BANK
OF NEW YORK

B.A. Jr.

March 8, 1917.

Dear Governor Strong:

MAR 15 1917

The letter to the Bank of France went off to-day with the correction in the memorandum authorized by your telegram of to-day and the following postscript added to the letter:

"We are advised that the French limit of tolerance upon abraded French coins is 1/10 of 1% for one hundred franc pieces and fifty franc pieces, 2/10 of 1% for twenty franc pieces and ten franc pieces, and 3/10 of 1% for five franc pieces. If our advice is incorrect, paragraph 12 (e) should be changed in order to include a correct statement of what the limit of tolerance is."

We have sent it by registered mail to the Ambassador, to whom Mr. Curtis wrote a letter asking him to put it in the Embassy pouch, if possible, to go on the Steamship "Rochambeau" which arrived at this port yesterday and will not sail before Saturday, Sunday or Monday. A duplicate will go forward by registered mail from here direct on the next French mail steamer.

Dr. Willis is going to be over here to-morrow at a conference held by the Credit Men's Association on trade acceptances, at which Mr. Treman and others are going to speak. We shall take advantage of the opportunity to discuss the relationship with the Philippine National Bank with Dr. Willis. We have been having some correspondence with him of late and have received from him a copy of his letter to the Federal Reserve Bank of San Francisco.

Mr. Warburg is going to be over here some time next week, and in view of the vote of our executive committee that under present conditions they do not think it wise just now to enter into relations with

3/8/17.

any other foreign banks except the Bank of the Philippines, I should like very much to get your views as to whether this is a wise course for us to take at the present time, especially in the case of the Argentine Bank with which Mr. Warburg began conversations many months ago, and I trust you will find time to drop us a line from Chicago.

I have just heard from Governor Harding that the Board is preparing some kind of a statement about foreign credits which he said we would see in the papers to-morrow morning, and with which he said, "I think you will be pleased." He also advised me that the Board had suggested to him that he should spend the 19th with us in New York.

I am sorry to think of you being so near to us and yet we are not seeing you. If Mr. Treman were not going to be away on Monday and Tuesday I should be inclined to run out and spend an hour or two with you.

Faithfully yours,

Pierre Jay
(R. H.)

Benjamin Strong, Esq.,
C/o Blackstone Hotel,
Chicago, Ill.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

March 12, 1917.

Dear Governor Strong:

I have your note of March 7th about our annual report. I expect that it will be out in a few days and will see that you get one as soon as it comes from the press. I am writing to-day to the Federal Reserve Board asking for an advance copy of its annual report which I will send to you as soon as it is received.

Wills of Cleveland and Curtiss of Boston were here on Friday and Saturday and we had quite a little discussion about the slowness of the Board in getting out our annual reports, and while, of course, nothing can be done this year we shall certainly take it up at our May meeting and endeavor to have a more prompt emission next year.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

D.A. Fr.

MAR 19 1917

March 14, 1917

Dear Governor Strong:

I am sending you herewith copy of a
letter I have written to-day to Secretary McAdoo.

Very truly yours,

Pierre Jay
R. H.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH
Enc.

FEDERAL RESERVE BANK
OF NEW YORK

March 21, 1917.

Dear Governor Strong:

I have received your letter of March 17th about sending our annual report to certain foreign bankers and publications, and I am turning this over to Mr. Higgins with the request that he carry out your suggestion as soon as our annual report comes in, which should be in the course of a few days.

We shall also act on your excellent suggestion to have a little personal slip attached.

Very truly yours,


Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

March 27, 1917.

D.A.H.
MAR 31 1917

Dear Mr. Strong:

I enclose a tabulation of the acceptances for which liability is stated of national banks, state banks and trust companies in this district at the last calls, with comparative figures of former calls.

Since these figures might be misleading in view of March 5, 1917, figures being under those of December 27, 1916, I am also enclosing a list of the institutions whose statements show they are holding certain of their own acceptances on which they report no liability as acceptors. These amounts added to the liability figures shown give a more accurate indication of the volume of this business done.

Very truly yours,

Peckham
Chairman.

Benj. Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

HPA/IWB
Encs. (2).

AMOUNT OF BANKS' OWN ACCEPTANCES HELD AS INVESTMENTS

FOR WHICH NO LIABILITY IS STATED

NATIONAL BANKS

March 5, 1917

American Exchange National Bank	\$ 512,571
Atlantic National Bank	51,420
Battery Park National Bank	67,500
Chase National Bank	3,354,868
Chatham & Phenix National Bank	100,000
East River National Bank	15,295
Hanover National Bank	3,083,333
Importers & Traders National Bank	750,000
Irving National Bank	1,947,923
Liberty National Bank	300,600
Mechanics & Metals National Bank	960,564
Merchants National Bank	50,000
National Park Bank	2,365,192
National City Bank	<u>17,460,793</u>

\$31,020,059

TRUST COMPANIES

February 28, 1917

Bankers Trust Company	\$ 5,003,948
Broadway Trust Company	540,039
New York Trust Company	<u>1,700,000</u>

\$ 7,243,987

STATE BANKS

February 28, 1917

Corn Exchange Bank	\$ 473,333
--------------------	------------

March 27, 1917.

LIABILITY FOR

ACCEPTANCES - DISTRICT #2.

<u>Date</u>	<u>National Bank</u>	<u>Date</u>	<u>State Banks & Trust Companies</u>
March 4, 1915	\$ 18,706,078	Dec. 24, 1914	\$ 24,196,776
May 1, 1915	16,121,305	Mar. 19, 1915	69,343,356
June 23, 1915	16,721,068	June 23, 1915	48,407,305
Sept. 2, 1915	6,903,001	Sept. 25, 1915	37,543,932
Nov. 10, 1915	16,181,805	Dec. 31, 1915	52,021,004
Dec. 31, 1915	17,614,257	Mar. 17, 1916	69,021,670
Mar. 7, 1916	21,361,952	June 30, 1916	57,876,873
May 1, 1916	33,080,292	Sept. 20, 1916	71,400,273
June 30, 1916	39,774,590	Nov. 29, 1916	92,988,612
Sept. 12, 1916	43,300,877	Dec. 30, 1916	81,495,391
Nov. 17, 1916	54,445,056	Feb. 28, 1917	99,896,450
Dec. 27, 1916	56,038,115		
Mar. 5, 1917	49,675,853		

<u>National Bank</u>	<u>Date</u>	<u>Mar. 5, 1917</u>
American Exchange Nat'l Bank, New York City	Dec. 27, 1916	\$ 5,666,068
Atlantic National Bank, " " "	\$ 5,293,891	\$ 5,666,068
Bank of New York, N. B. A. " " "	33,618	132,748
Battery Park National Bank, " " "	4,290,739	4,457,136
Bronx National Bank, " " "	174,774	142,470
Chase National Bank, " " "	5,312	14,857
Chemical National Bank, " " "	3,776,495	6,228,135
Citizens National Bank, " " "	100,500	121,500
Coal & Iron National Bank, " " "	641,274	683,836
East River National Bank, " " "	268,474	145,140
Garfield National Bank, " " "	224,767	108,292
Hanover National Bank, " " "	5,250	761
Importers & Traders Nat'l Bank, " " "	3,750,000	
Irving National Bank, " " "	450,190	300,000
Liberty National Bank, " " "	2,782,606	2,697,641
Market & Fulton National Bank, " " "	250,000	349,000
Mechanics & Metals National Bank, " " "	16,786	5,626
Merchants National Bank, " " "	4,751,801	4,243,365
National Bank of Commerce, " " "	1,025,199	1,114,845
National City Bank, " " "	8,260,815	10,989,022
National Park Bank, " " "	16,284,541	8,443,300
Seaboard National Bank, " " "	2,995,861	2,980,816
First Bridgeport Nat'l Bank, Bridgeport, Conn.	50,553	108,270
Connecticut National Bank, " " "	595,169	392,548
Manufacturers & Traders Nat'l Bank, Buffalo, N. Y.	13,600	16,500
Marine National Bank, " " "	9,500	7,000
First National Bank, Perth Amboy, N. J.		100,000
First National Bank, Syracuse, N. Y.		50,000
First National Bank, New York City		150,000
		26,777
	<u>\$56,038,115</u>	<u>\$49,675,853</u>

<u>Trust Companies</u>	<u>Date</u>	<u>Feb. 28, 1917</u>
Astor Trust Company, New York City	Dec. 30, 1916	\$ 666,666
Bankers Trust Company, " " "	\$ 200,000	\$ 666,666
Broadway Trust Company, " " "	11,324,017	13,164,409
Central Trust Company, " " "	753,497	771,985
Columbia Trust Company, " " "	1,649,999	1,483,333
Equitable Trust Company, " " "	1,096,445	1,071,690
Farmers Loan & Trust Company, " " "	17,101,299	22,559,166
Fidelity Trust Company, " " "	8,170,794	8,807,052
Franklin Trust Company, Brooklyn, N. Y.	50,000	49,999
Guaranty Trust Company, New York City	703,881	932,150
Lawyers Title & Trust Company, " " "	38,250,107	45,146,063
New York Trust Company, " " "	100,000	500,000
	<u>\$79,400,039</u>	<u>\$95,369,513</u>

ACCEPTANCES

<u>State Banks</u>			<u>Dec. 30, 1916</u>	<u>Feb. 28, 1917</u>
Bank of America,	New York City		\$ 750,000	\$ 900,000
Bank of Manhattan Company,	" " "		671,242	791,782
Bank of the United States,	" " "		95,589	239,545
Corn Exchange Bank,	" " "		559,999	2,476,396
National Bank of Cuba,	" " "		18,522	19,214
State Bank,	" " "			100,000
			\$2,095,352	\$4,526,937

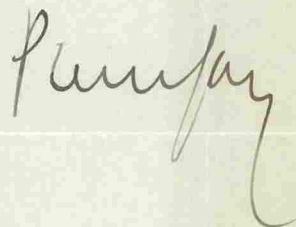
FEDERAL RESERVE BANK
OF NEW YORK

April 5, 1917.

Dear Governor Strong:

Thanks for your letter of the 31st instant
about acceptance liabilities. I will talk a little
with Mr. Vanderlip about this at dinner next week.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

R.A.H.
FEDERAL RESERVE BANK
OF NEW YORK
APR 9 1917

April 5, 1917.

Dear Governor Strong:

Mr. Treman and Mr. Curtis have been in Washington both yesterday and to-day. I enclose a line from the latter received to-day. Here in the office we have been extremely quiet during these two days. To-day we have an application for \$175,000. from the National Butchers & Drovers Bank on ten day and fifteen day notes.

On the question of the state bank amendment we had a very satisfactory meeting of about a dozen of the leading trust company men yesterday morning. Most of them expressed themselves as being inclined to keep a deposit with us if the law so permitted, and we are now taking steps to get the New York State banking law amended so as to let such deposits count as part of their reserve, which is not the case now unless they are actually member banks. They seemed a little bit doubtful about making suggestions as to changes in the proposed amendment, fearing that it would commit them to coming in. However, Mr. Platten, chairman of the executive committee of the Trust Company Section of the A. B. A. has called a meeting of his committee next Tuesday to discuss the amendment. He and I hope to do a little work on it in the meantime and I am hopeful that we can get it in such shape that it will be acceptable to them. Whether the Board will accept such changes or not, I do not know.

The Board has made two important concessions in this amendment:

- (1) State institutions are no longer under the Comptroller, but only under the Federal Reserve Board.

- (2) The 10% liability limit does not apply to state bank members, but they are, however, not permitted to offer for rediscount the notes of any party to whom they have lent more than 10% of their capital and surplus.

I have written George Allen, Secretary of the State Bank Section of the A. B. A., who is in the Chicago, suggesting that his committee might like also to consider the subject. I understand that Mr. Puelicher, president of that section, of the Marshall-Wilsley Bank, is very much interested in the subject.

To-day I had lunch with Mr. Murphy of the Guaranty. He tells me that Sabin is now on the water, and that as soon as he comes he will give the matter careful consideration from every angle. In the meantime he wanted to post himself on various matters in connection with the System.

King holds the radical view that it is better for New York that all of its banking resources should not be subject to the control of Congress and therefore it would be a mistake for the trust companies to come in. Of course, this is a pleasant and taking view for others to accept and adopt. I think, however, that we are making some headway.

Curiously enough the Clayton Act was not mentioned by any at our meeting yesterday.

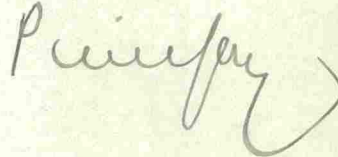
I think Mr. Treman has written you that as a result of a lunch we had a fortnight ago with Mr. Warburg, Mr. Vanderlip, Mr. Alexander, Mr. Wiggin and Mr. Woodward, Mr. Vanderlip expressed the view that there was too little contact between the Reserve bank and important members, and has invited our directors to dine with him on the 11th to meet the members of the Clearing House Committee. If you have any suggestions as to any views you think ought to be brought out there, I wish you would drop me a line.

I enclose a recent effusion of mine, also a memorandum which I

asked Mr. Kenzel to prepare. I thought I would not send it to Washington until after our meeting with the clearing house committee as I should like to take time to consider it in the meantime. What are your views on it?

The Argentine letter went forward yesterday. I assume that Mr. Curtis has sent you a copy of it. I trust that it will meet with your views. We felt here that it was a satisfactory harmonization of yours and Warburg's views which entirely protected us in the matter of buying bills.

Very truly yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH
Encs.

-- FEDERAL RESERVE BANK
OF NEW YORK

April 6, 1917.

Dear Sir:

We want our member banks to get every possible advantage from the good-will and esteem which business men and the public generally have for the Federal Reserve System, especially while it is fresh in people's minds. Our entrance into the war and the changes it is likely to bring to our commercial and financial life seem to make the present an appropriate time to direct this good-will and esteem toward those banks which are members of the System.

ADVERTISING COPY. With this in view, we have had prepared some advertising copy designed to create the belief that it is desirable to do business with the member bank using the copy on account of the facilities and protection the System affords, and in order that it should be effective as a business getter, it embodies the suggestions of expert bank publicity men in every part of the country to whom it was submitted before being printed. Some of them regarded it as advertising the Federal Reserve System more than the member banks, and asked whether the System would pay for the advertising. Such suggestions miss the point, which is that considerable publicity is necessary to develop the idea in the public mind that it is advantageous to do business with members. The System has no interest in being advertised except as it will assist member banks to profit from their connection with it.

PAMPHLET. We have also had prepared a brief pamphlet designed to explain to business men, farmers and wage earners in simple language something about the System. This may be used, if desired, either in connection with the advertisements or separately. Copies of the pamphlets may be obtained from A. Colish, 241 West 37th Street, New York, at the following prices: 100 for \$1.80; 500 for \$2.90; 1,000 for \$5.25; 5,000 for \$25.45; 10,000 for \$48.80; which include cost of printing your name and address on the cover.

STANDARD DESIGN. The George Ethridge Company, well-known advertising experts, has prepared for us a design, now copyrighted, containing the words "Member Federal Reserve System." If member banks all over the country would use this design in their advertising, as well as perhaps on their stationery, we believe it would develop considerable publicity value for them. On request we will send you without charge an electrotpe of it, and will furnish additional electrotypes for 10 cents each.

ILLUSTRATED ADVERTISEMENTS. The Ethridge Company, believing that illustrated advertising is the most effective, and desiring to make the use of the advertisement as successful as possible, has very kindly, without cost to us, illustrated 22 of the texts. Member banks wishing to use the illustrations, with or without the texts, can obtain plates of any one or more of them from the George Ethridge Company, 23 East 26th Street, New York, for 50 cents apiece.

WE SEND YOU HEREWITH:

- (1) 41 advertising texts, suitable for newspapers, street cars, etc.,
- (2) 22 illustrated texts, with suggestions for use,
- (3) A copy of the pamphlet.

If you find these of service, we shall probably be able to send you additional matter from time to time. We ask you to suggest to us topics you would like used; also to report any experiences you may have with the copy now furnished.

Until April 12th please consider the advertising copy sent you herewith as confidential and not to be used. We trust you understand that there is no obligation whatever upon you to use any of this advertising matter. We suggest that should you use it and find it arouses any interest among your depositors, it might prove to be a favorable time to approach some of them with a view to placing unprofitable accounts on a paying basis.

Very truly yours,

Chairman.

FEDERAL RESERVE BANK
OF NEW YORK

B.A. Jr.
APR 10 1917

April 6, 1917.

Dear Governor Strong:

To-day is Good Friday and with the Stock Exchange closed there is naturally very little doing here.

Mr. J. Herzog just telephoned Mr. Hendricks that the following amendment to the banking law had been introduced in Albany and advanced to the third reading:

"New subdivision H, section 106 of the banking law, authorizing banks to pay in cash or by a draft on a bank in New York City, in which such bank has deposits sufficient for the payment thereof, any check presented for collection by any express company or messenger.

Mr. Hendricks is now calling up Senator Marshall to find out about it. Of course, this is the answer of the small state bankers to our express company activities. That we shall have to go to the mat on this subject I can readily see.

I have just had a call from the president of the Manufacturers Trust Company of Brooklyn who is now sitting in the other room with Mr. Jefferson figuring out what readjustments he would have to make in order to join the System, should he consider it advisable to make a recommendation to that end to his board of directors.

I am sending you under separate cover copy of a letter and documents which we are sending to every member bank to-day. In the case of the city institutions I am writing that we are merely sending it to them as a matter of record, not because we think it would be appropriate for them to use. Each of the other eleven districts have ordered a set of

4/6/17.

these documents for each of their member banks and will presumably send them out to them during the next few days. This has been a kind of last straw for the last fortnight and I have often wished that we had your clear mind and pen to work on it, but I thought I would not bother you about it in any way.

I have no idea whether the banks will take to it kindly or not, but I hope very much that they will.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

April 10, 1917.

B.A.K.

APR 16 1917

Dear Governor Strong:

I am sending you herewith copy of a letter I
received from the Secretary of the Treasury a few days
ago.

Very truly yours,

Frederick
Chairman.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH
Enc.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

B.A. Jr.

APR 10 1917

A76DJ0. 127 BLUE 5 EXTRA

PHILADELPHIA PENNA 12

VIA DENVER COLO APR 13 1917

BENJ STRONG CADENAS HOTEL TRINIDAD COLORADO.

FIND OUR ASSOCIATES COMPLETELY IN DARK ABOUT CONNECTION OF SYSTEM
 WITH FINANCING I DISCUSSED MATTER WITH THE SECRETARY AND SUGGESTED
 OUR ACTIVE CO-OPERATION AND ASSUMPTION OF RESPONSIBILITY FOR GETTING UP
 THE ORGANIZATION FOR OUR DISTRICT STOP SUGGESTION CORDIALLY RECD BUT
 WITHOUT COMMITMENT STOP GATHER THAT RELATION OF SYSTEM MATTER WILL
 NOT BE DETERMINED TILL AFTER BILL HAS BEEN SIGNED AND
 HE HAS CONSULTED WITH BOND MEN PERHAPS TEN DAYS HENCE STOP

	SYMBOL
	Blue
Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

B.A. Jr.
APR 16 1917

PLENTY OF TIME WILL BE ALLOWED FOR ORGANIZATION AMOUNT OF
FIRST OFFERING PROBABLY TWENTY TO FORTY PERCENT OF AGGREGATE STOP
VANDERLIP DINNER TO OUR BOARD AND CLEARING HOUSE COMMITTEE LAST
NIGHT GREAT SUCCESS WILL RESULT IN STATED MEETINGS WITH COMMITTEE
PROBABLY FOR TONIGHT STOP PAPERS SAY CUNLIFFE PROBABLY COMING WITH
BRITISH COMMISSION.

PIERRE JAY

325PM

B.A. Fr.
FEDERAL RESERVE BANK
OF NEW YORK

APR 18 1917

April 14, 1917.

Dear Governor Strong:

Thanks for your letter of April 9th. I am glad you liked the Trust Companies Magazine article and note your desire that it should be given wide distribution. I should like to know what you would suggest in this respect. The magazine sent me a number of reprints and I am sending them to people who ask for them. Every other day or two I get a request for one. I have sent a few copies of it to each of the Federal reserve banks and Mr. Fernley of the National Hardware Association has asked for 3,000 of them to send out through his membership, although, as a matter of fact, it is written for bankers rather than laymen. I feel some little hesitation in sending it out to our member banks, and would value any suggestions you may have to make.

With regard to Mr. Kenzel's memorandum this was very much of a hurry call. Mr. Treman called up about eleven one morning and asked us to give him some views before one. We had previously consulted some of the other people that you refer to and these were merely some additional ones which it seemed convenient to consult. Mr. Treman took letters with him to Washington from the Guaranty Trust Company, the National City Company and Harris, Forbes & Company.

Mr. Curtis has written you about the conference we had here on April 9th and sent you a copy of the letter we wrote to Secretary McAdoo as a result thereof.

Faithfully yours,

Peirce

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver Col.

FEDERAL RESERVE BANK
OF NEW YORK

R.A. Fr.

April 14, 1917.

APR 18 1917

Dear Governor Strong:

We have your letter of April 10th.

About the proposed amendment we have taken vigorous measures to stop the progress of this, and with help from some of our member banks I really have very little fear as to its passage. Cotton volunteered an interesting opinion as to its unconstitutionality, which we have forwarded indirectly to the banking committee.

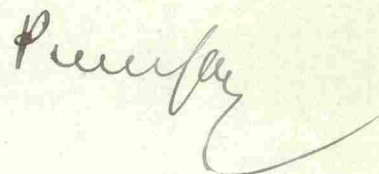
With regard to your comments on the advertising material, I do not see any way of protecting against duplication of the use of the material in a given town except to suggest to the banks that they should confer with one another on the subject. As to the other comment, that the text advertises the Federal reserve bank more than the member bank, that, of course, is true, but I do not see how you are going to get advantage out of a thing unless you advertise, and that is the whole purpose of this campaign; namely, to get advantage out of the Federal Reserve System by making people believe that your connection with it makes their money deposited with you safer.

So far, we have had what I feel is a gratifying response. About forty banks have said that they were going to use the matter and I should think that two thirds of these were ordering the illustrated plates. They are using the electrotpe of the standard design quite freely, and about 40,000 booklets have been ordered. Thus far the matter has not been sent out in any of the other districts, although I believe that all of them except Philadelphia intend to do so and the necessary

samples have been shipped to each Federal reserve bank. While, of course, most of the banks will put it in the waste basket we have had some extremely appreciative letters and I think that it is having the effect with a number of them of making them feel that we want to help them, which after all is an important element.

I am hoping on Monday or Tuesday to have an assistant. After looking around considerably I have determined upon offering the position to Mr. Gidney, formerly Mr. Miller's secretary at Washington and now one of the Federal Reserve Board examiners. I get very high opinions of him. Broderick is a very strong believer in him. Jefferson has an excellent impression of him from seeing him work here in the last few weeks. I hope that if he accepts it, it will work well. Certainly it will be a great relief to me.

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION

TELEGRAM

WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH STREET, DENVER, COLO. ALWAYS OPEN
R75NY BN 110 N L

FI NEWYORK NY APR 15 1917

BENJAMIN STRONG

492

4100 MONTVIEW BLVD DENVER COLO

Phone No.

Time

By

to be

RUSH DELIVERY

CUNLIFFE COMING PROBABLY THIS WEEK DELANO SAYS SUGGESTION HAS BEEN
MADE TO BOARD TO ENTERTAIN HIM STOP WHAT DO YOU SUGGEST WE DO TO
ENTERTAIN HIM STOP REALIZE HIS PRESENCE WILL MAKE IT MORE DIFFICULT
THAN EVER FOR YOU TO STAY AWAY BUT HOPE MOST SINCERELY YOU WILL STAY
PUT TILL WE CAN ADVISE YOU HIS PLANS AND LENGTH OF STAY ETC STOP ADVISORY
COUNCIL MEETS TUESDAY HAS SOME GOOD IDEAS BOND ISSUE STOP SPENT TWO
HOURS WITH THEIR EXECUTIVE COMMITTEE FRIDAY STOP OUR EXECUTIVE COMMITTEE
MEETS WITH CLEARING HOUSE COMMITTEE WEDNESDAY STOP DOING ALL WE CAN IN
BOND MATTER BUT **BIG CHIEF** NOT CONSULTING RESERVE CIRCLES TO ANY EXTENT

PIERRE JAY

1056PM

Attached is conversation with Sir Hardman Dewar [See
Bpt. Treman
98
P. 8

FEDERAL RESERVE BANK
OF NEW YORK

CONFIDENTIAL

B.A.W. FINING DEPT.
APR 22 1917 MAY 14 1917
April 16, 1917.

Dear Governor Strong:

I have not had an opportunity until now to write you of the trip I made to Washington on Thursday.

Before doing so let me refer briefly to Mr. Treman's letter describing Mr. Vanderlip's dinner. The suggestion I made was that there should be stated meetings, not occasional meetings, between the Clearing House Committee and our bank. The desirability of stated meetings was brought out by several who spoke afterwards and I hope that this can be carried into effect. No matter how brief they are, provided they are stated, will rob them of any emergency aspect and make the intercourse much more normal than if they were convened on call. At least, this is the way it strikes me. I also suggested that from time to time it might be well to have one or more members of the Federal Reserve Board present and this was also favorably received. I spoke of the whole plan to Warburg in Washington on Thursday and he seemed very much pleased with it.

I went over to Washington for two things; one, to talk with Mr. Warburg about one or two small changes in the state bank membership amendment, which I think he agreed to; and two, to have a little chat with the Secretary, if possible, about the relation of the Reserve System to bond issues.

On arrival I met with Mr. Warburg and Governor Harding. They said that they knew nothing about the matter except what appeared in the newspapers. Governor Harding in particular seemed very dispirited

and discouraged. I told him that I would like to see the Secretary for a few minutes as the Secretary had asked me a fortnight before to suggest any plans whereby the Reserve System could be of assistance in bond issue matters, and asked him if he would like to arrange an appointment. He said he thought that I had better arrange it! I had very good luck and saw the Secretary for about fifteen minutes. He was very busy but feeling very good about having just gotten a unanimous report from the Senate Committee on the bond bill. My suggestion was that the Federal reserve bank in each district should be appointed the active fiscal agent of the government and held responsible for the organization of such committees as were necessary to arrange for the distribution of bonds within the district. Such committees would naturally cooperate with respect to the national aspects of the situation, especially the publicity and educational features. I asked him if he would be good enough to indicate to the Reserve banks as soon as practicable what part they were to play in the matter so that they could lose no time in preparing themselves intelligently for the exercise of their functions. He made no comment on the suggestion beyond saying that he wished to have the active cooperation of the banks. He said, however, that he would not make up his mind as to the methods to be employed until the bill had actually become a law and until he had had an opportunity of consulting the bond men throughout the country in whose judgment he had confidence. He said that he had already received various suggestions with regard to the amount of bonds which should be placed in the first issue, running all the way from one billion to two and a half billions. He said that the best estimate he could get of the time necessary to prepare the ground for the offering of bonds was about 60 days. He felt that the actual

campaign itself should be very short and sharp, perhaps a fortnight.

I got at least this result from the conference, - that there was no use of our worrying about our connection with the matter for the next week or ten days and that he had no idea of offering the whole five billions at once. Those two things made the trip at least worth while. I did not like to keep him longer than necessary as he was extremely busy and said so. I rather got the impression that there would not be over much consultation with Federal reserve circles, that he would make up his mind and then tell us what he was going to do and what we were to do. Of course, you can readily recognize what a satisfactory position this is for those connected with the System!

On Friday morning Mr. Alexander came in and Mr. Treman and I had quite a long talk with him, during the course of which he outlined the plan which he had proposed some little time ago very confidentially, looking towards the establishment of a national committee to take charge of the distribution of the bonds with the Federal Advisory Council as its nucleus. The reason for the selection of the latter was because it was an efficient body already in existence with a very representative personnel, which, with additions here and there, would be an effective body. He felt that the creation of a national committee would be more effective than local district committees. I fully agree that there should be national conferences, but I rather feel that if the matter is organized outside of the Federal Reserve System we shall be likely to sink into the position of a mere depositary, which is not the part I should like to see us play in this important matter. I am going to try to have a little talk during the next day or two with some bond men in the city with whom I think the Secretary is apt to consult in order to get their views on the subject.

I mentioned to Mr. Alexander the question of the depositing of the proceeds only with member banks or with the member and nonmember banks where the funds originated. He said that he thought we would gain much more by acting in a big broad way and recognizing all kinds of banks than by merely depositing with member banks. Gregory, of Rochester, had expressed a similar view the day before in our office. He said the non-member banks would be pretty cool towards the matter if they were ignored in deposits.

At 1:30 Friday I went up to lunch with the executive committee of the Advisory Council. There were present Messrs. Rue, Morgan, Wing and Row; Morgan being ill. They expressed the same view in regard to depositing with nonmember banks.

I find, however, that the Federal Reserve Act is very specific and does not permit the Treasurer to deposit with any but member banks. Mr. Warburg, I think, is rather keen to have the funds all actually transferred to us and let us lend them back by rediscounts to our member banks. I gather from your bully letter of April 4th, for which I have not thanked you, that you have somewhat the same idea, based on the experience and practice of the Bank of England. I think, however, that considering the size of our country and the size of the transaction, that we ought to handle the matter with the least possible dislocation of funds and credit and that therefore, as far as possible, the funds should be left where they originated until actually needed, at which time they should be drawn into the Federal reserve banks and checked upon there by the Government. Whether this should be done in the form of deposits in member banks (or in member and nonmember banks) or by way of payments in instalments, is largely a detail, except that the former method introduces the principal of direct

Government deposits in member banks, which Warburg objects to. With regard to the member banks getting back the money by rediscounting I do not feel as though rediscounting had become normal enough in this country to make this a method which would be availed of sufficiently freely to prevent much dislocation. Certainly there is no discount market by which we could return the funds promptly to the use of commerce and industry.

This has been a good deal of a digression. To return to the meeting of the Advisory Council's committee, the main thing discussed was the transfer of the funds without disturbing conditions, the principles which should obtain in the taxation, the amount of bonds which should be placed on the first issue, the opinion there being not more than one billion with a fixed limit of amount, so as to produce substantial over-subscription and enthusiasm, the idea being that the first issue would be merely a feeler which would enable more intensive plowing later in fields that seemed promising. I also discussed with them the Hayes bill which, as I think you know, proposes to put a tax of 1/10 of one per cent on the checks of all nonmember banks which do not keep a balance with their Federal reserve bank under an amendment now proposed by the Federal Reserve Board. There was some talk of bringing out this bill in connection with the proposed amendment. I have been urging that it should at least be postponed until after the amendment was passed and we had given the state institutions an opportunity to keep deposits with us voluntarily. We also find that in many of the states, New York for instance, the laws would not permit nonmember institutions to keep such deposits, which seems something of a snag to say the least. The more I think of this bill the more I believe it would be inadvisable to bring it along at the present time or in the near future. We ought first to get our state bank amendments through

and then go at them and get a lot of voluntary members and depositors. Later on this might be introduced as a lash to bring in the laggards, but just at present it would serve to stir up and solidify intense opposition to the System at a time when the System is just about to have its first test and wants the good will of all as far as possible rather than the ill will of nearly three quarters of the banks of the country. I think it extremely doubtful whether it would pass, and if it should be brought up, fought out and defeated we would be in a much worse position than if it had never been broached. Incidentally it would be impossible for the Federal Reserve System to avoid taking a position on one side or the other of such a fundamental fight as this would be.

At the bottom of page 3 in your letter of April 4th you say, "The crux of the arrangement really lies in the willingness of the Secretary of the Treasury to make the fiscal agency of the Reserve banks an active one." I fully agree with this. I fear, however, that we are not to be put in a very responsible position. I rather think the Secretary is apt to want to have a pretty active hand in dealing with the matter himself.

Your telegram just received regarding Cunliffe, etc., emphasizes the desire that we should have an important position in the financing. I think I will try to see one or two people to-morrow on this subject who may have some influence in presenting this view.

I will talk over with Mr. Treman to-morrow your suggestions with regard to Lord Cunliffe, who by the way, the papers say has arrived in Canada, and will find out from Mr. Morgan on his return from Washington, probably Wednesday, what his plans are and advise you.

I have just been advised that the Senate put an amendment to the bond bill permitting the Secretary to deposit the funds with nonmember

banks. I have not, however, seen the text of this.

We have discussed your suggestion that we should expand our force in view of the new developments. We are doing this as far as the clerical staff is concerned as fast as we can find the people, but this is extremely difficult as you may imagine. We have felt that we had better wait a few days longer before expanding our staff among the higher salaried men to see what our connection with the situation will be. In the meantime we are making inquiries as to men we could possibly obtain temporarily from banks or bond houses to help us.

Yesterday, I engaged R. M. Gidney as my assistant. You will remember that he was with Miller in Washington for two years and of late has been on the examining staff of the Federal Reserve Board. I think that he is promising material and at any rate was the most available person in sight.

We had a very interesting talk on Saturday morning with Sir Hardman Lever whom James Brown brought in. I enclose copy of memorandum of our conversation which I dictated afterwards.

Sincerely yours,

Pierre Jay
Chairman. *R.H.*

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH
Enc.

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
5:00 p.m.
Postal

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 18, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Col.

Unable yet to get news of arrival of commission Stop Our organization being
expanded Stop Very satisfactory conference with clearing house committee this
afternoon

Pierre Jay.

Chge. Federal Reserve Bk.
120 Broadway.

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

RECEIVED AT MAIN OFFICE
WEST & CRAWMER BUILDING
220 17TH STREET
DENVER, COLO.
TELEPHONE: MAIN 4500

TELEGRAM

DELIVERY NO.

489

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

18D-30696

DESIGN PATENT No. 40529

83 CB K 24 4P

CB NEW YORK APRIL 18-17

BENJAMIN STRONG

4100 MONTVIEW BLVD DENVER COLO.

UNABLE YET TO GET NEWS OF ARRIVAL OF COMMISSION STOP

OUR ORGANIZATION BEING EXPANDED STOP VERY SATISFACTORY CONFERENCE

WITH CLEARING HOUSE COMMITTEE THIS AFTERNOON.

PIERRE JAY

B.A. Jr.

APR 19 1917

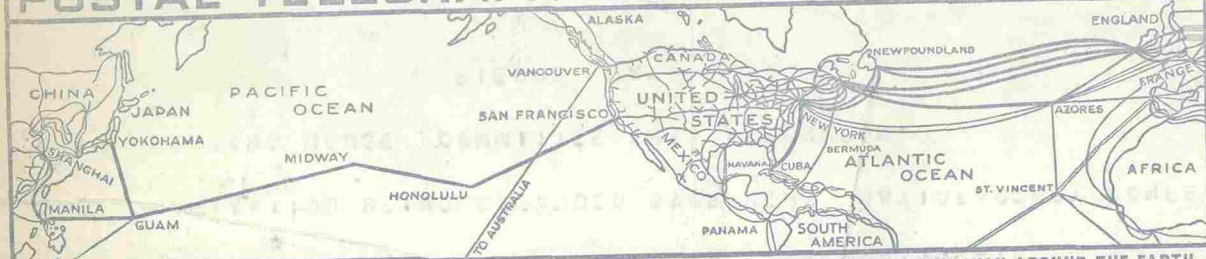
TELEPHONED

To *Sect. 130 F*

By *LC*

Time *4:08 pm*

POSTAL TELEGRAPH-COMMERCIAL CABLES



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

OPERATOR'S NOTATIONS,
TIME SENT, ETC.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same, nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 CIPHER OR OBSCURE TELEGRAMS.~~
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PREST AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

CLASS OF SERVICE	
Day Message	
Letter	
Message	
Class A Service is designated the telegram will be transmitted as a fast day message.	

COPY OF WESTERN UNION TELEGRAM

12. A. Jr.
APR 22 1917

New York City, April 21, 1917.

Benjamin Strong,
Denver.

New York bank and the bankers subscribed over \$100,000,000 at 2-1/2% stop. Change in rate has completely changed attitude stop. Bankers now enthusiastic about issue and additional subscriptions coming in stop. Other cities subscribing heavily also stop. Probably issue will be increased to meet demands.

Pierre Jay.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

WESTERN UNION TELEGRAM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CEIVED AT

1917 APR 21 PM 4 22

B238CH 50 BLUE

Q NEW YORK NY 1201P 21

BENJAMIN STRONG 1132

4100 MONTVIEW BOULEVARD DENVER COLO

NEW YORK BANKS AND BANKERS SUBSCRIBED OVER ONE HUNDRED MILLION DOLLARS AT TWO AND A HALF PERCENT STOP CHANGE IN RATE HAS COMPLETELY CHANGED ATTITUDE STOP BANKERS NOW ENTHUSIASTIC ABOUT ISSUE AND ADDITIONAL SUBSCRIPTIONS COMING IN STOP OTHER CITIES SUBSCRIBING HEAVILY ALSO STOP PROBABLY ISSUE WILL BE INCREASED TO MEET DEMAND

PIERRE JAY.

J. H. 1306
J. M. Carlton
Ag 457 Mailed

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

RECEIVED AT MAIN OFFICE

1000 & CRAMMER BUILDING
17TH STREET
DENVER, COLO.
TELEPHONE MAIN 4500

TELEGRAM

DELIVERY NO.

482

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

180-30696

DESIGN PATENT No. 40529

APR 22 1917

435CH 0 11 139P

CB NEWYORK APR 21 17

BENJ STRONG

4100 MONT VIEW BLVD DENVER

NO NEWS YET FROM GUNLIFFE ALTHOUGH PAPERS INDICATE COMMISSION HAS
ARRIVED

PIERRE JAY

POSTAL TELEGRAPH-COMMERCIAL CABLES

OPERATOR'S NOTATIONS,
TIME SENT, ETC.



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the unreported telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same, nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 CIPHER OR OBSCURE TELEGRAMS.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT,
EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Postal
12:45 p.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 21, 1917.

Benjamin Strong, Esq
4100 Montview Boulevard
Denver Col

No news yet from Cunliffe although papers indicate Commission has arrived

Pierre Jay

Chgo. Fed. Res. Bank
120 Broadway

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Western Union
11:45 a.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 21, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Col.

New York banks and bankers subscribed over one hundred million dollars at two and a half percent Stop Change in rate has completely changed attitude Stop Bankers now enthusiastic about issue and additional subscriptions coming in Stop Other cities subscribing heavily also Stop Probably issue will be increased to meet demand

Pierre Jay

Chge. Fed. Reserve Bank
120 Broadway

B-2

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

RECEIVED AT MAIN OFFICE

ST & CRAMMER BUILDING
20 17TH STREET
DENVER, COLO.
TELEPHONE: MAIN 4500

TELEGRAM

DELIVERY NO.

539

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

10D-30696

DESIGN PATENT No. 40529

134GS.SV. 542pm 19

CB Newyork April, 23, 1917

Benj. Strong,

4100 Montview Bldg. Denver Colo.

afternoon

Will see Counliffe washington tomorrow/ and wire you plans understand

it is uncertain whether commission goes to chicago

Pierre Jay.

9/1308
TELEPHONED
To _____
By LC
Time 555

POSTAL TELEGRAPH-COMMERCIAL CABLES



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

OPERATOR'S NOTATIONS,

TIME SENT, ETC.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same, nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 CIPHER OR OBSCURE TELEGRAMS.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CLARENCE H. MACKAY, PRESIDENT.

EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES ADAMS,
VICE-PRESIDENT

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

FEDERAL RESERVE BANK
OF NEW YORK

April 23, 1917.

Dear Governor Strong:

I have your letter of April 19th relating to the conference with the Clearing House Committee. I presume that Mr. Treman has written you about this as he is a most faithful correspondent of yours.

We did not take up the question of settling for members, feeling that it was better to let that go along of its own accord. If the amendments to the Federal Reserve Act pass, the banks will all have to settle with us. If not, I think that the larger ones will come along one by one. Already one half of the banks are settling.

Very truly yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

April 23, 1917.

Dear Governor Strong:

We have just had the enclosed telegram from Washington regarding the note issue. These notes are going to be made payable at the Treasury of the United States or at any Federal reserve bank. I believe that our subscriptions to them amount to about \$140,000,000. The probability is that the Secretary will increase the issue if he finds it has been over-subscribed as it certainly has been.

I will have a talk with the Board to-morrow about methods of putting out future issues of these certificates and will wire you the views which seem to prevail there.

Very truly yours,

Pierre Jay
R.H.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

COPY OF TELEGRAM RECEIVED FROM WASHINGTON

April 23, 1917.

Revoking all previous instructions, you are now requested to close your subscription list for Treasury certificates Tuesday morning at ten o'clock, your time, telegraphing me at once total amount subscribed. Upon receipt of all telegrams Secretary of Treasury will make allotments and will wire you amount of certificates bearing date April 25th placed at your disposal which will either be forwarded to you or held here for your account pending your detailed instructions. You can issue your interim receipts against which you should receive payment on Wednesday placing proceeds to the credit of the United States Treasurer, wiring him during business hours Tuesday amount which will be placed to his credit on Wednesday. Subscriptions received by you after ten o'clock Tuesday morning will be dealt with in a few days by additional allotments.

FEDERAL RESERVE BANK
OF NEW YORK

April 23, 1917.

Dear Governor Strong:

We have been having a meeting to-day of all the up-district examiners, including Mr. Malburn and his chief assistant, Mr. Richmond. We all feel that it has been a most satisfactory day for us and I think the examiners are pleased with it on the whole. A suggestion was made an hour or two ago that it should be a quarterly affair and Mr. Malburn expressed himself as thoroughly in sympathy with this idea. What a change!

Mr. Sailer had the meeting well organized under topics, etc., and has been managing most of it as I have had to be hopping about in regard to the sale of the Treasury notes and other matters which, by the way, have been greatly facilitated by our private wire to Washington installed yesterday. The examiners expressed the view that during the past year there has been a distinct change in opinion among the banks for the better towards the Federal Reserve System.

I will take up the question of the Trust Companies article and see whether it seems feasible to distribute it to the various clearing houses.

Very truly yours,

Pierre Jay
R.H.

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

RJ/RAH
Western Union
10:30 a.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 23, 1917.

Benjamin Strong, Esq.,
4100 Montview Boulevard
Denver, Col.

Have arranged with Board to advise me regarding Cunliffes plans as soon as possible and will then wire you Stop Commission probably going Chicago You might see Cunliffe there Stop Have installed private Washington wire Stop Secretary McAdoo giving dinner for Cunliffe Tuesday Treman Aiken Rhoads Seay and I are invited Wish you were going to be there

Pierre Jay

Chge. Federal Reserve Bank
120 Broadway, N. Y.

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Postal
5:15 p.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 23, 1917.

Benjamin Strong, Esq.,
4100 Montview Boulevard
Denver, Col.

Will see Cunliffe Washington tomorrow afternoon and wire you plans Understand
it is uncertain whether commission goes to Chicago

Pierre Jay

Chge. Federal Reserve Bank
120 Broadway.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

A 106A 58 BLUE

Q NEWYORK NY 1031A 23

BENJAMIN STRONG 1508

4100 MONTVIEW BLVD DENVER COLO

HAVE ARRANGED WITH BOARD TO ADVISE ME REGARDING CUNLIFFES PLANS

AS SOON AS POSSIBLE AND WILL THEN WIRE YOU STOP COMMISSION

PROBABLY GOING CHICAGO YOU MIGHT SEE CUNLIFFE THERE STOP HAVE

INSTALLED PRIVATE WASHINGTON WIRE STOP SECRETARY MCADOO GIVING DINNER

FOR CUNLIFFE TUESDAY TREMAN ATKENS RHOADS SEAY AND I ARE INVITED

WISH YOU WERE GOING TO BE THERE

PIERRE JAY.

1917 APR 23 PM 8

Yfk 1308

None No: *Refused*
 Sent to *Refused*
 to be *Refused*

CLASS OF SERVICE	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	
If no class of service is designated the telegram will be transmitted as a fast day message.	

COPY OF WESTERN UNION TELEGRAM

New York City,
April 23, 1917.

Benj. Strong,
Denver.

Will see Cumliffe Washington tomorrow afternoon and wire you
plans. Understand it is uncertain whether commission goes to Chicago.

Pierre Jay.

FEDERAL RESERVE BANK
OF NEW YORK

April 23, 1917.

Dear Governor Strong:

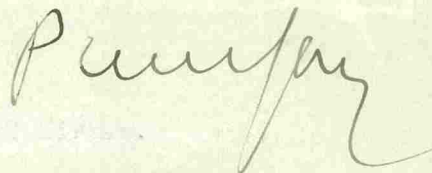
I have your letter of April 19th in which you ask me to keep you advised of Lord Cunliffe's arrival, etc. This was announced in the papers yesterday and you no doubt saw it in the Denver papers this morning.

I have been trying to get you on the telephone this afternoon to tell you that the Federal Reserve Board has arranged to have the Bank of England open special accounts relating only to the proceeds of note and bond issues in each of the Federal reserve banks, to which the proceeds of certain portions of the note and bond issues will be transferred by the Treasurer of the United States and from which they will be paid out on order on the Bank of England to Morgan or in any other way they may direct. Such accounts with the Bank of England will be entirely outside of any arrangements or relations which may exist by reason of the agreement you have been negotiating.

In case I do not get you on the telephone I want to say that I have talked this over with Mr. Curtis and I do not see that this will be inharmonious with your plan of having one account with the Bank of England in connection with the transactions the agreement contemplates. Curtis, I think, rather feels it would be better to have even this account as a single account with participations, but I believe that on the whole in view of its magnitude and its special purpose the single account method might not be applicable to this special form of transaction.

I am going over to Washington and shall be there part of to-morrow morning and all to-morrow afternoon. I have asked Mr. Warburg to try to arrange for me to meet Lord Cunliffe and establish relations. Treman and Aiken are going over on the twelve o'clock train and will not reach there till just before the dinner hour. I will wire you after I have seen him,

Faithfully yours,



Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Day Message	Nite
Day Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT

DUPLICATE OF TELEPHONED TELEGRAM

1917 APR 25 PM 6 31

A480SX 30

US WASHINGTON DC 715P 25

BENJAMIN STRONG

1372

4100 MONTVIEW BLVD DENVER COLO

CUNCLIFFE WILL TELEPHONE YOU THURSDAY OR FRIDAY HIS PLANS VERY TO BE
UNCERTAIN SUGGEST YOU DELAY DECISION TILL AFTER TELEPHONING STOP
AGREE WITH WARBURGH TELEGRAM REGARDING YOUR PARTICIPATION BOND
MATTERS AT PRESENT

JAY.

RUSH DELIVERY

SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

DUPLICATE OF TELEPHONED TELEGRAM

1917 APR 25 AM 6 19

B113CH 113 NL

WASHINGTON DC 24

BENJAMINE STRONG

627

4100 MONTVIEW BLVD DENVER COLO

CUNLIFFES PLANS VERY UNCERTAIN HE MAY NOT COME TO
NEW YORK HAVE BEEN UNABLE TO SIT DOWN AND DISCUSS MATTERS
TODAY BUT SHALL DO SO TOMORROW AND ADVISE FURTHER STOP
SECRETARY DECIDED TO INCREASE ISSUE CERTIFICATE TO TWO
HUNDRED FIFTH MILLIONS EQUALLING AMOUNT SUBSCRIBED
STOP OF THIS NEW YORK TOOK ONE HUNDRED THIRTY FIVE
STOP TWO HUNDRED WILL BE DISBURSED TOMORROW BY OUR BANK THROUGH ACCOUNT

71308

Ben Strong
7520 111-940
Va. Wt. to be mail

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

627

B113CH SHEET TWO

DUPLICATE OF TELEPHONED TELEGRAM

1917 APR 25 AM 6 19

IN NAME OF UNITED KINGDOM ETCETERA STOP OURS WILL BE ONLY BANK TO HAVE
THIS ACCOUNT STOP HAVE MADE ALL ARRANGEMENT FOR WASHOUT
OF TRANSACTION SO AS TO REDUCE DISTURBANCE TO MINIMUM
STOP PRESENT INDICATIONS ARE THAT RESPONSIBILITY FOR COMING BOND
ISSUE WILL BE GIVEN LARGELY TO OUR SYSTEM

PIERRE JAY DC.

FORCED TO

TIME 7:50a

W

Benz
WILL GILL

to to

4/2

49

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L
If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L
If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.	

RECEIVED AT

D178CH 72 BLUE **DUPLICATE OF TELEPHONED TELEGRAM**

Q NEWYORK NY 515P 26

BENJ. STRONG

1336

4100 MONTVIEW BLYD DENVER COLO

ENDEAVORING TO SECURE CUNLIFFE FOR TUESDAY OR WEDNESDAY EVENING HE
IS DISCUSSING INVITATION WITH ASSOCIATES WE HOPE TO HEAR TOMORROW
MORNING SUGGEST FOLLOWING NAMES FOR DINNER VANDERLIP ALEXANDER
WIGGIN HINE SABIN PROSSER MORGAN THORNE FREW WOODWARD MCGARRAH
SCHIEF LIST INCLUDES ALL MEMBERS CLEARING HOUSE COMMITTEE EXCEPT
OWNSEND AND MARTINDALE LATTER IS ILL SUGGEST ALSO PEABODY AND SIR
HARDMAN LEVER BRITISH TREASURY REPESENTATIVE SUGGEST CONSIDERING
LEWIS CLARKE PLEASE WIRE YOUR SUGGESTIONS IN MORNING
PIEGRE JAY.

APR 26 PM 6 17
1336
626
BY *As* *to be mailed*

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

New York, Apr. 26, Five o'clock P. M.

Benj. Strong,
Denver.

Endeavoring to secure Cunliffe for Tuesday or Wednesday evening. He is discussing invitation with associates. We hope to hear tomorrow morning. Suggest following names for dinner: Vanderlip, Alexander, Wiggin, Hine, Sabin, Prosser, Morgan, Thorne, Frew, Woodward, McGarrah, Schiff. List includes all members of Clearing House committee except Townsend and Martindale, latter is ill. Suggest also Peabody, Sir Hardman Lever, British Treasury representative. Suggest considering Lewis Clarke. Please wire your suggestion in morning.

Sg. Pierre Jay.

2 Jim Brown -
1 Stephens -
3 Townsend -
4 Aiken -

} Expect you, Drewman & Curtis.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. If one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH. In consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Western Union Day Letter
5:45 p.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

April 26, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Colorado

Endeavoring to secure Cunliffe for Tuesday or Wednesday evening He is discussing invitation with associates We hope to hear tomorrow morning Suggest following names for dinner Vanderlip Alexander Wiggin Hines Sabin Prosser Morgan Thorne Frew Woodward McGarrah Schiff List includes all members clearing house committee except Townsend and Martindale Latter is ill Suggest also Peabody and Sir Hardman Lever British Treasury representative Suggest considering Lewis Clarke Please wire your suggestions in morning

Pierre Jay

B-2 Chge. Fed. Res. Bank
120 Broadway

J. P. Morgan,

J. P. Morgan & Company.

Seward Prosser,

President, Bankers Trust Company.

Charles H. Sabin,

President, Guaranty Trust Company.

Jacob H. Schiff,

Kuhn, Loeb & Company.

G. G. Thorne,

Vice President National Bank

FILING DEPT.

MAY - 3 1917

FEDERAL RESERVE BANK

might
If none
appears
words
wise
sym

accepted
no-

Lord Cunliffe
Sir S. Hardman Lever

accepted

H. P. Larison

Accepted

J. S. Alexander, President, National Bank of Commerce.

"

James Brown, Brown Brothers & Company.

"

L. L. Clarke, President, American Exchange National

"

W. E. Frew, President, Corn Exchange Bank.

no-

A. B. Hepburn, Chairman, Chase National Bank.

accepted

F. L. Hine, President, First National Bank.

"

G. W. McGarrah, President, Mechanics & Metals National

"

J. B. Martindale, President, Chemical National Bank.

"

J. P. Morgan, J. P. Morgan & Company.

no-

Seward Prosser, President, Bankers Trust Company.

accepted

Charles H. Sabin, President, Guaranty Trust Company.

"

Jacob H. Schiff, Kuhn, Loeb & Company.

"

G. G. Thorne, Vice President, National Park Bank.

declined

(Edward)

E. H. Townsend, President, Importers & Traders National

declines

F. A. Vanderlip, President, National City Bank.

accepted

A. H. Wiggin, President, Chase National Bank.

Accepted

William Woodward, President, Hanover National Bank.

"

Benj. Strong, Governor, Federal Reserve Bank.

"

R. H. Treman, Deputy Governor, Federal Reserve Bank.

"

J. F. Curtis, Secretary, Federal Reserve Bank.

"

Pierre Jay, Chairman, Federal Reserve Bank.

"

Geo. Foster Peabody, Deputy Chairman, Federal Reserve Bank

Geo. F. Baker, Ch. 1st Nat'l Bank

Walter C. Cuffie, 1st Baron, of Aradly.

At. Hon. Arthur James Balfour
P.C. F.R.S.

THE SECRETARY OF STATE
FOR THE DEPARTMENT OF AGRICULTURE
AND FISHERIES
LONDON
SIR,
I have the honor to acknowledge the receipt of your letter of the 14th inst. in relation to the above-named subject, and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

I am, Sir, very respectfully,
Yours faithfully,
ARTHUR JAMES BALFOUR
Secretary of State
for the Department of Agriculture
and Fisheries

Very truly,
Yours,
A. J. B.

RECEIVED
MAY 2 1914
LITTON DEL.

SYMBOL

Blue

Nite

N L

these three symbols
for the check (number of
is a day message. Other-
character is indicated by the
appearing after the check.

WESTERN UNION TELEGRAM



CLASS OF SERVICE

SYMBOL

Day Message

Day Letter

Night Message

Night Letter

Blue

Nite

N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

NEWCOMB, CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT

16 DEY ST. N. Y.

B54CH 88 NL

1917 APR 27 AM 4 50

DENVER COLO 26

PIERRE JAY

9098

FEDERAL RESERVE BANK NEW YORK NY

APPROVE ALL DEFINITE SUGGESTIONS FOR DINNER INCLUDING PEABODY AND
LEVER STOP YOU TREMAN AND CURTIS OF COURSE STOP FOLLOWING
ADDITIONS IN ORDER NAMED HEPBURN JIM BROWN LEWIS CLARKE TOWNSEND AND
AIKEN/STOP PARTICULARLY ANXIOUS MORGAN ATTEND IF HOWEVER IMPOSSIBLE
UBSTITUTE DIVISON OR LAMONT/STOP LATER DATE WILL SUIT ME AS WELL
IF MORE CONVENIENT STOP ABOUT BOND PLAN SUGGEST YOU SUBMIT ALL SUGGESTIONS
IN WRITING TO SECRETARY IN BRIEF TABULATED FORM SENDING COPIES

TELEGRAM

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

RECEIVED AT

1917 APR 27 AM 4 50

B54CH SHEET TWO
TO BOARD TO AVOID CRITICISM STOP FEELING TIP TOP AND KEEN TO SEE
YOU ALL

BENJAMIN STRONG.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT

DUPLICATE OF TELEPHONED MESSAGE

1917 APR 26 PM 5

B528A 41BLUE

Q NEWYORK NY 130P 26

BENJAMIN STRONG 1331

4100 MONTVIEW BLVD DENVER COLO

REPLYING YOURS TWENTY SECOND HARDING AND DELANO ARE URGING SECRETARY
TO MAKE SYSTEM RESPONSIBLE FOR BOND ISSUE ACCORDING TO MY PLAN STOP
THEY THINK IT INADVISABLE FOR ME TO WRITE SECRETARY BILL PERMITS AND
CONTEMPLATES DEPOSITS WITH MEMBER AND NONMEMBER BANKS

PEIRRE JAY.

POSTAL TELEGRAPH - COMMERCIAL CABLES

RECEIVED AT MAIN OFFICE
WEST & CRAMER BUILDING
920 17TH STREET
DENVER, COLO.
TELEPHONE: MAIN 4800

CLARENCE H. MACKAY, PRESIDENT

TELEGRAM

DELIVERY NO.

501

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

100-30496

DESIGN PATENT No. 40829

75 CB. N. 21

3:29pm.

CB., NEW YORK, Apl. 27, 1916

Benjamin Strong, Esq.,

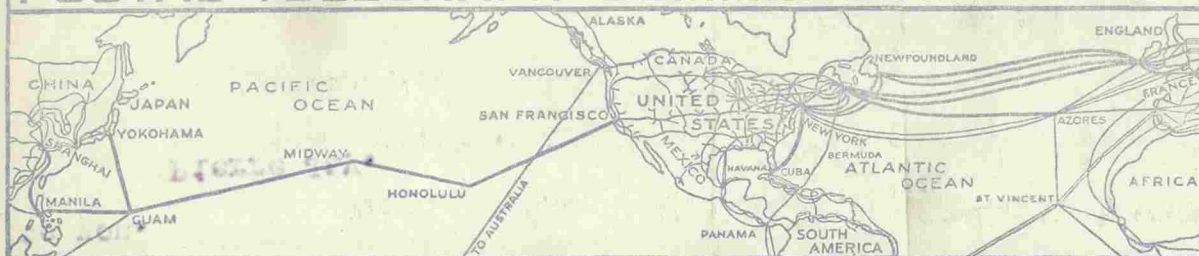
4100 Montview Blvd., Denver, Colo.

Lord Cunliffe accepts for Tuesday evening unless called home sooner
stop. Starting dinner arrangements immediately stop. A comfortable trip
to you.

Pierre Jay.

TELEPHONED
To Sect.
By PC
Time 3:30 pm

POSTAL TELEGRAPH-COMMERCIAL CABLES



OPERATOR'S NOTATIONS,
TIME SENT, ETC.

THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum received for sending the same, UNLESS SPECIALLY VALUED; nor in any case for delays arising from unavoidable interruption in the working of its line; NOR FOR ERRORS IN OTHER OR OBSCURE TELEGRAMS.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PREST. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

CLASS OF SERVICE DESIRED	
☐ Day Message	
☐ Day Letter	
☐ Night Message	
☐ Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

New York City, Apr. 27,

Mr. Benj. Strong,
Denver.

Lord Cunliffe accepts for Tuesday evening unless called home sooner
stop. Starting dinner arrangements immediately stop. Comfortable trip to
you.

Pierre Jay.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. *his, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.*

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 in all respects subordinate to the priority of transmission and delivery of regular telegrams.

Day Letters shall be written in plain English. Code language not permissible.
Federal Reserve Bank of St. Louis

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT

TELEGRAM

DELIVERY NO.

RECEIVED
JUN 30 1896
Tel. Wash. 2070

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

1896-619

DESIGN PATENT No. 40529

49chrj 26 Govt 1026A

new York NY May 14-17

Benj Strong Esq

Med Res Bank Chicago Ills

Telegram received our committee in Washington worked steadily till Sunday afternoon think prospectus now extremely satisfactory application blank requires applicant to state bank on which check will probably be drawn have examined additional office space which can be hired when organization is determined stop organization can progress rapidly now that details are completed shall now take up with committee question of security for government deposits

Pierre Jay

POSTAL TELEGRAPH-COMMERCIAL CABLES



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD.

EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

OPERATOR'S NOTATIONS
TIME SENT, Etc.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum received for sending the same, UNLESS SPECIALLY VALUED; nor in any case for delays arising from unavoidable interruption in the working of its line; NOR FOR ERRORS IN CIPHER OR OBSCURE TELEGRAMS.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
10:45 a.m.
Postal

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

May 14, 1917.

Benjamin Strong Esq
Care Federal Reserve Bank
Chicago Ill

Telegram received Our committee in Washington worked steadily till Sunday afternoon Think prospectus now extremely satisfactory Application blank requires applicant to state bank on which check will probably be drawn Have examined additional office space which can be hired when organization is determined Stop Organization can progress rapidly now that details are completed Shall now take up with committee question of security for Government deposits

Pierre Jay

Official business
Government rate
Charge Treasury Department

FEDERAL RESERVE BANK
OF NEW YORK

B.A.K.
MAY 19 1917

May 15, 1917.

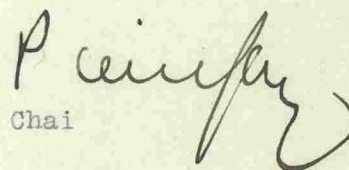
Dear Governor Strong:

I understand there is a substantial volume of French coin in the present gold we purchased from Morgan. What would you recommend with regard to keeping this coin if we can arrange to purchase it from Morgan & Company on a satisfactory basis?[?] Some time ago I believe you felt that there was some doubt as to the advisability of our keeping French coin.

I understand that there are no sovereigns in the shipment.

The question has also arisen as to whether we should purchase any more gold if more should come in from abroad. We have at present about \$70,000,000. which will give us quite a round amount of bars.

Very truly yours,


Chai

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Cal.

PJ/RAH

FEDERAL RESERVE BANK
OF NEW YORK

B.A. Jr.

May 17, 1917.

MAY 22 1917

Dear Governor Strong:

At our Liberty Loan meeting yesterday the resolution enclosed herewith was brought up, and after some discussion was passed, the last paragraph of the resolution being omitted and Mr. Woodward and I refraining from voting. I think that there was rather a feeling among the bankers present that the matter should be taken as an expression of their desire that the Federal reserve bank should help than as an expression of their opinion as to the exact course to be followed.

The publicity committee is getting on a splendid head of steam, and the distribution committee is also doing mighty good work. Mr. Woodward's committee has gotten to work and Mr. Gregory is at the head of that department with Brady as his chief assistant and I believe Ashmead of Morgan looking after the subscription end of it.

There is a meeting in Washington to-day of two representatives from each of the Federal reserve districts to unify the accounting and general methods of handling the loan. Mr. Anderson has been in Washington quite a little of late and is there again to-day, our representatives being Messrs. Anderson, Gregory and Forbes. Mr. Emerson is also over there to meet the publicity men of some of the nearby district committees.

5/17/17.

I hope this is the last time we shall have to have recourse to Washington by our important people.

The Hardwick amendment has been attached firmly to the Federal Reserve Board's amendment bill in both Houses. The bill is now in conference and it is hoped that it will come out to-day.

I will try to write you later from time to time; this is just a few jottings that occur to me at the moment.

Very truly yours,



P. S. I understand that the bill permitting the state institutions to keep their cash reserves with us even though they are not members of the System is now before Governor Whitman, having passed both houses. I assume that there is no question about its being adopted.

*Later, There is a fierce fight
on against the Hardwick
Amendment*

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Col.

PJ/RAH
Enc.

By Mr. Schiff

W H E R E A S it is of the greatest importance, in order to avoid money market disturbance, that as large an amount as possible of Government short term certificates of indebtedness be placed, preparatory to the issuance of long term loans,

R E S O L V E D that this committee urge that the Federal Reserve Bank recommend a special rate for rediscount to member banks of commercial paper running for not longer than ninety days, equal to the rate of interest at which the Government certificates of indebtedness are issued, on condition that banks availing themselves of such special rediscount rate purchase through the Federal reserve bank Government certificates of indebtedness to an amount equal to such rediscounts, and further

R E S O L V E D that this committee urge upon banks in this district to avail themselves to the fullest possible extent of such facilities for converting commercial paper held by them into Government certificates of indebtedness.

CLASS OF SERVICE DESIRED	
Day Message	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

New York City, May 17, 1917.
6:40 P. M.

Benjamin Strong,
Denver.

Insistent demand every day from Liberty Loan Committee of our distributing committee that reserve bank shall establish rate for rediscount of loans and government bonds stop. Warburg reports same demand from other Reserve districts and thinks we should act soon. Treman, Curtis and I feel 3-1/2% is proper rate. Some members Loan committee favor 3% stop. Warburg thinks 3-1/2% proper rate. Please wire your views stop. Amendments in conference but report delayed owing to tremendous opposition to Hardwick amendment by commercial interest. Amendment may not be passed for several days stop. Vanderlip touring larger cities of state. Reports insistent from private bankers to know what Federal Reserve bank will do stop. Have we not got to make a special rate whether or not the amendments pass. I am satisfied it would clarify situation tremendously if we could act promptly stop. Next issue short term certificates will be announced tomorrow probably at 3-1/4%.

(Sg.) Pierre Jay.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

FEDERAL RESERVE BANK
OF NEW YORK

Sent by

WJ/RAH
Western Union
6:30 p.m.

(SEND TO FILES)

COPY OF TELEGRAM

FILING DEPT.

MAY 19 1917

FEDERAL RESERVE BANK

May 17, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Colorado

Insistent demand each day from Liberty Loan Committee and all distributing committees that reserve banks shall establish rate for rediscount of loans on Government bonds Stop Warburg reports same demand from other Reserve districts and thinks we should act soon Treman Curtis and I feel three and one half per cent is proper rate Some members loan committee favor three percent Stop Warburg thinks three and one half percent proper rate Please wire your views Stop Amendments in conference but report delayed owing to tremendous opposition to Hardwick amendment by commercial interests Amendment may not be passed for several days Stop Vanderlip touring larger cities of state reports insistence on part of bankers to know what Federal reserve bank will do Stop Have we not got to make a special rate whether or not the amendments pass As satisfied it will clarify situation tremendously if we could act promptly Stop Next issue when certificates will be announced tomorrow probably at three and one quarter

FEDERAL RESERVE BANK
OF NEW YORK

Sent by

NJ/RAH
Western Union
Day Letter

592
(SEND TO FILES)

COPY OF TELEGRAM

FILING DEPT

MAY 19 1917

FEDERAL RESERVE BANK

X 413
MAY 16, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Col

Thanks for your telegram Executive committee authorized special rate for Government bond discounts of three and one half percent for ninety day paper subject to change at any time Stop No announcement made yet Stop Discussing matter informally with Board and leading New York bankers Stop Probably reaching definite conclusion Monday Stop We thought it impracticable to obtain guarantees from clearing house members suggested in your telegram but will discuss matters informally with leading bankers Stop Woodward suggesting dinner at his house next week Stop Think matter can be adjusted informally to your satisfaction Rented Mechanics and Metals old building today from month to month

Pierre Jay

COPY

FJ/RAH
Western Union
6:30 p.m.

Day Letter

5/17/17

Benjamin Strong, Esq.,
4100 Montview Boulevard,
Denver, Colorado.

Insistent demand each day from Liberty Loan Committee and all distributing committees that reserve banks shall establish rate for rediscount of loans on Government bonds Stop Warburg reports same demand from other Reserve districts and thinks we should act soon Treman Curtis and I feel three and one half per cent is proper rate Some members loan committee favor three percent Stop Warburg thinks three and one half percent proper rate Please wire your views Stop Amendments in conference but report delayed owing to tremendous opposition to Hardwick amendment by commercial interests Amendment may not be passed for several days Stop Vanderlip touring larger cities of state reports insistence on part of bankers to know what Federal reserve bank will do Stop Have we not got to make a special rate whether or not the amendments pass Am satisfied it would clarify situation tremendously if we could act promptly Stop Next issue short term certificates will be announced tomorrow probably at three and one quarter per cent.

P. J.

WESTERN UNION TELEGRAM



Day Letter	Blue
Day Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

DUPLICATE OF TELEPHONED TELEGRAM
N11NY SQ 22

FY NEWYORK NY 756P MAY 17 1917

BENJAMIN STRONG **1330**

4100 MONTVIEW BLVD DENVER COLO

FORGOT TO SAY THAT NOTES SECURED BY GOVERNMENT BONDS ARE

AVAILABLE AS SECURITIES FOR FEDERAL RESERVE NOTES STOP BOARD HAS

SO RULED

PIERRE JAY

611PM

Handwritten notes:
1308
Strong
617P
to be added in
AM

CLASS OF SERVICE DESIRED	
Day Message	
Letter	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.
Check
Time Filed

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

New York City,
May 17, 1917.

Benj. Strong,
Denver,

Forgot to say that notes secured by government bonds are available
as securities for Federal Reserve notes. Board has so ruled.

(Sg. Pierre Jay.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR SUCH IN CONSIDERATION WHEREOF IT IS AGREED BETWEEN THE SENDER OF THE TELEGRAM 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or observations.*
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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent, thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE	SYMBOL
Day Message	
Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

222NY AZ 104 BLUE

Q NEWYORK NY 248 PM MAY 18 1917

BENJAMIN STRONG

1118

4100 MONTVIEW BLVD DENVER COLO

THANKS FOR YOUR TELEGRAMS EXECUTIVE COMMITTEE AUTHORIZED SPECIAL
RATE FOR GOVERNMENT BOND DISCOUNTS OF THREE AND ONE HALF PERCENT
FOR NINETY DAY PAPER SUBJECT TO CHANGE AT ANY TIME STOP
NO ANNOUNCEMENT MADE YET STOP DISCUSSING MATTER INFORMALLY WITH
BOARD AND LEADING NEWYORK BANKERS STOP PROBABLY REACH DEFINITE
CONCLUSION MONDAY STOP WE THOUGHT IT IMPRACTICABLE TO OBTAIN
GUARANTEES FROM CLEARING HOUSE MEMBERS SUGGESTED IN YOUR TELEGRAMS
BUT WILL DISCUSS MATTERS INFORMALLY WITH LEADING BAKERS STOP

WESTERN UNION



TELEGRAM

Night Letter
 If none of these three symbols
 appears after the check (number of
 words) this is a day message. Other-
 wise its character is indicated by the
 symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
 appears after the check (number of
 words) this is a day message. Other-
 wise its character is indicated by the
 symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

222 NY AZ SHEET 2

STATE OF TELEPHONED TELEGRAM

WOODWARD SUGGESTING DINNER AT HIS HOUSE NEXT WEEK STOP

THINK MATTER CAN BE ADJUSTED INFORMALLY TO YOUR SATISFACTION

RENTED MECHANICS AND METALS OLD BUILDING TODAY FROM MONTH TO

MONTH

PIERRE JAY

358 PM

yfk 1308
 Phone No. _____
 Forwarded to _____
 Time _____
 Initial _____

CLASS OF SERVICE DESIRED	
☐ Day Message	
☐ Letter	
☐ Night Message	
☐ Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

New York, May 18, 1917.

Benjamin Strong,
Denver, Colorado.

Thanks for your telegram. Executive Committee authorized special rate for government bond discount of 3-1/2% for 90 days, paper subject to change at any time stop. No announcement made yet stop. Discussing matter informally with Board and leading New York bankers stop. Probably reach definite conclusion Monday stop. We thought it impracticable to obtain guarantees from Clearing House members suggested in your telegram but will discuss matters informally with leading bankers stop. Woodward suggesting dinner at his house next week stop. Think matter can be adjusted informally to your satisfaction. Rented Mechanics & Metals old building today from month to month.

(Sg.) Pierre Jay.

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

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

FEDERAL RESERVE BANK
NEW YORK

FJ/RAH
Western Union
Day Letter

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

May 18, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Col

Thanks for your telegrams Executive committee authorized special rate for Government bond discounts of three and one half percent for ninety day paper subject to change at any time Stop No announcement made yet Stop Discussing matter informally with Board and leading New York bankers Stop Probably reaching definite conclusion Monday Stop We thought it impracticable to obtain guarantees from clearing house members suggested in your telegrams but will discuss matters informally with leading bankers Stop Woodward suggesting dinner at his house next week Stop Think matter can be adjusted informally to your satisfaction Rented Mechanics and Metals old building today from month to month

Pierre Jay

FEDERAL RESERVE BANK
OF NEW YORK

PJ/RAH
Western Union
Day Letter
4:45 p.m.

(TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

May 22, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Col

Board today approved three and one half percent rate for discounts secured by Government bonds We are circularizing member banks tonight Stop Board still discussing two percent minimum rate Stop Loan matters going well and intense apathy being gradually overcome Stop Books close on issue of three and one quarter percent certificates of indebtedness tomorrow Will probably be somewhat oversubscribed Stop Amendments still in conference while commercial organizations telegraphing Congress against Hardwick amendment Action expected this week on amendments

Chgo. Federal Reserve Bank
120 Broadway

Pierre Jay

B-2

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS OPEN

N2NY LC 79 BLUE

Q NEWYORK NY 645P MAY 22 1917

BANJAMIN STRONG

1410

4100 MONTVIEW BLVD DENVER COLO

RUSH DELIVER

BOARD TODAY APPROVED THREE AND ONE HALF PERCENT RATE FOR
DISCOUNTS SECURED BY GOVERNMENT BONDS WE ARE CIRCULARIZING MEMBER
BANKS TONIGHT STOP BOARD STILL DISCUSSING TWO PERCENT MINIMUM RATE
STOP LOAN MATTERS GOING WELL AND INTENSE APATHY BEING GRADUALLY OVERCOME
STOP BOOKS CLOSE ON ISSUE OF THREE AND ONE QUARTER
PERCENT CERTIFICATES OF INDEBTEDNESS TOMORROW WILL PROBABLY BE SOMEWHAT
OVERSUBSCRIBED STOP AMENDMENTS STILL IN CONFERENCE WHILE COMMERCIAL
ORGANIZATIONS TELEGRAPHING CONGRESS AGAINST HARDWICK AMENDMENT ACTION
EXPECTED THIS WEEK ON AMENDMENTS

PIERRE JAY 553PM

CLASS OF SERVICE DESIRED	
Day Message	
Night Message	
Night Letter	
Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.	

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, VICE-PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

Receiver's No.

Check

Time Filed

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

New York City,
May 24, 1917.

Benjamin Strong,
Denver.

Governor Whitman has signed bill permitting State institutions to keep vault reserves with us. Senator Owen says he feels confident of passage of Reserve Act amendments reported by conference committee. Delighted you are returning so soon. Liberty Loan matters here getting up excellent momentum.

(Sg.) Pierre Jay.

ALL TELEGRAMS TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS

To guard against mistakes or delays, the sender of a telegram should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 cipher or obscure telegrams.

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 telegram, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this telegram is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night message rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS	SYMBOL
Day Message	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

N11NY LC 44 NL

Q NEWYORK NY MAY 24 1917

BENJAMIN STRONG

499

4100 MONTVIEW BLVD DENVER COLO

GOVERNOR WHITMAN HAS SIGNED BILL PERMITTING STATE INSTITUTIONS TO KEEP
VAULT RESERVES WITH US SENATOR OWEN SAYS HE FEELS CONFIDENT
OF PASSAGE OF RESERVE ACT AMENDMENTS REPORTED BY CONFERENCE COMMITTEE
DELIGHTED YOU ARE RETURNING SO SOON LIBERTY LOAN MATTERS HERE
GETTING UP EXCELLENT MOMENTUM

PIERRE JAY

605PM

Phone No.

Foned to

M

7534-38
Phaile

FEDERAL RESERVE BANK
NEW YORKPJ/RAH
Postal
1:10 p.m.

98 (TO BE MAILED)

CONFIRMATION OF TELEGRAM

We have today telegraphed you as follows:

May 24, 1917.

Benjamin Strong Esq
4100 Montview Boulevard
Denver Colorado

Warburg telephones that Secretary Baker has inquired how War Department can best make payment to our soldiers and others in France Warburg will ask for further details today Stop We suggest you consider matter and wire us your suggestions for reply to Warburg tomorrow

Pierre Jay.

Chgo. Fed. Res. Bank
120 Broadway

B-2

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

TELEGRAM

DELIVERY NO.

401

AT MAIN OFFICE

CRANMER BUILDING

17TH STREET

DENVER, COLO.

TELEPHONE: MAIN 4800

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

15-32352

DESIGN PATENT No. 40529

89 CB JA 44 0

CB Newyork may 24 17

Benjamin strong and

134 am

R.A. Jr.

MAY 24 1917

4100 Montview Blvd Denver

warburg telephones that secretary Baker has inquired how war department
can best make payment to our soldiers and others in
france warburg will ask for further details today stop we
suggest you consider matter and wire us your suggestions for
reply to warburg tomorrow

pierre Jay

POSTAL TELEGRAPH-COMMERCIAL CABLES

OPERATOR'S NOTATIONS,
TIME SENT, ETC.



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN TELEGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

To guard against mistakes or delays, the sender of a telegram should order it REPEATED; that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated telegram rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED TELEGRAM AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the telegram 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 telegram, beyond the amount received for sending the same; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any REPEATED telegram, beyond fifty times the sum 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 CIPHER OR OBSCURE TELEGRAMS.
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 telegram, whether caused by the negligence of its servants or otherwise, beyond fifty times the REPEATED telegram rate, at which amount this telegram, if sent as a REPEATED telegram, is hereby valued, unless a greater value is stated in writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this telegram over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.
6. The Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the telegram is filed with the Company for transmission.
7. The above terms and conditions shall be binding upon the receiver as well as the sender of this telegram.
8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT,
EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

FASTEST TELEGRAPH SERVICE IN THE WORLD

POSTAL TELEGRAPH-CABLE COMPANY



NIGHT LETTERGRAM

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED) TRANSMITS AND DELIVERS THIS NIGHT LETTERGRAM SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE BACK OF THIS BLANK. CLARENCE H. MACKAY, PRESIDENT.

RECEIVED AT

DELIVERY NO.

62298

INDEPENDENT COMPETITIVE PROGRESSIVE

4-669

29 NY. N. 66 N. L. Govt., , 8:25pm.

CB., New York, July 11, 1917

Benjamin Strong, Esq.,

Care Denver Country Club, Denver, Col.

Just read yours July sixth to Mr. Vanderlip Suggesting that Gregory should take responsibility of developing a skeleton organization stop. Gregory this morning suggested to me his willingness both to develop and operate such an organization. In view of foregoing I feel somewhat embarrassed about proceeding with Anderson as they cannot work together. Please wire suggestions.

Jay.

POSTAL TELEGRAPH-COMMERCIAL CABLES

OPERATOR'S NOTATIONS,
TIME SENT, ETC.



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN NIGHT LETTERGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

The Company will receive, not later than midnight, NIGHT LETTERGRAMS, written in plain English, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night message rate, as follows:

The standard day rate for a ten-word day message shall be charged for the transmission of a NIGHT LETTERGRAM, containing fifty words or less, and one-fifth of the standard day rate for a ten-word day message shall be charged for each additional ten words or less in such NIGHT LETTERGRAM.

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 this, one-half the unrepeat message rate is charged in addition. Unless otherwise indicated on its face, THIS IS AN UNREPEATED MESSAGE AND PAID FOR AS SUCH, 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 received 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 sum 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 CIPHER 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 fifty times the REPEATED message rate, at which amount this message, if sent as a REPEATED message, is hereby valued, unless a greater value 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 value equal 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 its destination.

4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.

5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any instructions regarding it to the Company's messenger, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.

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

In further consideration of the reduced rate for this special "NIGHT LETTERGRAM" service, the following special terms are hereby agreed to:

(a) NIGHT LETTERGRAMS 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 LETTERGRAMS at destination, postage prepaid.

(b) NIGHT LETTERGRAMS shall be written in plain English. Code language is not permitted.

7. The above terms and conditions shall be binding upon the receiver as well as the sender of this NIGHT LETTERGRAM.

8. NO EMPLOYER OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PREST, AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

WESTERN UNION TELEGRAM



Night Letter NL
 If none of these three symbols
 appears after the check (number of
 words) this is a day message. Other-
 wise its character is indicated by the
 symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
 appears after the check (number of
 words) this is a day message. Other-
 wise its character is indicated by the
 symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS
OPEN

M27NY AM 216 NL

UD NEWYORK JUL 15 1917

BENJAMIN STRONG 2578

DENVER COLO

SORRY BEN TOO BUSY TO WRITE STOP CONFERENCE TUESDAY ON
 LIBERTY LOAN STOP FRANKLIN COMING WITH EXCELLENT SUGGESTIONS I THINK
 AITKEN SHOULD PRESIDE DONT YOU STOP SAW SECY IN WASHINGTON
 TUESDAY HE HAS ASKED CONFERENCE TO MAKE RECOMMENDATIONS ON WAR
 SAVINGS PLAN AND HOPE TO MAKE PROGRESS STOP HAVE ASKED
 EACH GOVERNOR TO BRING SPECIAL DELEGATES FOR SEPARATE CONFERENCE
 ON THIS SUBJECT THURSDAY STOP BLACHETT IS HERE STOP SECY HAS
 ASKED BOARD FOR RECOMMENDATIONS REGARDING DISCONTINUING SMALL GOLD CERTI-
 FICATES STOP SECY ASKED ME TO SUGGEST FINANCIAL ADVISER WHAT

CLASS	SYMBOL
Day Message	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM



NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.
M27NY AM SHEET TWO

ALWAYS
OPEN

2578

WOULD YOU THINK OF FRED STRAUSS STOP ACCEPTANCE MATTER SETTLED SATISFACT-
ORILY TO GUARANTY AND THEIR EXECUTIVE COMMITTEE CONSIDERS MAIN QUESTION
TOMORROW STOP REGARDING ANDERSON MATTER AM INCLINED TO THINK GREGORYS
AND DAVISONS DEPARTMENTS ESSENTIALLY BANK ROUTINE WORK WHILE SELLING
IS ENTIRELY OUTSIDE OF BANK ROUTINE AND THEREFORE QUESTION SOMEWHAT
TRYING TO COMBINE ALL UNDER ONE MAN STOP FIRST CLASS ASSISTANT CASHIERS
COULD RUN TWO DEPARTMENTS ABOVE MENTIONED WITH SPECIAL TEMPORARY
COMMITTEES TO PASS ON SECURITIES OFFERED STOP SUGGEST WAITING
TILL AFTER CONFERENCE ADJOURNS BEFORE ATTEMPTING PROGRESS IN THIS O
ORGANIZATION STOP HAVE TAKEN FIVE THOUSAND FEET FOURTH FLOOR FOR
PUBLICITY DEPARTMENT AND GIVEN UP FIFTY WALL STOP SECURITIES ALL
MOVED TO OUR VAULT STOP COMMITTEES ON FIVE SUBDIVISIONS OF DISTRICT

SYMBOL

Letter	Blue
Message	Nite
Letter	N L

One of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

WESTERN UNION TELEGRAM



CLASS OF SERVICE SYMBOL

Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

ED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS
OPEN

M27NY AM SHEET THREE

2578

MAKING INTENSIVE STUDY OF ORGANIZATION IN EVERY PLACE IN DISTRICT

PIERRE JAY

JUL 16 430AM

WESTERN UNION TELEGRAM



These three symbols
after the check (number of
this is a day message. Other-
character is indicated by the
symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH STREET, DENVER, COLO. ALWAYS
OPEN

N 19 NY BC 152 BLUE

Q NEW YORK NY 625P JULY 16 1917

BENJ STRONG 1587

128 GILPIN ST DENVER COLO

CALL MONEY RENEWED SIX RAN UP TO TEN CLOSED SIX STOP WE PAY OUT FORTY
MILLIONS TOMORROW ON CERTIFICATES OF INDEBTEDNESS DUE TOMORROW WHICH
WOULD EASE SITUATION STOP LARGE PAYMENTS TO MAKE FRIDAY FOR WHICH FUNDS
WILL BE LARGELY TRANSFERRED FROM OTHER DISTRICTS STOP REDISCOUNTS
TODAY FIFTY FOUR MILLIONS OF WHICH THIRTY ONE MILLIONS ARE NEW STOP
BOUGHT SIX MILLION BILLS BUT FIFTEEN MILLIONS MATURED STOP WOODWARD
SAYS GREGORY HAS PREPARED FORM OF ORGANIZATION FOR HIS DEPARTMENT
AND SUGGESTS ENGAGING COMPETENT MAN SUBJECT TO OUR APPROVAL TO OPERATE
DEPARTMENT UNDER SAILER STOP GREGORY TO REMAIN DURING NEXT ISSUE IN

WESTERN UNION TELEGRAM



These three symbols
after the check (number of
this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

Blue
Nite
N L

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH STREET, DENVER, COLO. ALWAYS
OPEN

DUPLICATE OF TELEPHONED 12. 1911

N 19 NY BC SHEET TWO

ADVISORY CAPACITY FOR PAY COMING IN EARLY MORNING AND LATE AFTERNOON
STOP WOODWARD STRONGLY IN FAVOR OF SUCH PLAN WHICH HE WISHES TO
PRESENT TO EXECUTIVE COMMITTEE FOR ACTION TOMORROW STOP THIS FOLLOWS
GENERAL PLAN I WIRED YOU ABOUT LAST NIGHT BUT DIFFERS FROM OUR
DISCUSSION FORTNIGHT AGO THEREFORE KINDLY WIRE YOUR VIEWS

PIERRE JAY

615PM

2K1076
Wired to Mr. Strong
Time 12:30 PM
By J. J. Held

at once

Counting Club

PLEASE DELIVER

FEDERAL RESERVE BANK
OF NEW YORK

July 19, 1917.

Dear Governor Strong:

I am ever so much obliged for the telegram you sent me early in the week. I am sorry to have had to telegraph you about the bond issue division matter, but it came up quite suddenly and I felt it necessary to know your views by wire. I think Mr. Treman has probably written you (I understand that he writes every day) that it has been settled on the basis of having the department organized under our cashier, with Mr. Gregory as a paid expert advisor, if he can be secured in this capacity.

This procedure, which conforms to the practice of all the other Federal reserve banks, we all feel sure is the correct one for us to adopt; namely, to have these departments as an integral part of our bank and under its regular organization.

It is understood that Mr. Gregory will assist Mr. Sailer in the organization of a permanent staff which will necessitate our getting an additional assistant cashier to take charge of it, or possibly two, although Mr. Sailer feels that Mr. Lins can handle the Government deposit end, subject to a temporary committee to pass on securities, etc., when the time comes. I trust that this procedure will commend itself to you.

In view of my telegram of Sunday night to you, in which I suggested my change of view with regard to the arrangement in those departments, I have not had any further talk with or about Mr. Anderson; and in view of the fact that the activities of the Liberty Loan Committee next time will be confined almost entirely to selling and publicity, I have some little question as to our trying to annex him permanently to our staff. I am going to get a meeting, the early part

of next week, with Sweezy, Mitchell and Jay, to discuss with them the immediate and intensive organization for the campaign, and should like to postpone my views on the Anderson situation until after I have talked with these men.

Our Liberty Loan conference lasted two days, closing yesterday at seven o'clock. We had about thirty present, a very live lot, and I believe that the conference did a great deal of good. We made a considerable report, of which I shall send you a copy shortly, in regard to the terms of the bonds, terms of certificates, expenses, time schedule of campaign, selling department, publicity department, but did not get a very satisfactory report on the details of the departments which, in this bank, were handled by Gregory and Davison. Our understanding was that a supplementary report would be prepared on these two departments, which I want to get busy on next week and see if we can't line out all the details in good shape: it seemed impossible to get this done at the conference as there were too many people who had their eyes on their watches and some of the technical men did not turn up on the first day. Warburg was here for the first day and Franklin for both days, and their presence added very much.

It is the feeling of the governors that there should be a governors' conference on Liberty Loan matters, in Washington, as soon as possible after you return.

To-day we had about twenty present at the War Savings conference, including Mr. Blackett and the chief of the Postal Savings Division in Washington. I think we had a very satisfactory conference, and a report was prepared which was adopted this afternoon, dealing with the principles but not attempting the details.

Mr. Treman has just shown me your letter of the 15th, and I am mighty glad to learn that you are reducing your correspondence and propose to be on duty at the office only intermittently and not continuously. We all feel that that is the only way in which you can pull around into good shape permanently.

7/19/17.

However, we are mighty glad to hear of the doctor's good report.

These conferences have put me out of business as far as any talking with any of the State banks about keeping gold with us and talking with the banks generally about sorting their bills, goes. Next week I shall hope to make some further progress in these matters.

With best regards, I am

Sincerely yours,

Pierre Jay,
per HAB

Benj. Strong, Esq.,
128 Gilpin Street,
Denver, Colorado.

PJ/HAB

CLASS OF SERVICE	SYMBOL
Message	
Day Letter	Blue
N Message	Nite
Nig. Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

324NY OC 37 BLUE

Q NEWYORK NY 456P JULY 20 1917

BENJ STRONG

1561

128 GILPIN ST DENVER COLO

TREMAY AWAY TODAY CALL MONEY RENEWED FOUR ONE HALF PERCENT

CLOSED TWO PERCENT ON LARGE PAYMENTS MADE BY US PLAN

OF ORGANIZATION SUBSCRIPTION DEPARTMENT SETTLED ON BASIS OF

ORGANIZATION UNDER SAILER WITH GREGORY ACTING IN ADVISORY CAPACITY

PIERRE JAY

503PM

Phone No. _____
 Sent to _____
 Time _____
 By _____ to be _____

CLASS OF SERVICE DESIRED	
Fast Day Message	
Letter	
Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

Receiver's No.

Check

Time Filed

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

Denver, Colorado, July 23, 1917.

Pierzo Jay, Federal Reserve Bank,
New York City.

Am writing fully in reply to telegram and reports of results of Liberty Loan meeting. Have some doubt of wisdom of detaching Sailer unless he is completely relieved of all regular office duties stop. In that case we must appoint additional Assistant Cashiers with one thoroughly competent transit man to take Hendricks place. Would prefer promotions rather than outside men if that is feasible.

Benjamin Strong.

writing hereon at the time the telegram is offered to the Company for transmission, and an additional sum paid or agreed to be paid by the sender, at the rate of one per cent. thereof.

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

4. Telegrams 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 or 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 telegrams until the same are accepted at one of its transmitting offices; and if a telegram 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 telegram 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

FAST DAY MESSAGES

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.

DAY LETTERS

A deferred day service at rates lower than the standard day message 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 rate 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 telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.

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 day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day 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.

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH STREET, DENVER, COLO. ALWAYS OPEN

N9NY LH 157BLUE

Q NEWYORK NY 715P JULY 24 1917

BENJ STRONG

Miss Carlton Park Hotel
1556
Brown Palace Hotel
 128 GFLPIN ST DENVER COLO

THANKS YESTERDAYS TWO MESSAGES STOP CONFERRED TODAY WITH SWEETZ ABOUT
 ORGANIZATION DISTRIBUTION AND PUBLICITY DEPARTMENTS HE RECOMMENDS
 REAPPOINTMENT DISTRIBUTION COMMITTEE DROPPING ONE OR TWO MEMBERS
 DISOLVING THEIR EXECUTIVE COMMITTEE OF SWEETZ MITCHELL AND JAY
 APPOINTING A VICE CHAIRMAN AND A SECRETARY BOTH OF WHOM WOULD BE
 MEMBERS OF THE COMMITTEE HE SUGGESTED HIMSELF AS VICE CHAIRMAN AND
 ANDERSON AS SECRETARY STOP CURTIS AND I THINK THIS IS EXCELLENT

FRASER
 OF ANDERSON MATTER SINCE HE WOULD BE IN CHARGE OF PERMANENT

SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH STREET, DENVER, COLO. ALWAYS OPEN

1556

N9NY LH 157BLUE SHEET TWO

DISTRIBUTING ORGANIZATION COMMA FAMILIAR WITH EVERY RAMIFICATION OF COMMITTEES ACTIVITIES AND ABLE TO BRING PRESSURE FOR ACTION WHENEVER NEEDED STOP HIS APPOINTMENT AS SUPERIOR TO DISTRIBUTION COMMITTEE DID NOT WORK LAST TIME AND WOULD PROBABLY NOT WORK AGAIN STOP WE RATHER INCLINE AGAINST HIS BEING APPOINTED AN OFFICER OF THIS BANK STOP PLEASE WIRE YOUR VIEWS ON SUGGESTIONS STOP SUGGESTIONS REGARDING REARRANGEMENT OF OFFICERS CONTAINED YOUR TELEGRAM YESTERDAY SUBSTANTIALLY IN ACCORDANCE WITH PLAN WE HAD WORKED OUT

PIERRE JAY

558PM

OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT
A9D KG 57 NL

NEWLONDON CONN JULY 26 -17

BENJ STRONG

3080x
128 GILPIN ST DENVER COLO

EMERSON HAS AGREED TO BECOME MEMBER OF DISTRIBUTION COMMITTEE
IN ORDER TO COORDINATE PUBLICITY WITH SELLING WORK STOP THIS
COMPLETE THE ORGINATION PROBLEM SUBJECT TO APPROVAL OF LIBERTY
LOAN COMMITTEE STOP SAILERS PLANS FOR ORGANIZATING BOND DIVISION
WILL MATURE NEXT WEEK THINK YOU NEED HAVE NO APPREHENSION ABOUT OVER
TAXING SAILER UNDER PLANS HE HAS IN MIND

PIERRE JAY JULY 27

932 AM

CLASS OF SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS OPEN

N23NY DU 134 BLUE

Q NEWYORK NY JULY 26 1917 219P

BENJ STRONG

1674
128 GILPIN ST DENVER COLO

1076
Strong
65507
did
RUSH DELIVERY

TELEGRAM RECEIVED STOP CURTIS SWEZY MITCHELL JAY AND I WENT TO VANDERLIPS LAST NIGHT AND DISCUSSED PLAN OF ORGANIZATION WHICH HE SEEMED TO APPROVE BUT THOUGHT LIBERTY LOAN COMMITTEE SHOULD BE CALLED TOGETHER PROMPTLY AND PLAN SUBMITTED IN TACTFUL WAY TO THEM STOP I SUGGESTED ADDING TWO MEMBERS TO LIBERTY LOAN COMMITTEE HE THOUGHT TACTFUL WAY WAS TO CONSULT COMMITTEE ABOUT IT AND SUGGESTED FARMERS AND UNITED STATES AS WORTHY OF REPRESENTATION STOP CURTIS AND I THINK IT JUSTIFIABLE TO BRING MATTER BEFORE COMMITTEE THOUGH ADVISABLE TO CONSULT WITH INDIVIDUAL

CLASS OF SERVICE	SYMBOL
Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS OPEN

N23NY DU SHEET TWO

1674

MEMBERS STOP WHAT WOULD YOU THINK OF APPOINTING WHOLE COMMITTEE ANEW
FOR COMING LOAN AS GOOD PRECEDENT ALLOWING READJUSTMENTS FROM LOAN
TO LOAN STOP ALEXANDER SUGGESTS OMITTING ALTERNATES THIS TIME STOP
HAVE JUST SEEN ANDERSON WHO IS ENTIRELY SATISFIED TO BECOME
EXECUTIVE SECRETARY DISTRIBUTION COMMITTEE

PIERRE JAY

633PM

Page No.

Forwarded to

Time

By

2/K 1076
Mr. Strong
655P
J.R. to be filed

RUSH DELIVERY

1233

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO. ALWAYS OPEN

149NY OC 113 BLUE

Q NEWYORK NY 115P JULY 30 1917

BENJAMIN STRONG 1005

128 GILPIN ST DENVER COLO

TELEGRAMS TWENTY SIXTH TWENTY SEVENTH AND LETTER TWENTY THIRD RECEIVED
EMERSON HAS VARIOUS ADVERTISING ASSOCIATIONS HAPPILY LINED UP STOP WE
ARE WORKING SATISFACTORY WITH AMERICAN BANKERS ASSOCIATION STOP WILL LET
MATTER OF CHANGES IN COMMITTEE AWAIT YOUR RETURN BUT UNLESS YOU
DISAPPROVE PROPOSE CALLING MEETING OF LIBERTY LOAN COMMITTEE TUESDAY OR
WEDNESDAY TO APPROVE PLAN OF ORGANIZATION AND AUTHORIZE DISTRIBUTION
COMMITTEE TO PROCEED STOP OUR PLAN CONTEMPLATES SAILER CONTINUING PRESENT
WORK LARGELY RELIEVED BY HENDRICKS SO SAILER MAY DEVOTE HALF

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 915-919 SEVENTEENTH ST., DENVER, COLO.

ALWAYS
OPEN

149NY SHEET TWO

DUPLICATE OF TELEPHONED TELEGRAM

MANAGEMENT OF ONE OR TWO NEW AND EXPERIENCED MEN STOP

WRITING SECRETARY OTHER VIEWS CONTAINED YOUR LETTER CURTIS LEAVES TEN

DAYS VACATION WEDNESDAY

PIERRE JAY

1230PM



FEDERAL RESERVE BANK
OF NEW YORK

(TO BE MAILED)

PJ/RAH
Western Union

11:30 a.m.
CONFIRMATION OF TELEGRAM

98

We have today telegraphed you as follows: **FILING DEPT.**

AUG 10 1917

August 2, 1917.

FEDERAL RESERVE BANK

Benjamin Strong, Esq.,
128 Gilpin Street
Denver, Col.

Emerson reports that forty magazines agreed to publish articles in September or October issue regarding next instalment of Liberty Loan. North American review urgently requests two thousand word article from you on next instalment of Liberty Loan September issue goes to press August tenth If not practicable to prepare something for September article could be used in October Stop Have made no commitment for you

Pierre Jay

Chas. Fed. Res. Bank

POSTAL TELEGRAPH-CABLE COMPANY



NIGHT LETTERGRAM

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED) TRANSMITS AND DELIVERS THIS NIGHT LETTERGRAM SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE BACK OF THIS BLANK

RECEIVED AT

DELIVERY NO.

RECEIVED
FILING DEPT.
AUG 27 1917

1560

INDEPENDENT

COMPETITIVE

PROGRESSIVE

4-623

A12D BX 48 N.L. 2AM VIA SANTAFE

FEDERAL RESERVE BANK

LOSANAMOS RANCH NEW MEX AUG 27 1917

MENJ STRONG

GOVERNOR FEDERAL RESERVE BANK NEWYORK.

APPRECIATE YOUR SOLITUDE AND THAT OF OUR DIRECTORS I ASSURE

YOU THAT WHEN I GET BACK NOT HAND WILL BE

AS HIGH AS MY OWN IN DEALING WITH A CERTAIN

REFRACTORY PERSON. TEMPERATURE GRADUALLY DECLINING HAVE BEEN AROUND NINETY

NINE LAST FEW DAYS MRS JAY ARRIVED LAST EVENING.

PIERRE JAY

POSTAL TELEGRAPH-COMMERCIAL CABLES



THE GREATEST TELEGRAPH AND CABLE SYSTEM IN THE WORLD. EXTENDS OVER TWO-THIRDS OF THE WAY AROUND THE EARTH.

OPERATOR'S NOTATIONS,
TIME SENT, ETC.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN NIGHT LETTERGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

The Company will receive, not later than midnight, NIGHT LETTERGRAMS, written in plain English, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night message rate, as follows:

The standard day rate for a ten-word day message shall be charged for the transmission of a NIGHT LETTERGRAM, containing fifty words or less, and one-fifth of the standard day rate for a ten-word day message shall be charged for each additional ten words or less in such NIGHT LETTERGRAM.

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 this, 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 AS SUCH, 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 received 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 sum 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 CIPHER 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 fifty times the REPEATED message rate, at which amount this message, if sent as a REPEATED message, is hereby valued, unless a greater value 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 value equal 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 its destination.

4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.

5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of this Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its said office.

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

In further consideration of the reduced rate for this special "NIGHT LETTERGRAM" service, the following special terms are hereby agreed to:

(a) NIGHT LETTERGRAMS may at the option of the Telegraph Company be mailed at destination to the addressee and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such NIGHT LETTERGRAMS at destination, postage prepaid.

(b) NIGHT LETTERGRAMS shall be written in plain English. Code language is not permitted.

7. The above terms and conditions shall be binding upon the receiver as well as the sender of this NIGHT LETTERGRAM.

8. NO EMPLOYEE OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CHARLES C. ADAMS,
VICE-PRESIDENT.

CLARENCE H. MACKAY, PRESIDENT.
EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER.

CHARLES P. BRUCH,
VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

SEP 12 1917

Day 98

LOS ALAMOS RANCH

31

Aug 9/11/17

Dear Ben -

This is my first letter + it will tell you the tale of Mr. ft-well-quick. I was an idiot not to see a Dr. in Santa Fe before coming out here. The idea came into my mind but it seemed rather a bore, + unnecessary, so I didn't. And once here I started in to ride as I have always done - not very far or hard - but apparently too much, for I ought to have kept perfectly still for a week or two with

the bit of bronchitis I had al-
ready when I left N.Y. or
it may have been a rather
rough motor drive I took
which stirred up the ani-
mals. At any rate they
got into a terrible state
in the night of the 16th &
I woke up on the 17th feel-
ing sure it was pneumonia
this time. P. and I imme-
diately started to feed me on
a quart of hot water an
hour all day & by 11 P.M. my
temperature was better &
we guessed I didn't have
pneumonia ^{but just another flare up of bronchitis}. When the
Dr. arrived from Santa
Fe he found a congested

area about as big as
my fist in the lower lobe
of my right lung - the same
place I had it when I
came out, & I think the
same place I had it
last November but
am not quite sure - He
said it was bronchitis
or light pneumonia but
seemed to be convinced
that there was some
underlying tubercular
cause - I accused him
of seeing every thing thro'
J.B. planes & let him be
was wrong on that end of it

But he was very insistent, & ordered me to lie flat & not raise my head & sent for a trained nurse who arrived in a day or two from Albuquerque. Meantime Pond & his chief of staff, a Mrs Behrens, who had nursed in France, did the needful for me. The Doc came out every other night for a week. The 2^d time he took away a sample of my sputum & sent it to the Albuquerque laboratory for examination.

LOS ALAMOS RANCH

It was so utterly
unexpected & Ron's
letter was so nicely
phrased, & arriving
simultaneously with
the Denver report
of no T.B., it seemed
as if my luck was
turning pretty soon.
I shall be obliged

if you'll answer Bush
Jones' letter, enclosed.

I have unlined
another of yr letters
ab. the Transit Discussion

at a B. a. convention.
I hope you will get
make the speech of
your life ~~about~~ in
laying that ghost. I
have some grave doubts
about sending Hendricks
talk it over with Tremay
first. Get Sickner of
Sydney to go & talk
see R.W.T. abt this also.
Possibly Orange hat. B.
would tell of A. Young's
report. Let's drum up
a lot of people from
various districts on our
side. So Chapman is

with us. Get him to come
talk. & get some
people who have success-
fully re-adjusted relations
with depositors to
talk. The only argu-
ment they now make
is that they are
performing a service
for the bank to
which they resort.
This is bunk. But
conclusively
it is their case is
gone. Jimmy writes
that Tremay's fold.

letter is producing
results. I wish cop-
ies could be sent to
every other FRA or
governor in a tact-
ful way so they
might get the same
thing started before
the next L Loan
is on. Richmond
has already sent
a circular. Also I
wish fidney or some
one could have
this matter turned

(2)

LOS ALAMOS RANCH

The next time he came he
waved a telegram from the
laboratory saying the results
were negative. By this time
he had turned squarely ar-
ound & was convinced there
wasn't any T.B. to it, but
still he wanted to send an-
other specimen to Hildowitz
(or some such name) in Denver
who he said was the best
tester in the country. It took
5 or 6 days to get a report,
Sunday intervening, but finally
H. wrote that tho' he had
searched long & diligently
he could demonstrate

no T.B.'s in it. So then
I felt we could breathe
easier; but I can assure
you that the intervening
days were somewhat
anxious; tho' I was sur-
prised how easily, ^{apparently,} I would
have been reconciled to
having the T.B.'s for a year
or so, as you had them.

Well, I had 14
days of straight bed & ~~the~~
the last 4 days have been
sitting up in a chair longer
& longer each day, much
of it in this wonderful
sun. By the end of the
week I hope to be able to
walk about on this floor

freely & the following week
to go down stairs & walk
about mildly, any ^{while}
~~temperature has been normal~~
for ^{part} 6 days. Two things are
true, one, that this
was a good deal worse crack
than I had last November,
and, two, that I haven't ^{had} any
idea how to take care
of myself in my. To rem-
edy the latter I am going
to hire an ^{uncompromising} physician to act
as my keeper when I get
back & am going to be-
come a hypochondriac. If
I can't behave myself with
this as the 3^d & last warning,
why I'm of no use to any body.

or myself -

Wont you please
tell the Directors how very
much I appreciated their
kind and generous action
as to leave of absence, as
well as their sympathetic
attitude; the latter being
absolutely unjustified as I
am entitled to no sympathy
whatever. It was a plain
case of stupidity + failure to
realize I was sick when I
came out. However, it
would be equally stupid to
go back now till the con-
fected area is entirely
cleared up; and if I hadn't

LOS ALAMOS RANCH

had this crack I might have
done just that. So, if
it all ends well, it may
be a case of an ill wind,
etc.

Mrs. Jay has been here
a week, & that has been a
great comfort, & 3 days ago
Learner H and turned up
also, for the last month
of his vacation, & besides
that there are very pleasant
people here & we have
every comfort, except that
the distance (35 miles)
from Santa Fe makes
it very difficult for the

Dr. To come out. He hasn't
been for a week but we
intend to get him out
after a fortnight has e-
lapsed since his last
visit to see what prog-
ress has been made, so
that we may know how
to make plans for the
future.

This is a most
lovely spot, we are on
a high mesa (abt. 7500 ft.)
In front of the house are sev-
eral hundred acres of corn
& beans & beyond lies the
Rio Grande valley & beyond
the Sangre de Cristo range.

Behind the house is a pine
forest stretching right
back to the Jemez range.

You asked me
whether this would be a
good place for Catherine.
Mrs. Jay & I think not, on
account of its remoteness
from a Dr. Also the in-
ternal conditions of the
ranch life are rather un-
certain, owing to enlistments
the draft, & other reasons.
I have no idea why you think
of sending her away this
winter, but if altitude
is not essential the place

I went to in Aiken would be
hard to beat. The climate
there is splendid ^{+ bracing} there is
an excellent Dr; the
riding & driving are de-
lightful; there is a good
private school, run by Zuber ^{Head} of St.
Bernards, N.Y. - from whom you
could get information; and
the Palmetto Inn where I
stayed is most comfortable
& has food & cooking the
nearest ^{I have ever found} to what one would
get at home. It is kept by
a very agreeable northern
woman, Miss Estey, & her
^(about 40-45) guests are a very nice class of

LOS ALAMOS RANCH

people, worthy women -
through the school your
daughter would have some
companions which I presume
you would want. The
alt. is 500 & the place
is so sandy that it is never
damp. of course it would
be too hot before Nov 1st
after apr. 15-30 - also it
is only 22-24 hrs away from
ny. by comfortable through
train. I should feel entirely
happy in sending one of my
girls to Miss Estey's if that
were the ^{suitable} climate. She takes
J.B. cases except one or

two of a non-communicable nature. In fact, the Arken originally started as a 2-B. place very few go there now. They prefer Asheville & that neighborhood.

Now, answering your letters of Aug 24 & 30. In the latter you intimate I'm thinking too much of business. When you lie in bed by the hour & day how can you help having a few stray thoughts about what you are so vitally interested in? What harm is it?

I'm not doing anything about it & shall write no business letters except one to Turner about Directors Elections. Surely you had a few thoughts & wrote a few (sic) letters on business when you had a worse job a head of you than I have. I owe Turner several letters & shall write him at least one. Meantime please thank him & tell him I in turn

to be the cause of his
vacation being shortened
also letters from working
standing to be answered
in time. Meanwhile
would you mind
sending P. M. W. copy
of the part of this
about my illness
so I won't repeat
it when I write.
I can't tell you how
astounded & delighted
I was at the action
of the Board in in-
creasing my salary

LOS ALAMOS RANCH

over to him to follow
up & get the max-
imum results -
with best re-
gards to all -
W. P. J. -

LOS ALAMOS RANCH

September 3, 1917.

Dear Ben:

This is my first letter and it will tell you the tale of Mr. Get-well-quick. I was an idiot not to see a doctor in Sante Fe before coming out here. The idea came into my mind but it seemed rather a bore and unnecessary, so I didn't. And once here I started in to ride as I have always done - not very far or hard - but apparently too much, for I ought to have kept perfectly still for a week or two with the bit of bronchitis I had already when I left New York. Or it may have been a rather rough motor drive I took which stirred up the animals. At any rate they got into a terrible state in the night of the 16th and I woke up on the 17th feeling sure it was pneumonia this time. Pond immediately started to feed me on a quart of hot water an hour all day and by evening my temperature was better and we guessed I didn't have pneumonia but just another flare up of bronchitis. When the doctor arrived from Sante Fe he found a congested area about as big as your fist in the lower lobe of my right lung - the same place I'd had it when I came out, and I think the same place I had it last November, but I'm not quite sure. He said it was bronchitis or light pneumonia, but seemed to be convinced that there was some underlying tubercular cause. I assured him of seeing everything through T. B. classes and bet him he was wrong on that end of it. But he was very insistent and ordered me to lie flat and not raise my head, and sent for a trained nurse who arrived in a day or two from Albuquerque. Meantime, Pond and his chief of staff, Miss Behrens, who had nursed in France, did the needful for me. The doctor came out every other night for a week. The second

time he took away a sample of my sputum and sent it to the Albuquerque laboratory for examination. The next time he came he waved a telegram from the laboratory saying the results were negative. By this time he had turned squarely around and was convinced there wasn't any T. B. to it, but still he wanted to send another specimen to Hilkwitz (or some such name) in Denver, who he said was the best tester in the country. It took 5 or 6 days to get a report, Sunday intervening, but finally H. wrote that through he had searched long and diligently he could demonstrate no T. B's. in it. So then we felt we could breathe easier. But I can assure you that the intervening days were somewhat anxious; tho' I was surprised how easily apparently, I would have been reconciled to having the T. B's. for a year or so, as you had them.

Well, I had fourteen days of straight bed and the last four days have been sitting up in a chair longer and longer each day, much of it in this wonderful sun. By the end of the week I hope to be able to walk about on this floor freely and the following week to go downstairs and walk about mildly anywhere. Temperature has been normal for past six days.

Two things are sure, one, that this was a good deal worse crack than I had last November, and; two, that I haven't had any idea how to take care of myself in New York. To remedy the latter I am going to hire an uncompromising physician to act as my keeper when I get back and am going to become a hypochondriac. If I can't behave myself with this as the third and last warning, why I'm of no use to any body or myself.

Won't you please tell the directors how very much I appreciated their kind and generous action as to leave of absence, as well as their sympathetic attitude; the latter being absolutely unjustified as I am entitled to no sympathy whatever. It was a plain case of stupidity and failure to

realize I was sick when I came out. However, it would be equally stupid to go back now till the congested area is entirely cleared up; and if I hadn't had this crack I might have done just that. So, if it all ends well, it may be a case of an ill wind, etc.

Mrs. Jay has been here a week, and that has been a great comfort, and three days ago Learned Hand turned up also, for the last month of his vacation, and besides that there are very pleasant people here and we have every comfort, except that the distance (35 miles) from Sante Fe makes it very difficult for the doctor to come out. He hasn't been for a week but we intend to get him out after a fortnight has elapsed since his last visit, to see what progress has been made, so that we may know how to make plans for the future.

This is a most lovely spot; we are on a high mesa (about 7500 feet). In front of the house are several hundred acres of corn and beans and beyond lies the Rio Grande Valley and beyond the Sangre de Cristo range. Behind the house is a pine forest stretching right back to the Jemez range.

You asked me whether this would be a good place for Katharine. Mrs. Jay and I think not, on account of its remoteness from a doctor, also the internal conditions of the ranch life are rather uncertain, owing to enlistments, the draft, and other reasons. I have no idea why you think of sending her away this winter, but if altitude is not essential the place I went to in Aiken would be hard to beat. The climate there is splendid and bracing. There is an excellent doctor; the riding and driving are delightful. There is a good private school, run by Taber, head of St. Bernards, New York, from whom you could get information; and the Palmetto Inn where I stayed is most comfortable and has food and cooking the nearest I have ever found to what one would get at home. It is kept by a very agreeable northern woman, Miss Estey, and her guests (about 40-45) are a very nice class of people, mostly women. Through the school your

daughter would have some companions, which I presume you would want. The altitude is 500 and the place is so sandy that it is never damp. Of course, it would be too hot before November 1st and after April 15-30. Also it is only 22-24 hours away from New York by comfortable through train. I should feel entirely happy in sending one of my girls to Miss Estey's if that were the suitable climate. She takes no T. B. cases except one or two of a non-communicable nature. In fact, though Aiken originally started as a T. B. place, very few go there now. They prefer Asheville and that neighborhood.

Now, answering your letter of August 24th and 30th. In the latter you intimate I am thinking too much of business. When you lie in bed by the hour and day, how can you help having a few stray thoughts about what you are so vitally interested in? And what harm is it? I'm not doing anything about it and shall write no business letters except one to Turner about directors' elections. Surely you had a few thoughts and wrote a few (sic) letters on business when you had a worse job ahead of you than I have. I owe Treman several letters and shall write him at least one. Meantime please thank him and tell him I'm sorry to be the cause of his vacation being shortened. Also letters from Warburg and Harding to be answered in time.

Would you kindly send P. M. W. copy of the part of this about my illness so I won't repeat it when I write.

I can't tell you how astounded and delighted I was at the action of the Board in increasing my salary. It was so utterly unexpected and P. M. W.'s letter was so nicely phrased, and arriving simultaneously with the Denver report of no T. B., it seemed as if my luck was running pretty strong.

Shall be obliged if you will answer Breckenridge Jones's letter enclosed.

Have mislaid another of your letters about the transit discussion at

A. B. A. convention. I hope you will go and make the speech of your life in laying that ghost. I have some grave doubts about sending Hendricks. Talk it over with Treman first. Get Tickner of Syracuse to go and talk. See R. H. T. about this also. Possibly Orange Natl. Bank would tell of A. Young's report. Let's drum up a lot of people from various districts on our side. Joe. Chapman is with us. Get him to come and talk and get some people who have successfully readjusted relations with depositors to talk.

The only argument they now make is that they are performing a service for the bank to which they remit. This is bunk. Bust it conclusively and their case is gone.

Gidney writes that Treman's gold letter is producing results. I wish copies could be sent to every other F. R. A. or Governor in a tactful way so they might get the same thing started before the next Liberty Loan is on. Richmond has already sent a circular. Also I wish Gidney or some one could have this matter turned over to him to follow up and get the maximum results.

With best regards to all,

Yours,

P. J.

BURRO MOUNTAIN HOMESTEAD
TYRONE
NEW MEXICO.

Oct. 3^d 98

Dear Ber - This is a kind of a right-
letter - ^{DEPT. 1917} ~~DEPT. 1917~~ reply to yours of
Sept. 11th full of interesting news,
also yr telegram of a week
ago telling of Vanderlip's ap-
pointment as chm. of the
War Savings Committee.
What a corker! The very best
in the country, & if you got
him to do it you did a bully
job.

That atty. Genl's opinion
was simplicity itself! I judge
from a letter just rec'd
from P.M.W. that the B^d were
as surprised as any one -
sidney write that the guar-
anty application is ex-
pected any day, & there
should be two or three

others. I wish you'd send me a copy of the Atl. City speech I saw in local papers that you went for state banks - Fine!

Your money committee is bully - & Wallace & Hew are coming in strong at the finish!

As to your remarks about my salary, & yours as expressed by the ratio 40-60, I agree with you & think that's a wroog ratio, & am going to see why it is that yours isn't raised when I come back. Did you know that Aiken had been raised to 25-m?

I'm mighty glad the news is good from Ben. It seems to me good from every point of view, not omitting safety of the person -

BURRO MOUNTAIN HOMESTEAD
TYRONE
NEW MEXICO.

Mrs Jay left me a week
ago tomorrow. You are right
that it was well she came
out, for it helped a whole
lot in every way, & she
wouldn't have left me had
I not been coming down here
to visit Bob Dergrow an old
friend. He has a most attractive
place & home, filled with all his
kitch furniture, & books & every-
thing comfortable & homelike,
& without, everything a farm with
water on it can produce. I
don't know just how long I shall
stay here but am getting on so
famously that I'm inclined
to come East soon & go to
some place like Gorton for a
week or more to get accustomed
after nearly 2 months of this

in your present busy-ness - with love to your
our lunching companions. Yrs P.F.

altitude. Your reference to
Woodward's demurring at the
money committee seemed very
characteristic.

Well, the local papers
are full of the Liberty loan, & I'm
delighted to see a plan has been
worked out for issuance of
full ^{registered} bonds up to \$1000. That
will cut the labor for every
one down to a minimum.

I hate like thunder to be out of
it, but Treman suggests that
I can keep out by letting you &
others go on a vacation afterward
& that seems a mild suggestion
suitable to the invalid. You all
picture me. Let me tell you
that I'm going pretty strong &
hope to do a man's work but
that I expect to set you some
good examples of early closing
hours, & weekends & the like.

Don't think of answering

COPY OF LONGHAND LETTER

BURRO MOUNTAIN HOMESTEAD
Tyrone, New Mexico

October 3d [1917]

Dear Ben:

This is a kind of a night letter-speed reply to yours of Sept. 11th full of interesting news, also your telegram of a week ago telling of Vanderlip's appointment as chairman of the War Savings Committee. What a corker! The very best in the country, and if you got him to do it, you did a bully job.

That Attorney General's opinion was simplicity itself! I judge from a letter just received from P. M. W. [Warburg] that the Board were as surprised as anyone. Gidney writes that the Guaranty application is expected any day, and there should be two or three others. I wish you'd send me a copy of the Atlantic City speech. I saw in local papers that you went for state banks. Fine!

Your money committee is bully, and Wallace and Frew are coming in strong at the finish!

As to your remarks about my salary, and yours, as expressed by the ratio 40-60, I agree with you and think that's a wrong ratio, and I am going to see why it is that your isn't raised when I come back. Did you know that Aiken had been raised to \$25 thousand?

I'm mighty glad the news is good from Ben. It seems to me good from every point of view, not omitting safety of the person.

Mrs. Jay left me a week ago tomorrow. You are right that it was well she came out, for it helped a whole lot in every way, and she wouldn't have left me had I not been coming down here to visit Bob Ferguson, an old friend. He has a most attractive place and house, filled with all his Scotch furniture, and books and everything comfortable and homelike; and without, everything a farm with water on it can produce. I don't know just how long I shall stay here but am getting on so famously that I'm inclined to come East soon and go to some place like Groton for a week or more to get acclimated after nearly 2 months of this altitude. Your reference to Woodward's demurring at the money committee seemed very characteristic.

Well, the local papers are full of the Liberty Loan, and I'm delighted to see a plan has been worked out for issuance of fully paid definitive bonds up to \$1,000. That will cut the labor for everyone down to a minimum. I hate like thunder to be out of it, but Treman suggests that I can help out by letting you and others go on a vacation afterwards and that seems a mild suggestion suitable to the invalid you all picture me. Let me tell you that I'm going pretty strong and hope to do a man's work but that I expect to set you some good examples of early closing hours, and weekends and the like.

Don't think of answering in your present busy-ness.

With love to you and our lunching companions.

Yrs.

P. J.

BURRO MOUNTAIN HOMESTEAD
TYRONE
NEW MEXICO.

Oct. 15

96

on train.

Dear Ben.

You will appreciate how good it is to be on the train bound home. Even Kansas, now being polished off, looks good, after a region of desert & century plants; tho' at the homesteads there were some bully trees, I'll admit. The scheme is to harden off for a fortnight somewhere near home, & be on the job Nov. 1st so you can get away for a long rest. I hope you won't find it necessary to wait till after Nov 1st - 10; with the experience of June before us & your banks & money committee so organized, it ought to go along without you, unless the pressure is far greater than in June. I was mighty glad to get to read Ben's letters & return them from N.Y. What a disappointment not to get sent to the Officers school after all.

many thanks for yours of Oct. 29th - telling the news to date - the

movement of the Trust Co is great
I am longing to hear all the
details of which I have no doubt
there are some interesting ones -

Your scheme for the U.S. & English
Chief Justices to plead for constitu-
tional port sounds grand -

I'm glad you sympathize with
me about missing the present
doings. It makes me sick but is
meant to make me well. Freeman
has written urging me to stay till
Nov. 1st & judging that he repre-
sents the general view I have
adopted his recommendation,

thinking it would be rather foolish
to try to get into things just as the
A.L. campaign reached its 'climax'.
I appreciate very much your giving
me so much time & hope I've
made good use of it. I'm heartily
sick of "resting" & the Doc. tells me
that's a sign I've had enough.

With best regards &
expecting to see or telephone you about
as soon as this reaches you. Yrs. P.L.

COPY OF LONGHAND NOTE

BURRO MOUNTAIN HOMESTEAD
Tyrone, New Mexico

October 15 [1917]
on train

Dear Ben:

You will appreciate how good it is to be on the train ^{to} find home. Even Kansas, now being polished off, looks good, after a region of desert and century plants, though at the Homestead there were some bully trees, I'll admit. The scheme is to harden off for a fortnight somewhere near home, and be on the job November 1st, so you can get away for a long rest. I hope you won't find it necessary to wait till after November 15th; with the experience of June before us and your banks and money committee so organized, it ought to go along without you, unless the pressure is far greater than in June. I was mighty glad to get and read Ben's letters and will return them from N. Y. What a disappointment not to get sent to the officers' school after all.

Many thanks for yours of September 29th telling the news to date. The movement of the Trust Co. is great. I am longing to hear all the details of which I have no doubt there are some interesting ones.

Your scheme for the U.S. and English Chief Justices to plead for constitutional government sounds grand. I'm glad you sympathize with me about missing the present doings. It makes me sick but is meant to make me well. Treman has written urging me to stay till November 1st and judging that he represented the general view I have adopted his recommendation, thinking it would be rather foolish to try to get into things just as the Liberty Loan campaign reached its climax. I appreciate very much your giving me so much time and hope I've made good use of it. I'm heartily sick of "resting" and the Doc tells me that's a sign I've had enough.

With best regards and expecting to see or telephone you about as soon as this reaches you.

Mrs.,

P. J.

FEDERAL RESERVE BANK
OF NEW YORK

4146
Money Com

FILING DEPT.

JAN 6 -

November 5, 1917.

FEDERAL RESERVE BANK

Dear Governor Strong:

I am enclosing herewith minutes of the money committee held to-day, which speak for themselves.

We have been busy this afternoon getting up the pool and find everyone very cooperative. Mr. McGarran only selected about twenty-five of the larger banks to participate, and their allotments came to about \$40,000,000.

Time money was a little easier to-day.

Our discounts dropped off, net, about \$5,000,000 and we bought about \$2,500,000. acceptances.

I have been attending meetings all day long, or calling up banks on the matter of the new time money fund, so I have not had a chance to do much else.

Very sincerely yours,

Pierre Jay
Chairman. R. H.

Benjamin Strong, Esq.,
The Homestead,
Hot Springs, Va.

PJ/RAH
Enc.

November 5, 1917.

A meeting of the Money Committee of the Liberty Loan Committee was held at the Federal Reserve Bank of New York at 11:35 o'clock a. m. this day.

PRESENT:

Mr. Baker, Vice Chairman,
Messrs. Alexander, Frew, Jay, McGarrah,
and Wiggin.

Mr. McGarrah reported that he thought some action should be taken by the committee, especially with respect to time money, he having been advised that 6% was being bid and very little time money offered. After a very full discussion and on motion duly made and seconded, it was

VOTED That the committee request the banks belonging to the fund arrangement, excluding the smaller banks, to make up an additional fund of \$50,000,000. to be loaned by the banks on secured time loans to run for not less than ninety days at rates not less than 5 1/2 % per annum, and that each bank be requested to rediscount with the Federal reserve Bank of New York an amount equal to the amounts loaned by it from time to time under the proposed arrangement, such fund to be available for thirty days.

Mr. Frew desired to be recorded as voting in the negative.

On motion, the meeting duly adjourned at 12:30 o'clock p. m.

Assistant Secretary.

JFC/RAH

FEDERAL RESERVE BANK
OF NEW YORK

November 8, 1917.

Dear Governor:

At the meeting of the Board yesterday the question of the Goodrich and American Tobacco financing, with which you are familiar, was brought up and the enclosed letter expresses the views of the Board and the Executive Committee. Mr. Treman tells me that he has discussed the matter informally with a number of the governors who are assembling in Washington this morning, and finds that their views are in accord with those of our Board. He tells me that the meeting in Washington is complete except for Miller of Kansas City who had not arrived at the time he spoke. Mr. Case did not go over as our Board felt that we should not be too denuded of officers. Mr. Woodward is away for the rest of the week.

The time money pool has been completed with subscriptions of about \$45,000,000., but Mr. McGarrah reports that the feeling in both the call and time money market yesterday was greatly improved and the new pool will not be used unless necessary.

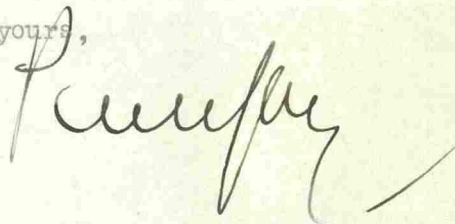
Buffalo has been designated as a reserve city. I have a letter from Mr. Locke in which he makes no adverse comment on the subject.

At the directors' meeting yesterday I presented your memorandum with regard to officers of the bank. I was authorized to appoint a special committee of three, of which I should be one, and have in mind appointing Mr. Treman and Mr. Woodward as the other two members. The usual consideration of the salaries of clerks was referred to Mr. Peabody, Mr. Treman and Mr. Woodward with the understanding that their duty would

be to review recommendations made by the Governor or Deputy Governor upon the subject. In your absence I was substituted for you on the committee on real estate.

Every one expressed the hope that you would take the best of care of yourself and not get drawn into too many activities, physical or mental, during your absence.

Sincerely yours,



Benjamin Strong, Esq.,
C/o The Homestead,
Hot Springs, Virginia.

PJ/RAH
Enc.

P. S. From the figures of the Liberty Loan subscriptions in this morning's papers, Richmond and New York were the only districts which exceeded their maximum quota.

98?

FEDERAL RESERVE BANK
OF NEW YORK

November 10, 1917.

Dear Governor:

After my conversation with the Board yesterday afternoon they put out the enclosed statement late yesterday afternoon, and as it did not get in the early edition of the papers I am enclosing it to you. You will note that they have not stated that these notes are ineligible.

The Guaranty Trust Company came in this morning and asked my intrepertation of the statement in respect to the American Tobacco notes, and I pointed out that the Board had not declared them to be ineligible but merely undesirable. I suggested that they make an appointment and discuss the matter directly with the Board, in which case they would be in full possession of the Board's views and not liable to any misunderstanding which might possibly arise if we here attempted to interpret the Board's views for them.

We were very quiet to-day. Curtis, Sailer, Kenzel and Gidney were taking the day off. Our loans and discounts ran down about \$14,000,000. through failure of one or two of the larger institutions to renew their notes.

There seems to be nothing else of special interest to write you about to-day.

Sincerely yours,

Pierre Jay
R-H

Benjamin Strong, Esq.,
The Homestead,
Hot Springs, Va.

PJ/RA