Misc. 4

Office Correspondence

FEDERAL RESERVE BANK OF NEW YORK

Date Sept. 18, 1919

To Files

Subject:

From J.E.Crane

sealed on reverse 9/15/19

With reference to Gpvernor Strong's request in his cablegram No. 22, to arrange with the Treasury to facilitate his landing, I spoke to Mr.Kelley on the subject, and after taking it up with Assistant Secretary Rowe he informed me that Dr. Rowe had promised to write to the Collector of Customs at New York to facilitate the Governor's landing.

Telephoned and wired Kelley of change to Mauretania. 9/19/19 JC

MISC 4

FEDERAL RESERVE
BANK OF NEW YORK

OFFICE CORRESPONDENCE

Date October 24, 1919

FILING DEPT.
OCT 30 1919
FEDERAL RESERVE BANK

To Mr. J. E. Crane

Subject:

From Mr. Geo. Beyer

Please note that there has been deposited with the Bank of England for the credit of the Federal Reserve Bank the sum of £160, 12 s. being refund of passage money paid by Mr. Strong on account of accommodation reserved on the "Baltic" Sept. 19th, which he cancelled.

Messrs. Morgan, Grenfell & Co. were requested to collect this money for Mr. Strong and to deposit it with the Bank of England to the credit of the Federal Reserve Bank.

Under date of October 9th, Morgan& Grenfell & Co. advise that the money was collected and deposited as requested.

Misc. 4

Office Correspondence

FEDERAL RESERVE
BANK OF NEW YORK

Date October 29, 1919

To Mr. George Beyer

Subject:

From J. E. Crane

With reference to the attached correspondence, kindly note that we have today credited current expense account, Governor Strong's European trip with the equivalent of the amount deposited by Morgan, Grenfell & Co. with the bank of England for our credit £160.12.0 at $4.16 1/2 = $668.90.

MISC 3. 1-50M-3-23

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE September 25, 1923.

TO Mr. Case, Mr. Storm

SUBJECT: Java Bank

FROM J. E. Crane.

Confidential

Mr. Storm, Secretary of the Nederlandsch Indische Handelsbank (Netherlands India Commercial Bank), Amsterdam, called at the bank today and talked with Mr. O'Hara and myself regarding the business of his bank and conditions in the Netherlands and the Netherlands East Indies. During the course of the conversation Mr. Storm said that Mr. Zeilinga, President of the Java Bank, had been forced to resign and that his successor, formerly head of the Netherlands Treasury at the Hague, was already on his way to Java. Mr. Storm said that Mr. Zeilinga had been severely criticised for the strong arm methods which he had used with the banks in Java and was also held responsible to some extent for the substantial increase which has occurred in recent years in the floating debt of the Dutch East Indies. Mr. Storm explained that the Dutch East Indian Government had made extravagant expenditures for public works and for social welfare, and that Mr. Zeilinga had encouraged the government in this course and was always prepared to discount increasing amounts of treasury bills. The fact that the Dutch East Indies' budget is not balanced contributes in a large measure, Mr. Storm said, to the discount which prevails on their exchange. He explained that his bank, anticipating a fall in the Dutch East Indian guilder, had operated accordingly to a considerable extent in the exchange market and because of such operations his bank had been severely criticised by Mr. Zeilinga and on several occasions accused by the latter of being responsible for the weakness in the guilder. It was apparent that the relations between the Nederlandsch Indische Handelsbank and the Java Bank are rather strained due to the unfriendly attitude of Mr. Zeilinga, and Mr. Storm said that he thought

the representations which his bank had made to the Netherlands Government were partly responsible for the forced resignation of Mr. Zeilinga.

Mr. Storm also told us that the Java Bank had made substantial profits from its operations for the Dutch East Indian Government and was endeavoring to declare a huge dividend of over 100 per cent. which Mr. Storm said was entirely unjustified, had been condemned by the conservative bankers and opposed by the Dutch East Indian Government. In spite of this opposition Mr. Storm thought that Mr. Zeilinga would be able to put through his program. Mr. Storm referred to the policy which the Java Bank has pursued during and since the war of keeping its discount rate very low, at present 3 1/2 per cent. and said that his bank had been strongly opposed to this policy and considered it a very unwise one. He said that Mr. Zeilinga had endeavored to use strong arm methods to curtail credit without raising the rediscount rate. Mr. Storm also stated that relations between the Java Bank and the Netherlands Bank were not at present very friendly on account of Dr. Vissering's dislike of the methods pursued by Mr. Zeilinga, and said that for the first time in the history of the two banks Dr. Vissering had publicly condemned the policies followed by the President of the Java Bank.

MISC. 4.1.

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE January 3, 1924. 192

TO Governor Strong

SUBJECT: Japan.

FROM J. E. Crane

Prior to September 1, the date of the earthquake, ~~the~~ Japanese yen were quoted at 48 1/2 or 49 for months. The course of Japanese exchange since September 1 has been as follows:

September	1	- 4880
"	15	- 4840
October	1	- 4860
"	15	- 4880
November	1	- 4875
"	15	- 48125
December	1	- 47875
"	15	- 4681
January	2	- 4550

We discounted $3,000,000 of bills for the Bank of Japan on December 18. For over a year prior to that date the Bank of Japan had $9,500,000 in bills, $9,500,000 in certificates and $1,000,000 in free balance. They now have $17,000,000 as against $20,000,000 before.

Enc. 5 8/26/27
to Gov. Strong

Copy

1-50M-1-25

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE August 22, 1925 192

TO Mr. Case

SUBJECT:

FROM J. E. Crane

Yesterday when Dr. Mlynarski and Mr. Gliwic were waiting to see you, I was talking with them regarding the settlement of the Belgian debt. Mr. Gliwic said that he had been told by a member of the Belgian Commission that Mr. Mellon had assured them that there would be no difficulty about the National Bank of Belgium obtaining a credit from us for the stabilization of their exchange similar to the Bank of England credit now that Belgium had undertaken to pay its debt to the United States. Mr. Gliwic said that he thought we might therefore expect to have another customer before long seeking credit from us.

I have put this in writing because I thought you might like to have it in the record.

OMS-2-25M 11-24

FEDERAL RESERVE BANK
OF NEW YORK

INTEROFFICE ROUTE SLIP

OFFICE SERVICE
MESSENGER SECTION

TIME _____ A. M. / P. M. DATE _____

TO Miss Bleecker
DEPARTMENT / DIVISION / SECTION

REMARKS I dont know whether you want a copy of this for your files. If not please destroy this copy

FROM J E Crane
DEPARTMENT / DIVISION / SECTION

N. B. USE THIS FORM INSTEAD OF OFFICE ENVELOPE WHEN POSSIBLE.
TO INSURE PROMPT AND ACCURATE DELIVERY ALL COMMUNICATIONS SHOULD BE DISTINCTLY LABELLED

MISC. 3. 1-50M-1-25

Confidential

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE October 1, 1925. 192__

Governor Strong

SUBJECT: Experienced foreign exchange men.

FROM J. E. Crane

John F. Schmid
Vice President, Bankers Trust Co.

He is the active senior officer in charge of the Foreign Department and has had many years experience in foreign exchange both at the Bankers Trust Company and Lazard Freres. He is above everything else a trader although in recent years he has had considerable experience in commercial credits. He is without question one of the best foreign exchange men in New York. The only criticism I have ever heard of him is that he is a very hard man to work for, being quite domineering and arbitrary to those under him. Approximate age: 40/45.

-o-o-o-o-o-

F. A. Klingsmith
Assistant Treasurer, Bankers Trust Co.

He is second in command to Mr. Schmid in the Foreign Department and concerns himself principally with commercial credits. His experience along that line has been considerable, principally in the Bank of New York where he worked for many years before going to the Bankers Trust Company. While I doubt whether he has had much actual trading experience, I am sure that he understands that branch of the business thoroughly. Furthermore, he has always impressed me as having an excellent grasp of the foreign exchange business and is possibly a little more of a theorist than Mr. Schmid. Although he does not occupy quite as prominent a position among the foreign exchange men in the city as Mr. Schmid, nevertheless I have always thought that he was about on par with the latter. Approximate age: 40.

-o-o-o-o-o-

L. J. Burnes
Assistant Vice President, National City Bank.

He is the right hand man to Mr. Duis, who has charge of the trading at the City Bank, and has been at the National City Bank for a good many years. It is my impression that most of his experience is in trading and I do not think his training has been quite as broad as Mr. Schmid's or Mr. Klingsmith's. I would not rank him quite as high as either of them. However, he is very bright and has a thorough knowledge of foreign exchange. Approximate age: 35/40.

-o-o-o-o-o-

Edward E. Spitzer,
Manager, Foreign Department, Heidelbach Ickelheimer & Co.

While he was born in Europe and has some Jewish blood in his veins,

Edward E. Spitzer,
Mgr., Foreign Dept., Heidelbach Ickelheimer & Co.

he has been in this country since he was a child, is a citizen, and 100% American. He is in charge of the foreign business of Heidelbach Ickelheimer & Company and is primarily a trader although he is also a very good commercial credit man. Mr. Spitzer is a former President of the Foreign Exchange Club, and ranks very high among the exchange men in New York. He is probably more of a student than any of the men which I have mentioned so far, and I would put him in the class with Schmid and Klingsmith. Approximate age: 35/40.

-0-0-0-0-0-

D. J. Palmer,
Manager, Foreign Department, Farmers Loan & Trust Co.

He ranks about like a junior vice president and is in direct charge of all of the company's foreign business. Consequently he is well versed in all phases of the work. Mr. Case knows him very well and has the highest regard for his ability. Approximate age: 35/40.

-0-0-0-0-0-

H. P. Barrand,
2nd Vice President, National Bank of Commerce.

The Foreign Department of the National Bank of Commerce is under Messrs. Penny and Broderick, Vice Presidents, and Mr. Barrand is next in line. I think he looks after the commercial side of the business while the trading is handled by Mr. Franz Meyer. Mr. Barrand has been in the Commerce for a number of years and is an experienced foreign man although I do not know how much training he has had in trading. I would rank him about with Burnes of the City Bank, both of whom I think are a little below the others mentioned. Approximate age: 40.

* * * * *

There are two younger foreign exchange men in New York who have always impressed me very favorably and whom I would recommend if "junior officers" could fill the job.

Knight Woolley
Assistant Cashier, American Exchange Nat'l Bank.

He has been out of college about ten years most of which time has been spent in the Foreign Department of this bank. While he has specialized more in the commercial credit side, I think he is also entirely familiar with the trading end. He is a very high class young man, comes from a very good family, and has

MISC. 3. 1-50M-1-25

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE October 1, 1925 192__

TO Governor Strong

SUBJECT: Experienced foreign exchange men.

FROM J. E. Crane

Knight Woolley,
Assistant Cashier, American Ex. Natl. Bank.

a very good grasp of the foreign exchange business. I think he is a "comer" but of course has not had as much experience as those men mentioned above. Approximate age: 30.

-0-0-0-0-0-

Wm. H. Draper,
Assistant Treasurer, Bankers Trust Co.

He is next in line to Klingsmith in the Foreign Department of this company with whom he has been connected for only a few years. Prior to that time he was with K. N. & K., and before that, I think, with the National City Bank. At any rate he has had a good many years of excellent experience, and I think he is familiar with all sides of the business. He has always impressed me as being a very bright and aggressive young man and would fit into any high class organization. Approximate age: 35.

MISC. 4. 1-200M-1-24

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 4, 1925. 192

TO Mr. Crane

SUBJECT:

FROM J. H. Case

I am interested to know just how you handled the matter of the thousand-dollar draft of the Reichsbank signed by Dr. Schacht, which we cashed for him on Monday, November 2, and which lacked one signature.

Kindly advise me the details of the procedure you followed.

done verbally
J

MISC. 3 C
(MISC. 3 C-75M-5-59)

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 10, 1925

TO Governor Strong

SUBJECT:

FROM J. E. Crane

Referring to the attached letter from Governor Norman, the increases shown in the Bank Polski statement from September 20 to September 30 in the items "Foreign Balances, Bills and Money" and "Gold" are, in the former item, from Zl. 69,009,000 to Zl. 71,739,000, an increase of Zl. 2,730,000, and, in the latter item, "Gold", from Zl. 131,978,000 to Zl. 132,807,000, an increase of Zl. 829,000. For the same week the increase in "Foreign loans on gold - Federal Reserve System" is $2,100,000 all of which is made up of advances to the Bank Polski. You will note that this increase in foreign loans on gold does not correspond closely with the increase in Bank Polski's "Foreign balances, bills and money". However, the statement for our own bank, which shows only our share of the foreign loans on gold, exhibits an increase in that item for the week of September 23-30 of $567,000 which is about Zl. 2,800,000. This latter figure corresponds more closely to the increase in the item "Foreign balances, bills and money". Perhaps the Bank of England has overlooked the fact that our own bank statement shows only our share of the foreign loans on gold and that the total amount of these loans is found in the statement of the twelve Federal reserve banks.

At any rate I do not think we should look for a reflection of the loans which the Bank Polski is obtaining from us in the item "Foreign balances, bills and money" because our advances to them are made only to meet their drawings on New York (either on us or one of

COPY

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 10, 1925

TO

SUBJECT:

FROM

the other New York banks) so that as these advances are made to them there is probably no increase in their balances in New York. However, there is an item in the Bank Polski statement which would seem to reflect their loans from us. This is the item "Liabilities in foreign exchange". Between September 17, when we made the first loan to the Bank Polski, and October 10, which is the date of the latest Bank Polsi statement we have, our loans to the Bank Polski aggregated $3,400,000 which is about Zl. 17,000,000. Between September 10 and October 10 the item "Liabilities in foreign exchange" increased from Zl. 24,643,000 to Zl. 41,684,000 or approximately Zl. 17,000,000.

The last question which Governor Norman asks in his letter is if the Bank Polski is drawing on its credit with us how is it that notwithstanding the pledging of gold for our account in London the Bank Polski is nevertheless able to record an increase in that item? Between August 25 and October 2 the Bank Polski set aside for our account at the Bank of England approximately $10,000,000. From August 20 to October 10 the item "Gold" in the Bank Polski statement increased from Zl. 121,740,000 to Zl. 132,072,000. My belief is that the Bank Polski has not deducted from the item "Gold" the amount of gold which has been set aside for us in London but that they have continued to carry it in their reserve and are showing their borrowings abroad under the item "Liabilities in foreign exchange".

Misc. 4. 1-100M-8-25

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE November 30, 1925 192

TO Mr. Crane

SUBJECT:

FROM Benj. Strong

Please read the attached letter from Mr. Gilbert and give me a memorandum of what you think about the question of the discount on the gold mark.

The gold mark, you realize, is simply a theoretical money of account. Am I correct in assuming that the discount, which is, of course, merely a constructive one, means that the creditor governments accept payment at a rate of exchange which is the equivalent of gold marks laid down in London; in other words, is the equivalent of the cost of importing gold rather than remitting exchange, notwithstanding that no gold is shipped?

MISC. 4. 1-200M-7-24

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE January 6, 1926 192

TO Miss Bleecker

SUBJECT:

FROM J. E. Crane

With reference to the attached letter, you will note that we cannot use this new coding arrangement with Dr. Schacht until we hear from him. Furthermore, it will not be possible to send the special shuttle for a few days as the shuttle was manufactured incorrectly the first time and is now being made over again. I expect, however, that we will be able to send the new shuttle to Dr. Schacht shortly. I will let you know when this arrangement can be used with Dr. Schacht and will also advise the Codes & Test Department.

MISC. 4. 1-200M-7-24

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE February 5, 1926 192

TO Mr. Scott

SUBJECT:

FROM J. E. Crane

11-21-26

Attached is a letter from Dr. Schacht which you might show to Miss Helmkin, Does she understand that Bentley's Code with this special shuttle will be used only on confidential cables between Governor Strong and Dr. Schacht and that our cables to Schacht will be addressed "Schacht Reichsvalu Berlin" and that Dr. Schacht's cables to us will be addressed "Strong Reichfed New York" ?

Enclosed is a letter from Dr. Schacht which you might wish to write to Miss Helmich. Does one understand that Hentley's code will be quite adequate for cables between Governor Strong and Dr. Schacht or will be need only the confidential cables between Governor Strong and Dr. Schacht and that the cables to Schacht Will be addressed "Schacht Reichsbank Berlin" and that Dr. Schacht's cables to us will be addressed "Strong Reichsbank New York."

J. E. Crane

TO Mr. Scott

SUBJECT

DATE February 8, 1926

FROM

OFFICE CORRESPONDENCE

FEDERAL RESERVE BANK OF NEW YORK

Misc. 3. 1-50M-8-25

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE February 6, 1926 192

TO Miss Helmkin, Codes & Tests

SUBJECT:

FROM W. A. Scott, Foreign Dept.

1/21/26

Attached is copy of a letter from Dr. Schacht regarding the use of the special shuttle which we sent to him to be used only on confidential cables between Governor Strong and Dr. Schacht. If you have not already done so, will you kindly make a notation on your records that the cables to Dr. Schacht from Governor Strong are to be addressed "Schacht Reichsvalu Berlin" and that Dr. Schacht's cables to Governor Strong will be addressed "Strong Reichfed New York".

Schacht

Misc. 3. 1-50M-8-25

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE February 6, 1926 192

TO Mr. Crane

SUBJECT:

FROM W. A. Scott

1/21/26

I have sent to Miss Helmkin a copy of the attached letter from Dr. Schacht relating to the use of the special shuttle with Bentley's code. I have previously explained to her the manner in which it was to be used and the way in which the confidential cables were to be addressed but have again sent to her a memorandum stating that the shuttle is only to be used on confidential cablegrams between Governor Strong and Dr. Schacht and that Governor Strong's cables to Dr. Schacht are to be addressed "Schacht Reichsvalu Berlin" and Dr. Schacht's cables to Governor Strong will be addressed "Strong Reichfed New York".

3.1 60M 7-26

FEDERAL RESERVE BANK
OF NEW YORK

OFFICE CORRESPONDENCE

DATE March 23, 1927. 192

TO Mr. Case

SUBJECT:

FROM J. E. Crane

With regard to your suggestion that a definite time be fixed for the visits of Drs. Vissering and Bachmann with Governor Strong, I am attaching a telegram for your approval which suggests that Dr. Vissering go to Atlantic City on April 6 for two or three days, and that Dr. Bachmann go on April 11.

If Governor Strong arrives in Atlantic City about April 1, he will probably want several days to become acclimated and, therefore, would probably not care to receive either of these gentlemen before the middle of the first week in April. I think that Dr. Bachmann is planning to return home about April 18 so that the most convenient time for their visits would appear to be during the first and second weeks of April.