

b. F. B. Amerson(?)

Bank of California
National Association
1913-1914

UNITED STATES DEPOSITARY

The Bank of California

National Association

SAN FRANCISCO

Table Address:
BANK - SAN FRANCISCO

Codes used:
I.C. 4TH & 5TH EDITIONS
A.I.
BROOMHALL
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B.A.W.

207

AUG 4 1913

July 22, 1913

Mr Benj. Strong, Jr.,
C/o Bankers Trust Company
New York, N.Y.

My dear Ben:

I enclose herewith copy of letter
and enclosure referred to therein which I am
sending to

Hon. Robert L. Owen, Senator
Cater Glass, Congressman
Jno. Skelton Williams, Asst Secty of Treasury
W. J. Fowler, Deputy Controller

at their request.

I would thank you for your frank criticism
of my views on the subject.

With kind regards, I remain,

Yours very truly

Robert L. Owen

UNITED STATES DEPOSITARY

The Bank of California

National Association
SAN FRANCISCO

Cable Address:
CALBANK-SAN FRANCISCO

City and
A.B.C. 42nd EDITIONS
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WESTERN UNION

P. B. Fr.

OCT 16 1914

October 10, 1914

235
Mr Benjamin Strong, Jr.,
C/o Bankers Trust Company
New York, N.Y.

My dear Ben:

If not betraying a confidence, would you mind telling me what rate was arranged with the Bank of England or with Ottawa for the American gold which you are shipping. In other words, what rate will they use in order to reduce your shipments to Sterling.

With very kindest regards, I remain,

Yours very truly

J. P. Morgan

San Francisco, July 22, 1913

I submit herewith some thoughts in relation to the proposed Banking and Currency bill, written after my visit to Washington, and on the theory that those dominating the Democratic party were set in their opinion that the Government should issue the bank notes (which for some reason they seem to regard as money) and that they were also set in their opinion that the banking business should be forcibly taken from the National Bankers' hands and placed in those of a politically appointed board, one member of which should have banking experience.

I believe it both unwise and unsound that the Government should assume the responsibility of maintaining the gold reserve against the proposed issue of notes or that it should assume anything more than regulatory powers. The initiative and administrative features should be left to the banks and the Government should reserve its prestige and credit for its own use in troublesome times, and as a reserve force to aid in restoring stable conditions should unforeseen conditions bring about undue strain on the bank.

The suggestion in regard to the Treasury acting as the central institution, is made in order to direct thought to the position in which the Government will be placed. I do not believe that the authorities would adopt such a plan as it would throw the direct responsibility of the banking business and the note issues on the Government, yet the proposed plan does place the Government in a position where its prestige and credit will be so affected by the ups and downs of general business and world conditions that it cannot escape the effect of the responsibilities which will be directly and indirectly placed on its shoulders.

Yours very truly

Ten per cent. of the capital of the National Banking Associations would make a bank of such size as to give great power and command great respect inside and outside of the United States - divided amongst twelve regional associations would make them small institutions even when compared with the capital of the great banks which would be coming to them to seek relief. One institution with branches could deal with international questions more intelligently than would be possible under the regional plan. One institution could defend the gold supply much more intelligently and effectively. If it is found to be impossible to establish one bank at Washington with branches at the points where regional associations are to be established, I would respectfully suggest that the controlling institution contemplated under the regional plan, be run by two Boards of Directors - the bankers board to have the powers of administration and initiative and the government board with power of supervision and veto; and that this institution issue the currency instead of the government. The government board's power will give it absolute control - the credit of the government will be held in reserve and free from criticism in emergencies. If this is impossible and the theory is to keep the government in the banking business, in fact to put it into the banking business to a greater extent than it ever has been and to place the government in a position where its credit and the credit of its banking institutions must stand or fall together then it would be more intelligent to have the Treasury of the United States act as the great Central institution with its Sub-Treasuries as branches, selecting bankers of the several localities to act as advisory committees. If the banking business is to be taken out of the bankers hands and placed in the hands of a politically appointed board we believe that more confidence would be engendered by having it taken over by the Treasury Department and we know that it would be more efficiently handled by the Treasury Department with Sub-Treasuries as branches, than it could be under the proposed regional plan.

The dividends proposed on page 11 of the Senate bill should be made six per cent - five per cent is a reasonable return for the banks in the large centers but is unfair to the great mass of banks which are located

in the so-called country district.

It is unfair to say to the National banks that they must join the regional associations and to the State banks and Trust Companies that they may join. Why not say that the National banks joining the associations would have the right to do all of the several classes of legitimate banking business which is now done by the State banks, segregating each class of business - naming the reserve required for each class - books of each department to be kept separate - public reports to be made showing the exact condition of each department. State banks are doing departmental business - commercial and savings; Trust Companies are doing commercial, trust and savings; National banks are now doing a large savings business and why should State banks and Trust Companies be placed in a better position to compete for what is recognized as legitimate banking business, than are the National banks. Make your law so that all this business can be done in one room under one supervision and you will have a stampede of both National and State banks into your associations. At present the National banks, in order to keep their clients and to meet the competition of the State banks and Trust Companies, are obliged to become interested through their stockholders or directors in Trust and Savings banks organized under the State laws and under State supervision, often with the same board of directors and officers. Why is it not better from a moral and from a practical standpoint to have this business done by one institution under one set of laws and under National supervision, than to have part of it done under the State laws, part under National - part under State supervision and part under National. If the kind of business done by the State banks and Trust Companies is not legitimate banking business, why should they be accepted as members of the regional associations.

The Sections on page 20 of the Senate Bill, referring to the power to accept drafts or bills of exchange and the right of the Federal Reserve bank to discount such acceptances should be broadened so as to include transactions growing out of the movement of goods inside of the United States. It seems ridiculous that a box of salmon moving to South Africa or any point outside of the United States should be virtually cash the minute the bill of lading is in the bankers hands and

that the same box of salmon bound for any port of the United States means a lockup of the bank's funds until it arrives at its destination and is delivered to the purchaser. On Page 19 of Senate Bill, you allow the Federal Reserve Bank to discount notes and bills of exchange arising out of commercial transactions, but on Page 20, a member bank can only accept drafts and bills of exchange growing out of transactions involving the importation or exportation of goods, and I am unable to find any authority to accept drafts or bills of exchange arising out of commercial transactions within the United States. Acceptances should be allowed to the full amount of paid-up capital instead of to extent of one-half of paid-up capital.

On Page 22 Senate Bill, suggest that you strike out that part of line 6 reading "payable in foreign countries."

Suggest that you strike out the clause on Page 23 Senate Bill, relating to the payment of interest on government deposits. All of the surplus profits go to the government and the bank should not pay interest on any deposits.

On Page 24, line 8 - Senate Bill - I suggest striking out the words "purport on their faces to" particularly if the notes are to be issued by the government and not by the bank. I also suggest that the limit of \$500,000,000. be stricken out. The tax should be based on the amount of reserve held and not on amount of notes out.

The number of examinations provided for are excessive and unnecessary. Two examinations are sufficient for well conducted banks and additional examinations should only be imposed when it is found that banks are being improperly run. The incentive of escaping extra examinations will help to induce all bank officers to run their banks

in a proper manner.

The banks should be allowed to keep their reserves with any regional reserve bank that is convenient to them, from an exchange standpoint, or any branch of any central institution if the Treasury Department with its sub-Treasuries should replace the proposed regional association plan.

to Walter E. Free
president

Corn Exchange Bank
N.Y.C.

1921

PERSONAL

June 13, 1921.

My dear Mr. Frew:

We have only within the last few weeks been able to conclude the final accounting of the expenses of the various Liberty loans, and determine to what extent, if any, expenditures made by the organization could not be reimbursed by the Treasury under existing law, or rules of the Department. We find that the total amount of such items that cannot be reimbursed is \$2,535.97. Of this sum, the Federal Reserve Bank is able to absorb \$2,229.74. The remainder, \$306.23, I have paid personally.

The Liberty Loan Committee passed a resolution, agreeing personally to assume certain charges, up to a limited amount, which as I recall was \$1,000. If the members of the committee care to pay their respective shares of this sum, the amount of each committeeman's proportion will be \$23.55.

Had these operations been conducted since the passage of the Volstead Act, it would not have been necessary to ask the committee to make any contribution.

Yours very truly,

Walter E. Frew, Esq.,
13 William St.,
New York, N. Y.

The Corn Exchange Bank,
NEW YORK.

WALTER E. FREW, PRESIDENT.

AA

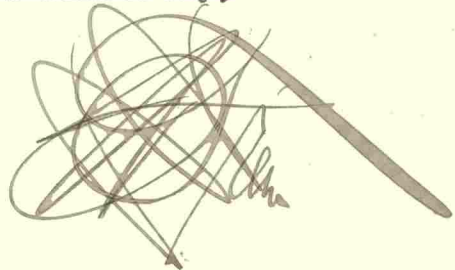
JUN 15 1921

June 14, 1921.

My dear Gov. Strong:

Referring to your favor of
the 13th inst. it gives me pleasure to en-
close to you my check for \$23.55- I think I
had my share of this.

Yours sincerely,

A large, stylized handwritten signature in dark ink, consisting of several overlapping loops and a long, sweeping tail that extends towards the right edge of the page.

Hon. Benjamin Strong,
Federal Reserve Bank,
New York City.

June 15, 1921.

My dear Mr. Frew:

I thank you for the remittance of \$23.55
enclosed in your favor of June 14.

Yours very truly,

Walter E. Frew, Esq.,
13 William St.,
New York, N. Y.

GB:MM

a. E. L. Howe

Princeton Bank

51 1/2

1918

207
PRINCETON BANK
PRINCETON, N.J.

May 16, 1913.

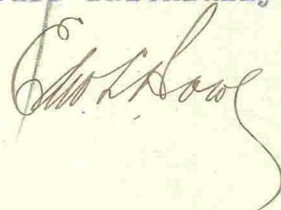
Personal

Mr. Benjamin Strong, Jr.,
c/o Bankers Trust Co.,
New York, N. Y.

My dear Mr. Strong:

I have had hard work to get in touch with Mr. Willis and only succeeded in doing so late this morning. I have arranged to have him meet me at the St. Regis, Fifth Ave. & 55th St. at 1.15 tomorrow, Saturday. I shall hope to see you and Mr. Vanderlip at that time. There is just a possibility that I may be able to get in to your office for a few minutes late this afternoon as I should like to have a word with you before the lunch.

Yours faithfully



H/C

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

20 BROAD ST., N. Y.

DELIVERY NUMBER

609

INDEPENDENT COMPETITIVE PROGRESSIVE

4-278

16AC fq 49 NL

AtlanticCity NJ June 19-13

B Strong Jr,

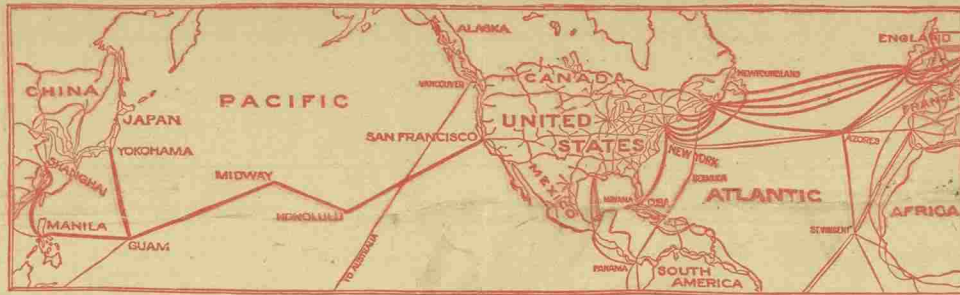
Bankers Trust Co, NewYork.

Confer with Vanderlip and if possible arrange for conference with Willis friday afternoon or evening. I telephoned him today that I would arrange meeting but am unable to do so. Arthur Reynolds, Perrin and Talbot reach NewYork at noon with copies of answers to questions of Senate Sub Committee.

Edw. L. Howe.

145am

POSTAL TELEGRAPH-CABLE COMPANY IN CONNECTION WITH THE COMMERCIAL CABLE COMPANY



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 not earlier than the morning of the next ensuing business day, at rates 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 NIGHT LETTERGRAM should order it REPEATED, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated NIGHT LETTERGRAM rate is charged in addition. Unless otherwise indicated on the face of this blank, THIS IS AN UNREPEATED NIGHT LETTERGRAM, AND IS PAID FOR, OR AGREED TO BE PAID FOR, AS SUCH, in consideration whereof it is agreed between the sender of the NIGHT LETTERGRAM 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 LETTERGRAM, 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 LETTERGRAM, beyond fifty times the sum received for sending the same, UNLESS SPECIALLY VALUED AND INSURED (in which case, conditions 3 to 8, given below, shall apply to such repeated message); nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in obscure Night Lettersgrams.

2. Correctness in the transmission of NIGHT LETTERGRAMS, to any point on the lines of the Company can be INSURED by contract in writing, stating agreed amount of risk, and payment of premium thereon, at the following rates, in addition to the usual charge for REPEATED NIGHT LETTERGRAMS, viz.: one per cent. for any distance not exceeding 1,000 miles and two per cent. for any greater distance.

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

4. NIGHT LETTERGRAMS 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 LETTERGRAMS until the same are accepted at one of its transmitting offices, and if such a NIGHT LETTERGRAM is sent to such office by one of the Company's messengers, the latter 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 thirty days after the NIGHT LETTERGRAM 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 LETTERGRAM at destination, postage prepaid.

B. NIGHT LETTERGRAMS shall be written in plain English. Cipher or 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 the Company is authorized to vary the foregoing.

This is an UNREPEATED NIGHT LETTERGRAM and is transmitted and delivered by request of the sender under the conditions named above. Errors can be guarded against only by repeating the NIGHT LETTERGRAM back to the sending station for comparison.

CLARENCE H. MACKAY, PRESIDENT

FRANCIS C. ADAMS, SECOND VICE-PREST.

EDWARD J. NALLY, VICE-PREST. AND GENERAL MANAGER

CHARLES P. BRUCH, THIRD VICE-PREST.

5505

d) E. C. McDugal
President

Bank of Buffalo
1917

Director of Buffalo Bank
1920 - [then 1928]

Extracts referring to the action of the Federal Reserve Board in
banning foreign securities.

From an Address delivered by President Elliott C. McDougal at a special meeting of
The Association of The State Banks of the State of New York, held at the Onondaga Hotel,
Syracuse, N. Y., December 5, 1916.

These foreign governments are not asking from us permanent capital. They are asking only credit for goods purchased from us at very profitable prices. Messrs. J. P. Morgan & Company tell us that they expected to pay, when due, the treasury bills recently offered and withdrawn. These credits are perfectly legitimate and are just as liquid in theory and practice as the great bulk of the credits granted to its customers by any commercial bank. You bankers know that the notes given by your customers which you hold are liquid not in the sense that as a matter of daily practice they are paid when due - only a small proportion of them is so paid - but because, if loans are carefully made, payment can be enforced if necessary.

Not only is it true that we do not need gold. We are better off without it. At present, there is too much inflation of home credit, due partly to our unusual imports of gold, and partly to the expansion inseparable from the inauguration of the Federal Reserve System and the cheap credits which it induced. Nothing is more dangerous than credit which is too cheap.

With or without this unusual expansion, which is beyond reasonable bounds, there will be a period of readjustment after the war. ~~How violent that readjustment will be.~~ How violent that readjustment will be, no one knows. No one condition will do more to stabilize credits at that time and to prevent violent fluctuations in foreign exchange with consequent inevitable disturbance to domestic business than an adequate supply of foreign treasury bills or other short time securities in the hands of our bankers. There is credit enough in this country for all of our legitimate needs, including even the enormous needs of our railroads, for credits to all foreign purchasers of our goods, and for a reasonable amount of credit in addition. In fact, there is an over-supply of credit. Contraction of credit is needed to-day. We are blind to that need. For these reasons, if for no other, absorption of part of this over-supply by a round amount of foreign credits would be not a danger, but a safeguard.

What I have said is unimportant as compared with a real danger which faces us, about which the Federal Reserve Board says nothing. That danger arises from the speculation now under way in this country, plus the desire of excessive quick and easy profits in legitimate business, both encouraged by an over-supply of credit; and the growing discontent with normal profits and hard work. The country has gone crazy. It would be better for us to supply even permanent capital for legitimate purposes to foreign countries than to encourage speculation and inflation at home.

In our amateurish, theoretical discussions not only have we considered only one very small part of a complete whole, but have been blind to a real danger. As President Cleveland once said, - "It is a condition and not a theory that confronts us." Our home expansion to-day is most dangerous. Unless checked, it promises greater dangers. This actual danger, rather than a theoretical one, should command the attention of bankers to-day.

Mr. Strong

THE ASSOCIATION OF THE STATE BANKS OF THE STATE OF NEW YORK

Buffalo, N. Y.,

February 9th, 1917.

Office of the President.

Dear Sir:

A country banker in a neighboring village has just shown me a letter from the Federal Reserve Bank of New York to a notary public in that village, which indicates that it is the purpose of the Federal Reserve Bank of New York to collect checks upon state banks by express. The letter asked the notary public if he would receive from the express company and protest any such checks which were dishonored. The country banker told me that he was perfectly willing to remit to the Federal Reserve Bank at from one-tenth of one per cent. to one-twentieth of one percent., depending on the size of the items, but that he saw no good reason why he should do business for nothing, nor why he should be forced to do so by a threat that otherwise checks upon his bank would be collected by express.

Providing country banks are willing to remit at such reasonable rates, any such arrangement as that proposed in the above mentioned circular savors of coercion. You doubtless remember that not long ago, it was proposed to present through the post-office department checks upon state banks and trust companies although the charges of the post office department would have been much higher than the charges of the very state banks and trust companies upon which the checks were drawn. That, if I remember correctly, was

the suggestion of the Federal Reserve Board at Washington. For reasons best known to themselves, the authorities in Washington did not see fit to use that method of coercion. Apparently, the present action is the action of the Federal Reserve Bank of New York. The Directors of the Federal Reserve Bank of New York are estimable gentlemen. Were not the evidence before us, it would be almost inconceivable that they should approve of such action.

State banks and trust companies simply ask to be left alone. They have no desire to interfere with the Federal Reserve System. They ask that it shall not improperly interfere with them. The subject of collection charges is a vital one to them. The backers of the Federal Reserve System have repeatedly been guilty of attempted coercion, and in more ways than have appeared on the surface or could be proven in a court of law. A systematic attack upon our state banking system has been under way for some time. We are compelled to defend ourselves. So far as is possible, state banks and trust companies should forget their differences and stand together against these unfair attacks or they may be beaten in detail. The average state banker is asleep. "United we stand, divided we fall." State banks have no quarrel with national banks. It is not the fault of either that the present situation exists. The fault lies with the Federal Reserve Board and with the Comptroller of the Currency. A state bank and a national bank, if left to themselves, would live together in the same harmony as would two state banks. It is not their fault that they are not allowed to do so.

I am not in favor of a nation-wide system of state institutions, which would be a rival of the Federal Reserve System. State

banks are not jealous of the Federal Reserve System. They are perfectly content to allow it to become the dominant system in this country but not the only system. If every state has its own independent system, each can be adjusted to suit the business requirements of its own locality. Without in any way interfering with the Federal Reserve System, state systems can take care of much business for which the Federal Reserve System is not so well equipped. It is hardly possible to design a national system which will meet all of the needs of all localities. What will suit California may not suit Massachusetts. Were it possible to unite all state institutions in one nation-wide system, it might be just as unwieldy and as unresponsive to local business needs as is the Federal Reserve System.

Were the wish of the Federal Reserve Board accomplished, were all the banks in this country, both state and national, members of the Federal Reserve System, we should have a monopoly in banking which would be harmful rather than helpful. With monopoly probably would come arbitrary methods and more coercion. It must be remembered that even the very best men with the very best intentions become arbitrary in the absence of all competition.

I will be extremely obliged to you if you will advise me whether you know of any such proposition or suggestion as the one mentioned in the first paragraph of this letter being made to any notary in your vicinity. Please do not fail to do so as the matter is most important. Not only is it necessary to know that such circulars have been received; it is necessary to know every case, no matter how many.

Yours very truly,

E. C. McDougal

President.

THE ASSOCIATION OF THE STATE BANKS OF THE
STATE OF NEW YORK.

President

E. C. McDougal, President Bank of Buffalo, N. Y.

Vice-President

John H. Gregory, President Central Bank, Rochester, N. Y.

Secretary and Treasurer

Paul E. Bonner, President North Side Bank of Brooklyn, N. Y.

Executive Committee

A. W. Ellis, Vice President City Bank of Syracuse, Syracuse, N. Y.
John A. Potter, President Patchogue Bank, Patchogue, N. Y.
B. W. Wellington, Vice President Q. W. Wellington & Co.'s Corning.
Walter E. Frow, President, Cern Exchange Bank, New York.
F. A. Sawyer, President, Citizens Bank, Waverly, N. Y.
Stephen Baker, President Bank of the Manhattan Company, New York.
Walter N. Bennet, Vice President Bank of America, New York.
Robert Olcott, Cashier, Mechanics & Farmers Bank, Albany, N. Y.

Buffalo, N. Y., February 24th, 1917. X

Dear Sir:

Referring to my circular letter of February 9th, which was sent to all state banks outside of clearing house cities, concerning the possible collection through express companies by the Federal Reserve Bank of New York of checks on state banks and trust companies which refuse to remit at par, it has been suggested that state banks and trust companies have checks upon themselves stamped "PAYABLE IN NEW YORK EXCHANGE AT CURRENT RATES". Should checks be so stamped, the Federal Reserve Bank could not demand cash, nor New York exchange at par.

It probably would be wise for each bank to explain to its customers the object of the stamp. There could be no reasonable doubt that its customers would co-operate. If any ordinary holder should present such a check over your counter, there would be nothing to prevent you from paying it in cash, if you chose to do so, but no holder of such a check could compel you to pay cash.

It is only fair to the other members of our Executive Committee to say that the circular letter of February 9th, and this letter, are sent out on my own responsibility without waiting for a meeting of the Committee. My reason is the necessity for immediate action. Replies which I have received to my letter of February 9th indicate that a goodly number of letters has been sent out by the Federal Reserve Bank to notaries public in different parts of the State. A representative of the Federal Reserve Bank is travelling through the State endeavoring to induce state banks and trust companies to remit at par.

It is possible that this movement of the Federal Reserve Bank is intended as an entering wedge and that the final result may be the absorption and possible abolishment of our state banking system. The only safe thing to do is to resist the first encroachment. A man cannot walk ten miles without taking the first step. The Federal Reserve System cannot absorb our state banking system if we prevent it from taking the first step.

Yours very truly,

Elliott C. McDougal,
President.

Extracts from Address of
Mr. Elliott G. McDougal,
(President, Bank of Buffalo)
(Buffalo, N. Y.)

on

"State Banks and the Federal Reserve System"
before

Group III, New York State Bankers' Association,
at Elmira, N. Y.
Saturday, February 24th, 1917.

It is urged that the Federal Reserve Bank of New York has a perfect right to present checks on any bank, at the counter of that bank, and to demand payment in cash at par. That is perfectly true. Had the Federal Reserve Bank no other purpose than to procure cash, there could be no valid criticism of its action. The trouble is that such is not its real purpose. That purpose clearly is to force banks upon which checks are drawn to remit New York exchange at par. At a conference of country bankers in Rochester, an Assistant Cashier of the Federal Reserve Bank of New York stated that the furnishing of New York exchange, and the transfer of funds from one city to another, were services for which no bank had any right to make a charge. Any man with ordinary common sense knows that this is nonsense. Such service costs money. It presupposes the procuring and the maintaining of banking connections and the keeping of balances in other cities. It presupposes clerk hire, stationery and rent. A bank furnishing such facilities at par does so at a loss. A bank has a perfect right to make a charge covering cost, plus a fair profit.

When the Federal Reserve Bank of New York takes the position that this service must be furnished not only for nothing but at an actual loss, it takes an untenable and an unjust position. It is perfectly true that, in the past, some country banks have charged exorbitant rates. It may be true that, to-day, some of them are charging exorbitant rates. The Federal Reserve Bank is perfectly justified in collecting checks upon such banks in any way it chooses. When country banks are willing to remit small amounts at one-tenth of one per cent., and moderate sized amounts at one-twentieth of one per cent., such banks are asking no more than fair compensation for their services. To attempt to coerce such banks is unjust. The statement that they are not entitled to charge for such services is untrue. To use the technical argument that they should not object to redeeming at par, over their own counter, checks drawn upon them, when these checks are presented, not simply to get cash, but to coerce them, is insincere.

It has been stated that the Federal Reserve Board intends to make every bank check worth par in every part of the United States. The Board might just as easily decree that two and two shall make five. A check upon San Francisco is worth par to a man in San Francisco. To a man in Denver, it is worth a little less than par. To a man in St. Louis, a little less than that. To a man in New York or Boston, a little less than that. The same is true of a check on Minneapolis in the hands of a man in Minneapolis as compared with the same check in the hands of a man in St. Louis or in the hands of a man in New Orleans. Genuine country-wide parity for local checks is a theoretical dream. Unnatural, enforced parity, under unjust laws, might be possible, just as it might be possible to pass a law that a shipper of oranges in California should receive for a box of oranges which he has shipped to Maine, and upon which he has paid freight, the same price that he would receive for the same box of oranges in California.

Superficially considered, it may seem that this question of collection charges, while important as a matter of justice to our entire state banking community, is important as a matter of selfish interest to country bankers only. Considered from the point of their selfish interests, and looking no further than their noses, Buffalo banks are undoubtedly indifferent to the action of the Federal Reserve Bank of New York in its endeavor to coerce state banks. The probability is that banks in Rochester, Syracuse, Albany and other clearing house cities, are similarly indifferent. Nevertheless, all state institutions, not even excepting those of New York City, should realize that self-preservation requires united opposition to the Federal Reserve Bank or to any other power which endeavors unjustly to coerce even a small part of our state banking institutions.

The solidarity of the banking system of New York is at stake. It must be perfectly plain to anyone who is not willfully blind that it is the intention of the Federal Reserve Board to force into the Federal Reserve System all state institutions. The Federal Reserve Board says that such institutions will be received into the system on very favorable terms, and that they will be allowed to remain, each under the supervision of its own state banking department. Probably such an arrangement could not long continue. There would be conflict of authority and discord between the authorities of the United States and the authorities of the State of New York. While no man can prophesy exactly what would happen, the probability is that the powers of the Federal Reserve Board gradually would encroach upon the powers of the state banking department, until the powers of the latter were practically extinguished, while the state banks members of the Federal Reserve Association looked helplessly on. This is the main danger, compared with which the question of collection charges sinks into insignificance. To anticipate and prevent this danger, state banks of discount and trust companies should join in a state clearing house association, with powers to do everything for a member that the Federal Reserve System can do, except the power to issue currency. To meet that lack, the executive committee of the association should be authorized to procure currency for any member in case of need, paying a premium for it if necessary.

Years of experience covering several panics have proven the clearing house association to be the quickest, the least expensive and the best method of meeting unforeseen emergencies. With such an association, membership in which would be much less expensive than membership in the Federal Reserve Association, our state system would be entirely independent of the national system. Such independence is desired not for attack upon the national system, but for mutual protection of members in times of financial stress, and for defence against such attacks on the part of the Federal Reserve System as exist to-day.

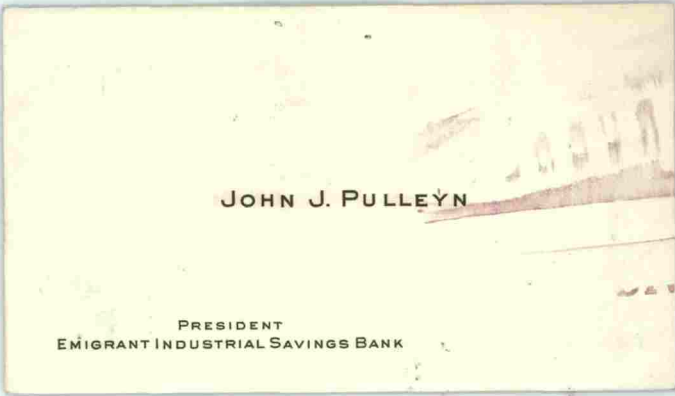
Ed J. Pulley
President
Imperial Industrial
Savings Bank
NYC
1925-

Wants to extend a personal invitation to you to attend the 75th Anniversary dinner of his bank. Asks to come in Monday to see you, if possible

JOHN J. PULLEYN

PRESIDENT
EMIGRANT INDUSTRIAL SAVINGS BANK

50/30



JOHN J. PULLEYN

PRESIDENT
EMIGRANT INDUSTRIAL SAVINGS BANK

W. 1906

Monday - 12:15

ACKNOWLEDGED
SEP 29 1925
R R

The
Emigrant Industrial Savings Bank
requests the honor of the presence of
Hon Benjamin Strong
at a Dinner to be given at the
Hotel Biltmore
on Wednesday, September 30, 1925
at half past seven o'clock
to commemorate the
Seventy-Fifth Anniversary
of the Bank's opening for business
September 30, 1850

The favor of a reply is requested
to Mr. Joseph A. Murphy
51 Chambers Street, New York City

Keep open until
a day or two before
when the final
reply

Bank

SEP 29 1925

September 29, 1925.

My dear Mr. Pulleyn:

Very much to my regret it will not be possible for me to attend the dinner at the Hotel Biltmore tomorrow night, at which will be celebrated the seventy-fifth anniversary of the establishment of the Emigrant Industrial Savings Bank.

Your wonderful institution has an almost unexampled record of success. It is not the kind of success which is measured in earnings or profits, but in the promotion of thrift and savings by poor people, where benefits accrue not only to the individual depositor, but to the nation at large.

Furnishing facilities for the custody of what poor people can save and employing them in building up the nation helps to make good citizens on the one hand, and a prosperous and happy people as well; so that I know that you and your colleagues will gain more from the celebration of this anniversary than will your guests, because of the consciousness that you must have of the splendid piece of work well done.

Wishing you a continuance of the growth of your institution which is based upon fine traditions, I am,

Sincerely yours,

John J. Pulleyn, Esq.,
Emigrant Industrial Savings Bank,
New York, N. Y.

ES.LS

f Wheelock, C D
Corn Exchange Bank,
+
President of NY
Chapter of A & B
1925-

NEW YORK CHAPTER, INC.
AMERICAN INSTITUTE OF BANKING

SECTION AMERICAN BANKERS ASSOCIATION

CHARLES D. WHELOCK, PRESIDENT
WITH THE CORN EXCHANGE BANK

EDWIN C. ESTES, 1ST VICE-PRESIDENT
WITH THE SOUTH BROOKLYN SAVINGS INSTITUTION

LOUIS H. OHLROGGE, 2ND VICE-PRESIDENT
WITH THE NATIONAL PARK BANK

15 WEST 37 STREET
TELEPHONE, FITZ ROY 1544
NEW YORK

NELSON M. MCKERNAN, TREASURER
WITH THE IRVING BANK-COLUMBIA TRUST COMPANY

J. MARTIN TELLEN, SECRETARY
BIRDSEY H. SNIFFEN, ASSISTANT SECRETARY
15 WEST 37 STREET

ALFRED E. SCHNEIDER, CHIEF CONSUL
WITH THE AMERICAN EXCHANGE-PACIFIC NATIONAL BANK

November 17, 1925

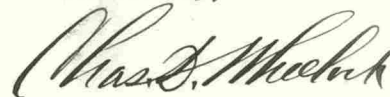
Mr. Benjamin Strong, Jr.
Federal Reserve Bank
Liberty & Nassau Streets
New York City

Dear Mr. Strong:

The Chapter officers appreciate your continued interest in our work. Your support with that of our other sustaining members is most encouraging.

Enclosed is receipt #2707.

Yours sincerely,



President

CDW/MED

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AMERICAN INSTITUTE OF BANKING

NEW YORK CHARTER INC

f. Wright, A W
Bailey Savings
Bank

+

Chairman of Bankers
Forum of
NY Chapter of A & B
1926

NEW YORK CHAPTER, INC.
AMERICAN INSTITUTE OF BANKING

SECTION AMERICAN BANKERS ASSOCIATION

EDWIN C. ESTES, PRESIDENT
WITH THE SOUTH BROOKLYN SAVINGS INSTITUTION

NELSON M. MCKERNAN, 1ST VICE PRESIDENT
WITH THE IRVING BANK-COLUMBIA TRUST COMPANY

WALTER MONSEES, 2ND VICE PRESIDENT
WITH THE FARMERS' LOAN AND TRUST COMPANY

15 WEST 37 STREET
TELEPHONE, WISCONSIN 1420
NEW YORK

ALFRED E. SCHNEIDER, TREASURER
WITH THE AMERICAN EXCHANGE-PACIFIC NATIONAL BANK

J. MARTIN TELLEEN, SECRETARY
ALFRED E. HENDERSON, ASSISTANT SECRETARY

CLIFFORD L. LUNDGREN, CHIEF CONSUL
WITH THE CHASE NATIONAL BANK

June 15, 1926.

ack 6/16/26 msh

Mr. Benjamin Strong, Governor,
Federal Reserve Bank,
33 Liberty Street,
New York City.

Dear Mr. Strong:

New York Chapter has been fortunate in
having you serve as a member of the Honorary
Committee of the Bankers Forum. May we have the
honor of having you continue in this capacity
during the coming year?

Respectfully yours,

Geo. W. Wright

Chairman,
Bankers Forum.

GW.W.OEW

June 16, 1928.

Dear Mr. Wright:

This is to acknowledge the receipt of your letter of yesterday, asking Mr. Strong to continue to serve as a member of the Honorary Committee of the Bankers Forum.

Unfortunately Governor Strong is abroad now, and the date of his return is uncertain as yet. But if the committee list will not be made up immediately, I shall be glad to communicate with him.

Will you let me know how soon you will need to have definite advice?

Very truly yours,

Secretary to the Governor.

Mr. George W. Wright,
Chairman, Bankers Forum,
American Institute of Banking,
15 West 37th Street, New York.

THE BOWERY SAVINGS BANK

CHARTERED 1834
130 BOWERY
NEW YORK

GEORGE W. WRIGHT
ASSISTANT SECRETARY

June 19, 1926.

Mr. M. S. Bleecker, Secretary,
Federal Reserve Bank,
Federal Reserve P.O. Station,
New York City.

Dear Mr. Bleecker:

I wish to thank you for the
prompt reply to my letter of June 15th to Mr.
Strong. Whenever convenient, I will be pleased
to receive a reply.

Very truly yours,

Geo. W. Wright

Chairman,
Bankers Forum.

GWW.OEW

Q. J. B.

Hotel du Cap d'Antibes,
Antibes, July 8, 1926.

My dear Mr. Wright:

Your favor of June 15th has been forwarded to me here.

I am afraid my services to the American Institute of Banking have been very slight indeed, and it may well be possible for you to get someone who is more time to devote to the work. If so, I know you will not hesitate to make another selection. As you know, I am much interested in the Institute and wish I might be of more service. If you find that the very lame participation which I give it is of any value, I shall of course be delighted to continue.

Very sincerely yours,

Mr. George W. Wright,
Chairman, Bankers Forum,
American Institute of Banking,
15 West 37th Street,
New York.

BS:M

THE BOWERY SAVINGS BANK

CHARTERED 1834
130 BOWERY
NEW YORK

GEORGE W. WRIGHT
ASSISTANT SECRETARY

July 27, 1926.

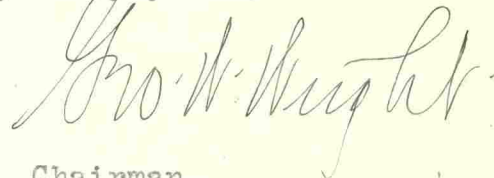
Mr. Benj. Strong, Governor,
Federal Reserve Bank,
33 Liberty Street,
New York City.

Dear Mr. Strong:

Your letter of July 8th was received with considerable satisfaction, as I have been waiting to hear from you to complete the list of the members of the Honorary Committee.

The fact that you are so deeply interested in the A.I.B. is the very reason that the Committee is desirous of continuing you as a member of that Committee, and on behalf of the Bankers Forum, and also as Chairman, I wish to thank you for your willingness to continue on the Honorary Committee for the season of 1926-1927.

Very truly yours,



Chairman,
Bankers Forum.

GWW.OEW

AUG 25 1926
FEDERAL RESERVE BANK
OF NEW YORK