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The New York Herald Tribune

First to Last- the Truth News-Editorials-Advertisements

114/25-

Tuly 10, 1925

Dr W. Randolph Burgess The New York Federal Reserve Bank N.Y., N.Y.

Dear Dr. Burgess:

I wonder why Governor Strong went to Europe without informing the New York newspapers on the eve of his departure. It was inevitable that his trip should ultimately become known, and the only effect of departing secretly has been to shroud the trip in a suspicion of mystery that is the very thing he has so often said he wished to avoid. If any of us Wall Street reporters had discovered the trip while he was at sea, the temptation to jump at sensational conclusions would have been very strong.

The incident has elicited some sharp comment from us newspapermen, both reporters and executives. One of the latter said to me last night, "So the Federal Reserve Bank is up to its old practices again. I thought perhaps Governor Strong's good resolutions of a few weeks ago would not last."

The Governor, naturally,dislikes publicity. But and so do Lamont, Morrow,/Leffingwell, and perhaps Speyer and Clarence Dillon, but when they go to Europe they do not perhit themselves to be discovered suddenly landing in France or England. They Digitized for FRASER always issue a statement before sailing to put rumors to rest. http://fraser.stlouisfed.org/ Federal Reserve Bank of St. Louis

The New York Herald Tribune

First to Last- the Truth News-Editorials-Advertisements

2

Please do not misunderstand my writing to you. I am simply giving you confidentially the reaction caused by an incident that affects the Reserve Bank in a certain small degree; and I am acting in the same **xtpx** spirit that leads you to call my attention to distasteful "topics" in our newspaper.

Yours faithfully,

R.g. Warrow

Grand Hotel, Rome, May 26, 1926.

Dear Mr. Warren:

I have your letters of May 20th and 21st, together with Sir Ernest Harvey's letter of the 19th of May, which you enclosed. Also, I have your telegrams dated the 23rd (two), 24th and 25th, sent through the Embassy, which are numbered 7, 8, 9 and 10 (I assume these are Embassy numbers).

They keep me well informed, and I am glad to have them. Of course, Pertinax can be disregarded, but I am writing Mr. Herrick about the article in the "Echo de Paris" so that he may not feel at all uneasy as to anything that I said while in London or Paris. I hope you will continue to keep me informed.

I am telegraphing you today that we are leaving Saturday morning for Milan, but I cannot yet give you an address for mail or telegrams beyond what is contained in my wire.

> I hope you have an interesting stay in Paris, as we are here. Best regards.

> > Sincerely yours.

Mr. Robert B. Warren, c/o Morgan, Harjes & Company, 14, Place Vendome, PARIS.

BS:M

Grand Hotel, Rome, May 26, 1926.

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BS:M

Misc. 4 A 180 M 1-26

FEDERAL RESERVE BANK OF NEW YORK

OF

March 23, 192

To Mr. Robert Warren

FROM Governor Strong

I have just finished reading the Weekly Review, No. 7, and have been interested in the discussion of world prices. With much of it I can heartily agree, but as to some of the conclusions I am a bit skeptical. It is certainly a very thoughtful article and provokes reflections which are not suggested in the course of ordinary reading.

SUBJECT:

I have just written Mr. Case about the care with which some of these reports are prepared. The one I sent him I could not identify by the initials, but this one I feel sure is yours, so I am writing you directly.

We pride ourselves in the bank in turning out work that is mechanically and textually accurate, and I am very anxious to see the standard maintained. You will see what I mean by referring to page 5 of the article on prices where I have marked two items where corrections are needed. On page 7 of the article you say, "From these divergent movements certain tentative deductions may be drawn," and then Digitized for FRASER No. 3 relates to wages where the movement has not been previously

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

FEDERAL RESERVE BANK SUBJE conco 02 that ET alm TO abregards the substance TOW epering OFF'CE CORRESPONDENCE 101 mistake TB ITECI peli prices one Governor Strong tural TTE TOT Mr. Robert Warren there Buiven 20 CU prepared Ant r pri done discussed 2.B.F.I other page that FROM 10 SS HOIRE I have fust finished randing the Seenly Review, No. 7. and have been interested in the discussion of world orland. With much of It is my I anoiseloure and is ease of the conclusion I an a bit It'I Garrenty were thought in articler and in JI . Logitions. reflections which the not supressed in the course of ordinary reading. I have fuct written Tr. Cane about the only with which some theres reports are prepared. The sum I hand I could not identify the initials, but this then I have indicated in yours, no I do writted We pride ourselves in the bank is furning out work thit is modified by and texterily adverses, and I am very anxious to bee the on care ? of the upbicle yes any, "From theos di-

weight toe ", much so the lookababas seatered the dramm, " and then

FEDERAL RESERVE BANK

OFFICE CORRESPONDENCE

DATE March 23, 192 7

To Mr. Robert Warren

180 M 1-26

SUBJECT:

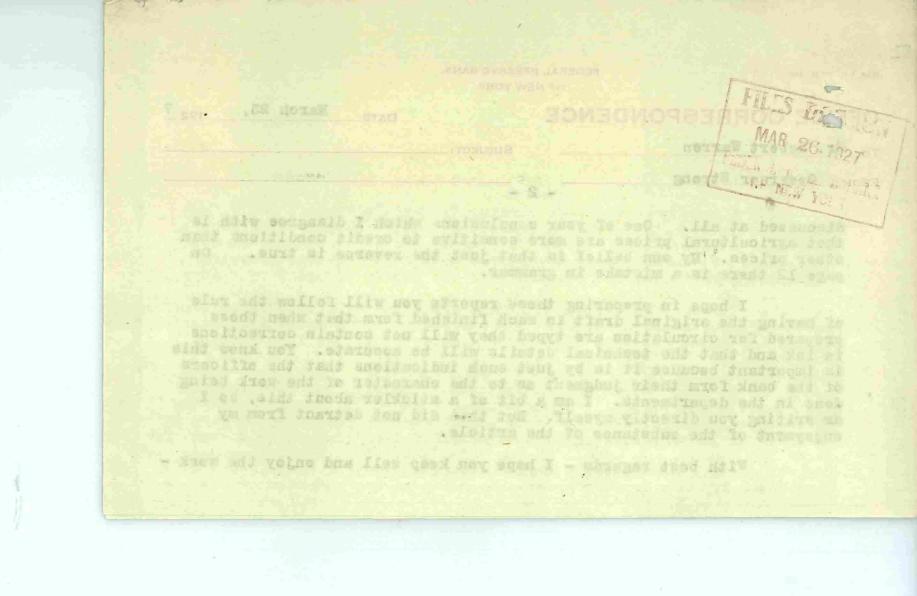
FROM_ Governor Strong

discussed at all. One of your conclusions which I disagree with is that agricultural prices are more sensitive to credit conditions than other prices. My own belief is that just the reverse is true. On page 12 there is a mistake in grammar.

2 -

I hope in preparing these reports you will follow the rule of having the original draft in such finished form that when those prepared for circulation are typed they will not contain corrections in ink and that the technical details will be accurate. You know this is important because it is by just such indications that the officers of the bank form their judgment as to the character of the work being done in the departments. I am a bit of a stickler about this, so I am writing you directly myself. But this did not detract from my enjoyment of the substance of the article.

With best regards - I hope you keep well and enjoy the work -



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assistant in Research Dev 3 Foreign Dept 1926 porleer in 1926 storad Alcong secretary) ogoin en 1928 with Alton julen he was abrow

FEDERAL RESERVE BANK

OF NEW YORK

we for home

May 6, 1926

My dear Mr. Moore:

It has just been discovered that when the code words for Governor Strong's special use were assigned to me, they included a certain set of words which were already in use between the Bank of England and ourselves, covering the Bank of England Credit. It is, therefore, important that these words be changed to avoid conflict.

Will you please refer to that page of the special code words which begins

FEDERAL RESERVE BOARD

<u>MYSSA</u> - Discuss with Fed ral Reserve Board and advise their views." All the words on that page, to and including WYWUC - Theo. F. Whitmarsh, will need to be changed. So we have decided to use the words in the Bentley book beginning with <u>YAVAM</u>. That will make your list now read:

"<u>YAVAM</u> - Discuss with Federal Reserve Board and advise their views" and so on, using the new words consecutively, down to

"YAYPA - Theo. F. Whitmarsh"

On the page following this list, that is the one headed

" FEDERAL RESERVE BANK OF NEW YORK

WYZAZ - William L. Saunders,"

two words will need to be changed, namely WYUVB and WYUXD, so that that particular section will end with

5.6.26

"YAYSO - Refer to (or referred to in) minutes of Board meeting of _____ YAYUT - Jas. S. Alexander - Member Fed. Advisory Council."

This involves the substitution of twenty-six words in all, and it will be appreciated if you will make the necessary changes in the list you took with you.

I hope you find things work out well, and that you will have an interesting experience.

Very truly yours,

M. S. Bleecker

Secretary to the Governor.

Mr. O. E. Moore, c/o Bank of England, London, England.

c) Seatt, Wa

1920,1926

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WM S SCOTT

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FEDERAL RESERVE BANK NEWYORK NY

REFERRING SANFRANCISCO TELEGRAM KOREA MARU SAILS APRIL SEVENTH SUGGEST YOU CONFER WITH NAGAIKE AND SEE IF HE CAN SECURE DELUX CABIN FOR STRONG AND PARTY HOPE WE MAY HAVE DEFINITE NOW MONDAY SO I MAY ADVISE STRONG

CASE.

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DOW, JONES & OO. THE WALL STREET JOURNAL. NEWS BULLETINS ELECTRIC PAGE NEWS TICKER. 44 BROAD ST., NEW YORK. Telephone One Broad Thursday, Feb. 5, 1920. No. 17

UNPRECEDENTED MARKET IN THE EXCHANGES

Conditions in the exchange market on Wednesday were absolutely without precedent. Never before in the experience of dealers had rates undergone such wild gyrations in the course of a single day. They were literally at their wit's end, as it was practically impossible for them to follow the course of the market during the greater part of the day. At one and the same time widely varying rates were quoted in the same exchange. A typical case was that experienced by a broker, who at one time was in simultaneous communication on the telephone with three bankers. One quoted him \$3.23 for sterling cables, another \$3.27 and the third \$3.30, an extreme discrepancy of seven cents.

The weakness of the market was pronounced from the very opening. Taking its cue from London, which cabled a severe drop in rates as compared with the previous close, the market started with demand sterling at \$3.27¼, an overnight decline of five and one-quarter cents. Thereafter, there was no let-up in the pressure until the rate touched the unparalleled low level of \$3.19 shortly after the noon hour.

At this point there was a sudden transformation in the aspect of the situation. The London report that cotton imports were stopped because of the collapse in exchange was apparently garbled, and a rumor was set afloat that an actual embargo had been imposed on the imports by the British Government. This, coupled with the wild rush of the horts to cover, caused sterling to bound up to \$3.31. hen denial of the rumor was received, the bearish forces again gained the ascendency. A few goodsized offerings put the sterling rate down to \$3.25, and then again to \$3.19¼. Toward the close a steadier tone set in, and the finishing rate was several cents above the low record of \$3.19 established during the day.

Most of the other exchanges suffered declines which were more or less comparable with that in sterling. Of " the remittances lire showed the most conspicuous ress, dropping at one stage below 19.00 lire to the which represented a loss of about 1½ "he closing quotation of the previo" " alf a franc to the l rt of the da " sterling

M 4 A 180 M 1-26

FROM_

FEDERAL RESERVE BANK OF-NEW YORK

OFFICE CORRESPONDENCE

DATE April 21, 1926 192

To. Mr. Scott - Foreign Department

Miss Bleecker

100

SUBJECT:

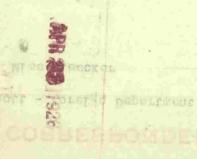
RECEIVED FIVE ENVELOPES EACH CONTAINING the following British money ONE POUND NOTES - FIVE TEN SHILLING NOTES - EIGHT SILVER COIN aggregating ONE POUND

This is to be charged in suspense in connection with the Governor's European trip, and will later be accounted for in detail.

Digitized for FRASER http://fraser.stlouisfed.org/

The."

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RECEIVED FIVE ANVELOPES EACH CONTAINING the following british money

ONE FOUND NOTES - FIVE -

TEN SHILLING MOTES - FIGHT -

SILVER COIN aggregating ONS POUND

April 21, 1925

This is to be charged is suspense in connection with the Governor's European trip.

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