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CHARLES SUMNER HAMLIN

DIARIES

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*C. H. Hamilton*

DIARIES

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Admiral Grayson gave a list of honorary pall bearers at Mr. Wilson's funeral which did not contain name of C.S.H. C.S.H. called up Grayson who said it was a stupid error on part of some one and that he would ask its correction in the associated press.  
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C.S.H. called up Bolling who said he did not know but would ask Mrs. Wilson. After a few minutes he said Mrs. Wilson said that as the space was so limited ladies were not expected.

C.S.H. suggested that he had better not quote Mrs. Wilson, but merely to wire Baker that Bolling says etc. (in order to shield Mrs. Wilson). Bolling seemed rather annoyed and said, rather brusquely, - "Say anything you please, these are Mrs. Wilson's exact words" and then repeated them.

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**Bank of Italy.**

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Johnson, California Superintendent of banking wires Board urging favorable action on application of Bank of Italy and Pacific S.W. Co. to take over and operate as a branch the Valley Bank of Fresno, Cal., under an agreement to divide the existing branches of the Valley Bank and to close some of them.

Johnson said that if not granted the Bank must close, and would carry with it other banks, and might imperil the whole banking situation of the San Joaquin Valley.

Fresno is midway between San Francisco and Los Angeles, - about 300 miles from either. Miller favored, but Dawes and James objected.

Gov. Calkins and Exec. Committee of F.R. Bank of San Francisco wire that it was urgent and both favored it.

Board voted to give F.R. bank authority to approve, if satisfied this was the only practicable way of meeting the situation.

All voted aye except Dawes and James, who voted No. Feb. 25, 1924. p. 46

Baker, President of National, New York  
Attends dinner to Ambassador Hamilton in New York and calls C.S.H.  
His address was one of the best he ever heard.  
Mar. 10, 1924. p. 72

Baker, Secretary Newton D.  
is guest of C.S.H. for Wilson dinner  
Calls up C.S.H. from Cleveland and says that he had been asked to be  
an honorary call dinner, but the invitation did not mention  
Mrs. Baker, but he wanted to ask through it ladies were  
expected. He asked if I had Mrs. Wilson's telephone number,  
and on my saying I preferred to talk with Holling he asked me  
to put the question to him.

C.S.H. called up Holling who said he did not know but would ask  
Mrs. Wilson. After a few minutes he said Mrs. Wilson said that  
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C.S.H. suggested that he had better not give Mrs. Wilson, but  
merely to write Baker that Holling says etc. (in order to shield  
Mrs. Wilson). Holling seemed rather annoyed and said  
rather brusquely - "See anything you please, these are  
Mrs. Wilson's exact words" and then repeated them.

C.S.H. wired Baker that Mr. Holling says etc. Feb. 4, 1924. p. 14, 15.  
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Baldwin, Miss  
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Hawley's resignation. Jan. 30, 1924. p. 12

Bank of Italy (Cont.)

James says Herson will shortly report that a simultaneous examination of the Bank of Italy and other banks having a large number of branches is perfectly practicable; that it will require perhaps 140 examiners, easily procurable from the Federal Reserve bank and from other sources, which his report will reveal; that the cost to the Bank of Italy would not be over \$20,000 which was not excessive nor unreasonable. Feb. 25, 1924. p. 48, 49.

Herson presents report to Federal Reserve Board dated Feb. 15, 1924, as stated above. C.S.H. moved to accept the report and that simultaneous examinations be immediately ordered of Bank of Italy and other Calif. banks having a large number of branches.

Miller bitterly objected and James moved to lay on table.  
Vote:

- Aye - Miller and James
- No - C.S.H. and Platt

Gov. C. then voted aye and the motion was tabled. Feb. 28, 1924. p. 53, 54.

Giovini, of Bank of Italy, appeared before Board advocating certain branches. Mar. 12, 1924. p. 72.

C.S.H. moved that Board proceed to examine simultaneously the Bank of Italy and other California banks having numerous branches.

Miller moved to table. Defeated.

Vote on C.S.H. motion:-  
Aye - C.S.H., Platt, Cunningham, Dawes  
No. - Miller, James  
Carried.

Mar. 18, 1924. p. 80

Miller says this will precipitate a banking crisis in California! Mar. 18, 1924. p. 83

Giovini, of Bank of Italy, wires congratulations to Miller on his reappointment on F.R. Board, and sends flowers. May 19, 1924. p. 147.

C.S.H. says McFadden branch bank bill will give an unjustifiable monopoly to Bank of Italy. May 26, 1924. p. 166

Bankers acceptances

Wyatt, or his predecessor, ruled some years ago that a bank could not draw a bankers acceptance against another bank secured by a trade bill drawn on the foreign purchases, bought by said drawer bank in connection with an import or export transaction.

Bank of England. Gives credit to Reichsbank, - to enable it to subscribe for one-half of the stock of the Reichsbank, plus one share, in - April 7, 1924. p. 102.

Gov. Cass calls F. R. Board that a director of the Bank of England told him that Great Britain was overburdened with credit demands which it could not handle, and that her discount rates should be increased, and ours decreased. May 7, 1924. p. 130

Gov. Strong says he believes the Bank of England or Great Britain has a large amount of gold, not mentioned in its financial statements, received from France and left over from Russia, with which it will take care of the interest payments it must make to the U.S.

May 22, 1924. p. 132

See also - Norman, Gov.

Bank of Italy.

Herson, Chief of Examination Division, Federal Reserve Board, calls C.S.H. that in his opinion, the Bank of Italy was in an absolutely sound condition; that he had carefully studied the last state examination report, and that the Bank was in fine condition. Feb. 18, 1924. p. 52, 53.

Johnson, California Superintendent of Banking wires Board urging favorable action on application of Bank of Italy and Pacific S.W. Co. to take over and operate as a branch the Valley Bank of Fresno, Cal., under an agreement to divide the existing branches of the Valley Bank and so close some of them.

Johnson said that if not granted the Bank must close, and would carry with it other banks, and might imperil the whole banking situation of the San Joaquin Valley.

Fresno is midway between San Francisco and Los Angeles, - about 300 miles from either. Miller favored, but Dawes and James objected.

Gov. Calhoun and Exec. Committee of F. R. Bank of San Francisco wire that it was urgent and both favored it.

Board voted to give F. R. Bank authority to approve, if satisfied this was the only practicable way of meeting the situation.

All voted aye except Dawes and James, who voted No. Feb. 28, 1924. p. 48

Bankers acceptances (Cont.)

Comptroller Dawes, Governor Strong and C.S.H. thought such acceptances were at least technically legal, but on grounds of banking policy should be strictly limited or perhaps forbidden.

The Federal Advisory Council advised the Board as to the best banking practice, on assumption that such acceptances were technically legal.

Later, Wyatt said he had changed his opinion and believed they were technically legal.

C.S.H. asked him to write out his opinion.

Wyatt then gave a 17-page opinion, the gist of which was that the Board could rule either that they were or were not legal.

Most of the opinion dealt on question of good banking practice, and he seemed rather to favor a ruling that they were not technically legal, in spite of his statement to C.S.H. that he now thought they were technically legal. A most extraordinary opinion!

He practically said, "I am such a brilliant lawyer that I can reach any conclusion the Board wishes!"

C.S.H. directed him to prepare another opinion stating categorically and succinctly just what his opinion was, reaching whatever conclusion he deemed right.

He then asked C.S.H. to put in writing just what the Board felt about the above opinion, which C.S.H. did.

Feb. 23, 1924. p. 35, 36, 37.

See - Wyatt

Beal, T. B. 2nd National, Boston

Wires C.S.H. favoring the McFadden branch banking bill.  
May 26, 1924. p. 162

Bibbs, Judge

C.S.H. meets, at dinner at Mr. Daniel's in Raleigh, N.C. as one of trustees of Univ. of North Carolina; he congratulated C.S.H. warmly on his address.

June 11, 1924. p. 192.

Birkenhead, Lord

Dr. Kennedy an English Chaplain tells C.S.H. that Lord Birkenhead was both an ass and infidel.

Feb. 3, 1924. p. 13.

Bolling, John Randolph  
Asks C.S.H. to be an honorary pall bearer at Mr. Wilson's funeral,  
by request of Mrs. Wilson. Feb. 3, 1924. p.13.

Tells C.S.H. ladies are not expected at the funeral, in response  
to inquiry from Sec. Baker.  
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Tells C.S.H. that Mrs. Wilson, under her arrangement with the  
Cathedral authorities is free to remove Mr. Wilson's body at  
any time.  
May 4, 1924. p. 129

Tells C.S.H. how Mrs. Wilson fractured her shoulder.  
May 25, 1924. p. 160.

Bornas bill  
Sen. Reed of Missouri asks C.S.H. to come to Finance Committee  
with an expert, to meet Democratic members.

C.S.H. went with Smead.

Conferred with Sen. Reed, Walsh (Mass.), Andreas Jones (N. Mexico)  
and Simmons.

They asked me to consider the following plans:-

1. Payment in full in cash by issue of legal tender notes,-  
greenbacks.
2. Same, with a bond issue.
3. Same, but to carry very low rate of interest and to be  
taken by the Federal Reserve banks.

They wanted to know particularly as to danger of inflation and higher  
prices.

C.S.H. opposed all three and said he would prepare a memorandum.  
April 12, 1924. p. 114, 115.

C.S.H. told Board of this and all said no objection to sending  
memorandum. Sen. Reed had told C.S.H. he could tell the Board  
of this in confidence. April 14, 1924. p. 115.

C.S.H. prepares letter to Sen. Reed based on Smead's criticism of  
above 3 propositions.

Flatt approved and C.S.H. showed it to Miller.  
April 16, 1924. p. 118

Bankers' acceptance (Cont.)  
Comptroller Dawes, Governor Strong and C.S.H. thought such  
acceptances were as least technically legal, but on grounds  
of banking policy should be strictly limited or perhaps  
forbidden.

The Federal Advisory Council raised the Board as to the best banking  
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C.S.H. asked him to write out his opinion.

Wray then gave a 17-page opinion, the gist of which was that the  
Board could rule either that they were or were not legal.

Most of the opinion dealt on question of good banking practice, and  
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the above opinion, which C.S.H. did.  
Feb. 28, 1924. p. 32, 33, 34.

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Deal, T. B. 2nd National, Boston  
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warmly on his address.  
June 11, 1924. p. 125

Birkenhead, Lord  
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was both an ace and infidel.  
Feb. 3, 1924. p. 12

Bonus bill (Cont.)

Miller approved it but suggested some condensation.

C.S.H. said he would ask Stewart to go over it and all agreed that C.S.H. could send anything he and Stewart agreed upon.

C.S.H. conferred with Stewart and both agreed upon a shorter memorandum which C.S.H. mailed Sen. Reed for his confidential memorandum. (See scrap book).  
April 17, 1924. p. 118

Borah, Senator

Tells Senator Glass that if he is nominated he would be glad to run with him as Vice President.

Glass said he thought Borah was not serious, but Sen. Swanson told Glass that Borah had spoken with him seriously to same effect.  
May 31, 1924. p. 174.

Borden, Dr.

Cuts out a sebaceous cyst from back of C.S.H.'s neck. Said no need of having it analyzed. April 14, 1924. p. 116

Bornet, David

Tells C.S.H. he may store furniture for summer in 919 Farragut Square on same terms as last year - \$30 per month plus cost of wiring, etc. April 26, 1924. p. 124

Boston Herald

Publishes letters for and against Lodge for his plan of adhesion to World Court. There were over 2000 letters opposed and only 10 or 12 in favor. May 27, 1924. p. 167.

Branch banks. (See also McFadden bill) (See also, Johnson.)  
(Nov. 7, 1923 resolution)

Board voted that it would not entertain petitions for blanket authority to establish branches filed prior to Feb. 1, 1924, under Board resolution of Nov. 27, 1923, but that it would entertain petitions filed prior to Feb. 1, 1924, naming the towns or the location in non-contiguous territory as defined by Board.

Vote as passed made it clear that approval of state superintendent and Federal Reserve bank need not be obtained as a condition of filing petition.

C.S.H. moved that F.R. Agents be directed to notify each member bank of this ruling. Passed.

C.S.H. moved that the date Feb. 1, 1924, in the Resolution of Nov. 27, 1923, be changed from Feb. 1 to April 1, 1924.

Vote:

- Aye - Gov. C., C.S.H. and Platt
- No - Miller, Dawes, Cunningham and James
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to inquiry from Sen. Baker.  
Feb. 4, 1924. p. 14, 15.

Tells C.S.H. Mrs. Wilson under her arrangement with the  
Cathedral authorities is free to remove Mr. Wilson's body at  
any time.  
May 4, 1924. p. 132  
Tells C.S.H. how Mrs. Wilson's fractured leg should be  
May 28, 1924. p. 130.

Bonus Bill  
Sen. Reed of Missouri asks C.S.H. to come to Finance Committee  
with an expert, to meet Democratic members.

C.S.H. went with Sen. Reed  
Conferred with Sen. Reed, Walsh (Mass.), and  
and Blaine.  
They asked us to consider the following plans:-

1. Payment in full in cash by issue of legal tender notes.  
Greenbacks.
2. Same, with a bond issue.
3. Same, but to carry very low rate of interest and to be  
taken by the Federal Reserve Bank.

They wanted to know particularly as to danger of inflation and higher  
prices.  
C.S.H. opposed all three and said he would prepare a memorandum.  
April 12, 1924. p. 114, 115.

C.S.H. said Board of War and Navy had no objection to sending  
memorandum. Sen. Reed had told C.S.H. he could tell the Board  
of this in confidence. April 14, 1924. p. 115.  
C.S.H. prepared letter to Sen. Reed based on Board's criticism of  
above 3 propositions.

Platt approved and C.S.H. showed it to Miller.  
April 16, 1924. p. 118.



Branch banks (Cont.)

Herson, Chief Examiner, tells C.S.H. it is perfectly practicable to examine simultaneously the banks having numerous branches, without undue expense; that the examinations could be made just after the examination of the Federal Reserve bank, which requires a detail of examiners from other Districts.

Feb. 15, 1924. p. 23.

Herson tells C.S.H. he has prepared a plan for simultaneous examinations of large state banks with numerous branches, which was perfectly practicable, and that the cost would not exceed \$20,000 for the largest bank; that it would require say 175 examiners, of which the Federal Reserve bank could supply 100; that they need not all be skilled examiners, as the ledgers, securities, etc. only had to be listed, which could be done within 2 days as a maximum; that, following this, the examination would proceed as if each branch were a separate bank; that one examination each year would be ample.

Feb. 18, 1924. p. 27

See - Bank of Italy  
Herson

Superintendent Johnson of California wires Board strongly urging favorable action on petition of Bank of Italy and Pacif. S. West Savings and Trust Company to take over the Valley Bank of Fresno and its branches, the branches to be divided between the two banks and some to be closed; he said that, if not granted, the bank must close and would carry down with it a number of other banks and imperil the whole banking situation in the San Joachin Valley.

Fresno is midway between San Fran. and Los Angeles, - about 200 miles from either. Miller favored; Dawes and James objected.

Gov. Calkins and Executive Committee of F.R. Bank said it was vitally urgent.

Board voted to authorize the Federal Reserve bank to approve, if satisfied this was the only practicable way to meet the situation.

All voted aye, except Dawes and James, who voted No.  
Feb. 25, 1924. p. 46, 47.

Eastern Banking and Trust Company of Newburn, N. C., files application to take over a small bank and operate it as a branch.

C.S.H., James and Platt favored it as the bank and proposed branch were in sound condition.

Miller approved it but suggested some commission  
C.S.H. said he would ask Stewart to go over it and all agreed that  
C.S.H. could send anything he and Stewart agreed upon.  
C.S.H. conferred with Stewart and both agreed upon a shorter  
memorandum which C.S.H. mailed Sen. Reed for his confidential  
reference. (See scrap book)  
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Tells Senator Glass that if he is contacted he would be glad to run  
with him as Vice President.  
Glass said he thought Borah was not serious, but Sen. Swagart told  
Glass that Borah had spoken with him seriously to same effect.  
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Cuts out a paragraph from back of C.S.H.'s book. Said he need  
of having it analyzed. April 14, 1924. p. 118

Bornet, David  
Tells C.S.H. he may store furniture for summer in 219 Farrington  
Square on same terms as last year - \$30 per month plus cost  
of wiring, etc. April 28, 1924. p. 124

Boston Herald  
Publishes letters for and against lobby for his plan of admission  
to World Court. There were four 2000 letters opposed and  
only 10 or 12 in favor. May 27, 1924. p. 187

Branch banks. (See also Kilduff Bill)  
(Nov. 7, 1923 resolution)

Board voted that it would not entertain petition for blanket  
authority to establish branches filed prior to Feb. 1, 1924,  
under Board resolution of Nov. 27, 1923, but that it would  
entertain petitions filed prior to Feb. 1, 1924, naming the  
towns on the location in non-contiguous territory as defined  
by Board.

Vote as passed made it clear that approval of state experiment  
and Federal Reserve bank need not be obtained as a condition  
of filing petition.

C.S.H. moved that F.R. Agents be directed to notify each member bank  
of this ruling. Passed.

C.S.H. moved that the date Feb. 1, 1924, in the Resolution of  
Nov. 27, 1923, be changed from Feb. 1 to April 1, 1924.  
Vote:  
Aye - Gov. C., C.S.H. and Platt  
No - Miller, Dawes, Cunningham and James  
Pass Jan. 7, 1924. p. 45

Branch banks (Cont.)  
Herson, Chief Examiner, said C.S.H. is perfectly practicable  
to examine simultaneously the banks having numerous branches  
without undue expense; that the examination could be made  
just after the examination of the Federal Reserve bank which  
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examination each year would be made.

Use - Bank of Italy  
Herson  
Department Chairman of California when Board strongly urging  
favorable action on petition of Bank of Italy and Pacific B.  
West Savings and Trust Company to take over the Valley Bank of  
Fresno and its branches, the branches to be divided between the  
two banks and none to be closed; he said that if not granted,  
the bank must close and would carry down with it a number of  
other banks and imperil the whole banking situation in the San  
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Fresno is midway between San Fran. and Los Angeles - about 300 miles  
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Gov. Collins and Executive Committee of F.R. Bank said it was vitally  
important.  
Board voted to authorize the Federal Reserve bank to approve if  
satisfied this was the only practicable way to meet the situation.

All voted aye, except Daves and James, who voted No.  
Feb. 22, 1904, p. 48, 47.  
Eastern Banking and Trust Company of Newbury, N. C. files application  
to take over a small bank and operate it as a branch.  
C.S.H., James and Platt favored it as the bank and proposed branch  
were in sound condition.

Branch banks (Cont.)

Gov. C. strenuously objected as state examination was not good,  
and said Board had determined to permit no more branches unless  
state examined simultaneously.

C.S.H. said Board had not yet done this; that such a ruling would  
directly violate the Federal Reserve Act which prescribes that  
the Federal Reserve bank must examine if state examination is  
not satisfactory, and if satisfactory, it can accept the state  
examination.

Gov. C. said the F.R. bank could not make a proper examination.

C.S.H. said that clearly in this case it could.

James agreed with C.S.H. and said that Herson would soon report that  
simultaneous examinations of banks with a large number of  
branches was perfectly practicable; that it might require 140  
examiners which could easily be procured from the Federal  
Reserve bank and other sources, which his report would reveal;  
that the expense to e.g. the Bank of Italy, would not exceed  
\$20,000 which was not excessive nor unreasonable. C.S.H.  
pointed out that the Federal Reserve Bank of Boston charged one  
F.R. bank \$7500 for an examination, and that the bank was  
delighted to pay it as it placed such reliance on F.R. bank  
reports.

Miller moved that the Federal Reserve Bank could approve provided the  
state was examining simultaneously, and the condition was sound.

Platt moved to amend, that approval be granted if the F.R. bank  
on examination found the condition of bank and branch were sound.

C.S.H. announced that if the Board ruled that it would reject  
applications from states not having satisfactory simultaneous  
examinations, and would not examine through the F.R. bank, he  
might feel it his duty to apply to the courts for a mandatory  
injunction against such a plainly illegal act.

Platt's amendment carried and Miller's motion failed; Miller and  
Gov. C. alone voted for it.

Miller said if this policy were not adopted we might as well throw  
up our hands in California.

C.S.H. said Congress alone could provide for this, but the Board had  
no such power.

C.S.H. said Sen. Glass wished Board to examine for itself through the  
F.R. bank, no matter how many branches there were.

Branch banks (Cont.)

C.S.H. gave notice he would so move, as soon as Herson's report was filed.

Feb. 25, 1924. p. 47, 48, 49, 50, 51.

Herson files report, dated Feb. 15, that simultaneous examinations of state banks having numerous branches, e.g. the Bank of Italy, was perfectly practicable; explained method in detail; that the cost for the Bank of Italy would not exceed \$20,000, - not an unreasonable sum.

C.S.H. moved that the report be accepted and that such examinations be directed immediately, of all state member banks with branches, where the state did not examine satisfactorily and simultaneously.

Miller bitterly objected.

Platt moved to table.

Vote:

- Aye - Miller, James
- No - C.S.H., Platt.

Gov. C. then voted Aye and the motion was tabled.

Feb. 28, 1924. p. 53, 54.

Board discusses proposed regulation of Dr. Miller, providing that the Board hereafter shall approve no branches in states not having a satisfactory system of simultaneous examinations.

C.S.H. pointed out this would be in direct violation of Sec. 9, as it is the duty of the Board to examine if the state examination is not satisfactory.

Miller was furious, said the Board was all cowards; that President Coolidge ought to be informed of conditions in the Board and "clean it out" etc.

C.S.H. again pointed out the duty of the F.R. bank to examine unless the state examination is accepted; further; that the Board had declined to approve the state examination of California since it gave up simultaneous examinations; that Herson had reported that a simultaneous examination is practicable and not unduly expensive.

Feb. 28, 1924. p. 54, 55.

Miller offers above regulation.

C.S.H. and Platt oppose.

Vote:

- Aye - Gov. C., Miller, Dawes, James
- No - C.S.H., Platt

Feb. 29, 1924. p. 58.

Branch banks (Cont.)

Board, after long discussion, tentatively agreed on a new draft of regulations on state bank branches.

C.S.H. and Platt voted for some of them, but stated that they would vote against them when the final draft was voted on.

C.S.H. moved to refer the draft to a special committee for report. Passed.

C.S.H. declined to serve and Platt, James, and Miller were appointed. Feb. 29, 1924. p. 58

Board took up question of referring to branch banks in annual report.

Platt offered a resolution that national banks should, under regulations of the Comptroller, have the same rights as to branches as state banks.

Miller offered a draft to be inserted in the annual report to the effect that state banks should be limited to the powers now exercised by national banks, or that national banks should be given the powers now being exercised by member banks, the latter being favored by the Board.

Agreed that Sec. Mellon and Cunningham, both absent, might record their vote.

Feb. 29, 1924. p. 59

Dawes then moved to substitute a general indorsement of the McFadden branch bank bill.

Vote:  
Aye - James, Dawes  
No - Gov. C., C.S.H., Platt, Miller.

Lost, as even if Sec. Mellon and Cunningham voted Aye, it would merely be a tie.

Vote on main motion.

Aye - Gov. C., C.S.H., Platt, Miller  
No - Dawes, James  
If Sec. Mellon and Cunningham are recorded No, it will be a tie and lost.

Feb. 29, 1924. p. 59, 60.

Sec. Mellon asks to be recorded as voting Aye on Dawes motion to approve McFadden bill and No on Miller's motion.

March 4, 1924. p. 60

*Four of appointed members voted in favor of carrying an address volume in the folder and a annual report and the 2 by office. members voted No, trying the vote & debating the matter Mar 4, 1924 T. 61*

Branch banks (Cont.)

C.S.H. gave notice in words as above, as soon as Herson's report was filed.

Feb. 28, 1924. p. 47, 48, 49, 50, 51

Herson files report, dated Feb. 18, that simultaneous examinations of state banks having numerous branches, e.g. the Bank of Italy, was perfectly practicable; explained method in detail; that the cost for the Bank of Italy would not exceed \$20,000 - not an unreasonable sum.

C.S.H. moved that the report be accepted and that such examinations be directed immediately of all state member banks with branches where the state did not examine satisfactorily and immediately.

Miller bitterly opposed.

Platt moved to table.

Vote:

Aye - Miller, James  
No - C.S.H., Platt

Gov. C. then voted Aye and the motion was tabled. Feb. 28, 1924. p. 52, 54

Board discussed proposed regulation of Dr. Miller, providing that the Board hereafter shall approve no changes in state laws having a satisfactory system of simultaneous examinations.

C.S.H. pointed out this would be in direct violation of Sec. 2, as it is the duty of the Board to examine if the state examination is not satisfactory.

Miller was right, said the Board had all members; that President Geddis ought to be returned or continue in the Board and "clean it out" etc.

C.S.H. again pointed out the duty of the Board to examine unless the state examination is accepted; further, that the Board had declined to approve the state examination of California since it gave up simultaneous examinations; that Herson had reported that a simultaneous examination is practicable and not unduly expensive.

Feb. 28, 1924. p. 54, 55

Miller offers above regulation. C.S.H. and Platt oppose.

Vote:

Aye - Gov. C., Miller, James  
No - C.S.H., Platt

Feb. 29, 1924. p. 58

Branch banks (Cont.)

Board takes up the new branch bank regulations presented by Miller, James, and Platt.

C.S.H. pointed out that under these regulations the Board could not grant a teller's window in the city of location in California as the state is not examining simultaneously.

Miller and James said California does examine simultaneously all but the four banks having the largest number of branches; that Johnson told them this at his last conference.

C.S.H. said he did not so understand it.

Miller said the new regulation would apply only to the 4 Calif. banks.

C.S.H. said this was illegal; that if the state examinations were not accepted the F.R. bank must examine every member bank.

Wyatt said the regulation was legal.

Miller and James disputed as to the condition that the Board would grant applications only in the place of location and contiguous territory as defined by the Board.

Miller wanted it to read, - as to territory tributary in a banking sense to the parent bank.

C.S.H. said the regulation was vague and should be clarified; that it might be construed much more narrowly than the area defined in the Nov. 7 resolution, or, on the other hand, it might be construed to embrace state wide branches.

C.S.H. said that while he was opposed to the limited area of the Nov. 7 resolution, as amended, it was at least specific, while Miller's was hopelessly vague.

Platt favored repeal of the Nov. 7 resolution.

C.S.H. said he would vote for repeal, but thought the area defined was in better shape than Miller's sense of banking influence.

James said he favored cutting down state banks powers as to branches to that allowed to national banks.

C.S.H. begged James to move this and have a test vote, but James would not do it.

Miller said he would move to amend the draft by substituting his sense of influence draft.

Mar. 7, 1924. p. 67, 68, 69, 70.

Branch banks (Cont.)

Board after long discussion tentatively agreed on a new draft of regulations on state bank branches.

C.S.H. and Platt voted for some of them, but stated that they would vote against them when the final draft was voted on.

C.S.H. moved to refer the draft to a special committee for report. Passed.

C.S.H. declined to serve and Platt, James, and Miller were appointed. Feb. 28, 1924. p. 68.

Board took up question of referring to branch banks in annual report.

Platt offered a resolution that national banks should, under regulations of the Comptroller, have the same rights as to branches as state banks.

Miller offered a draft to be inserted in the annual report to the effect that state banks should be limited to the powers now exercised by national banks, or that national banks should be given the powers now being exercised by state banks, the latter being favored by the Board.

Agreed that Sec. Mallon and Cunningham, both absent, might record their vote. Feb. 28, 1924. p. 68.

Dawes then moved to substitute a general improvement of the National Branch Bank Bill. Vote: Aye - James, Dawes. No - Gov. C.S.H., Platt, Miller.

Next, as given by Sec. Mallon and Cunningham voted Aye, it would narrowly be a tie.

Vote on main motion. Aye - Gov. C.S.H., Platt, Miller. No - Dawes, James. If Sec. Mallon and Cunningham are recorded No, it will be a tie and lost. Feb. 28, 1924. p. 68, 69.

Sec. Mallon asks to be recorded as voting Aye on Dawes motion to approve McWhorter bill and No on Miller's motion. March 4, 1924. p. 69.

Branch banks (Cont.)

Application of a state bank in Elizabeth City, S. Carolina, to take over and operate as a branch a bank 40 miles away.

Miller moved reference to Federal Reserve Agent for report as to condition of parent bank and branch - wholly apart from the Nov. 7 resolution.

James moved postponement for a meeting of full Board.

Vote:

- Aye - C.S.H., James, Cunningham
- No - Gov. C., Miller, Platt
- Lost in tie

Miller motion put.

Passed, C.S.H. voted Aye.

As this was merely an inquiry, James should not have objected, but C.S.H. could not vote against request for full Board action. March 12, 1924. p. 74

James says it is absolutely necessary to have a full vote of Board on all applications for branches, as otherwise the country would think that the appointive members had been "fixed."

This was bitterly resented by most of the appointive members as a thinly disguised charge of bad faith, or even corruption. March 12, 1924. p. 78.

Application of Pacific S.W. Savings and Trust Co. to merge a national bank at Torrance, 15 miles from Los Angeles and within the territory defined in amendment to Nov. 7 resolution.

The state bank suptd. favored it.

Federal Reserve Agent Perrin and F.R. bank executive committee reported that the Torrance bank was in good condition, and favored it.

The committee of the Board reported:  
Aye - Dawes. No - James.

Miller said the Pac. S.w. bank had reached the limit of safety and had gone beyond it.

James said he should vote against it because of failure of simultaneous examinations; that the clause in the proposed regulations as to this he thought would soon be adopted.

Branch banks (Cont.)

Dawes then changed his recommendation to No.

Miller moved to reject because of failure of state to examine simultaneously.

D.S.H. moved as a substitute to suspend action until a simultaneous examination be made by the F.R. bank, which the Board herewith orders.

C.S.H. agreed that Sec. Mellon and Gov. C. could record their vote.

Vote on C.S.H. substitute motion:-  
Aye - C.S.H., Platt, Cunningham  
No - Miller, Dawes, James

Left for record of vote of Sec. Mellon and Gov. C.  
Mar. 18, 1924. p. 79, 80

C.S.H. then moved that the F.R. Board proceed to examine simultaneously all state member banks of California having branches, or such of them as are not now being simultaneously examined by the state Superintendent, said examinations to be conducted by Herson in the manner described in his report.

C.S.H. agreed that Sec. Mellon and Gov. C. could record their vote.

Miller moved to lay on table. Defeated.

Vote in C.S.H. motion:  
Aye - C.S.H., Platt, Cunningham, Dawes  
No - Miller, James.

Gov. C. in afternoon recorded his vote as "not voting."

Debate followed on Miller's motion to disapprove.

Miller denied having said the Pac. S.W. had reached or exceeded the limit of safety as to branches.

Said he was referring merely to the banking situation.

Said no doubt but that a simultaneous examination would show that Pacif. S.W. was in fine condition.

Vote on Miller's motion to disapprove.  
Aye- Miller, Cunningham, Gov. C.  
James, Dawes  
No - C.S.H., Platt.

Mar. 18, 1924. p. 81

Branch banks (Cont.)

Miller says such an examination would precipitate a banking crisis. p. 83

C.S.H. said Miller was merely seeking an excuse for rejection. Mar. 18, 1924. p. 81, 83.

Perrin wires Johnson is examining simultaneously the smaller banks with branches, but that it is not practicable so to examine the Bank of Italy or Pac. S. W. Co., but that he may so examine the Security Trust Co. and Mercantile Trust Co. Mar. 20, 1924. p. 82

Board takes up draft of new regulations as to branches.

James moves adoption of report as submitted.

Miller moves to strike out the paragraph as to contiguous territory and to substitute "banking area tributary to the parent bank."

Miller admits this would repeal the Nov. 7, 1923 resolution.

Postponed until Tuesday. Mar. 18, 1924. p. 82

Pacif. S. W. Savings & Trust Co. sends telegram saying that the delay as to Torrance bank is seriously embarrassing it.

It appeared that no notice of the disapproval had been sent to Perrin or to the Pacif. S. W. Co.

The record shows disapproval because of failure of state to make simultaneous examinations.

James did not want Board to give this reason and wanted merely a statement that the Board had disapproved it.

- C.S.H. pointed out:-
1. Torrance is in contiguous territory as defined by Board.
  2. F.R. Agent and F.R. Bank approved.
  3. Prima facie application should be approved.

C.S.H. said the real reason should be stated.

Voted, to inform the bank in exact accordance with the record.

An absurd position:-  
The Board disapproves because of a regulation not then in existence, but which the majority hopes to pass. Mar. 25, 1924. p. 83, 84.



Branch banks (Cont.)

The committee has been in consultation all the afternoon with Sec. Mellon on the proposed new branch regulations.  
Mar. 25, 1924. p. 85

Board takes up new branch regulations.

Discussed first Miller's amendment as to "banking area tributary to the parent bank."

The committee could not state just what Sec. Mellon favored.

Miller went to Secretary Mellon and later returned, saying Sec. Mellon wished to be recorded in favor of the following:

"The F.R. Board will restrict the establishment of branches, agencies, or additional offices by such banks or trust companies to the city of location of the parent bank and the territorial area within the state tributary to and connected with the city of location of the parent bank in usual banking relations, excepting in instances where the situation is such that peculiar and substantial conditions exist making departure from the rule necessary or desirable."

Miller moved to substitute Sec. Mellon's draft.

Gov. C. was about to put the motion when Dawes, evidently disapproving Sec. Mellon's draft, insisted that Sec. Mellon be asked to come in and vote.

Gov. C. and Platt objected and demanded a vote, as Sec. Mellon had recorded his vote.

Dawes rushed out of the room saying he should see Sec. Mellon anyway and would not ask the consent of the Board, either.

Gov. C. again started to put the motion, but C.S.H. objected until Dawes returned.

Dawes, meantime returned, and said he had seen Sec. Mellon, but only for a moment, and that he had said he might possibly agree to inserting in his draft after the words "usual banking relations", the words - "said territory having been defined in the resolution of Nov. 7, 1923, and the amendment of Jan. 1924."

Dawes moved to substitute above words.

Vote:

- Aye - James, Dawes and Cunningham
- No - Gov. C., C.S.H., Platt, Miller
- Sec. Mellon to have right to record his vote.

(Cont.)

Miller says such an examination would precipitate a banking crisis.

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1. Territory in contiguous territory as defined by Board.
2. F.R. Board and F.R. Bank approved.
3. F.R. Board's application should be approved.

Miller says such an examination would precipitate a banking crisis.

Miller says such an examination would precipitate a banking crisis.

Miller says such an examination would precipitate a banking crisis.

Branch banks (Cont.)

Vote on Miller's motion.

Aye - Gov. C., C.S.H., Platt, Miller

No - Dawes, James, Cunningham.

Sec. Mellon to have right to record his vote.

Mar. 26, 1924. p. 85, 86, 87

C.S.H. moved to substitute for the clause as to refusing applications for branches where the state does not make simultaneous examinations, the following:-

The F.R. Board will, except under extraordinary emergencies, grant no further applications of state member banks for branches, unless there has been made, within one year before the date of application, a satisfactory simultaneous examination of the parent bank and its branches by the F.R. Bank or by the state authorities, nor unless the condition of the proposed branch is found to be satisfactory upon examination by the Federal Reserve authorities.

Vote:

Aye - C.S.H., Platt

No - Gov. C., Dawes, Miller, James, Cunningham

Lost

On final motion to adopt the draft of regulations as amended,

Vote ; Aye - Gov. C., C.S.H., Miller, Platt

No - Dawes, James, Cunningham

Sec. Miller to have right to record his vote.

Miller Mar. 26, 1924. p. 87, 88

C.S.H., Platt, and Dawes reserved right to explain their vote on the record.

C.S.H. was in a quandary as to how to vote. He felt Sec. Mellon's substitution was, on the whole, not objectionable, as it gave the Board the right to permit state-wide branch banking if it saw fit; that much of the draft was not bad.

Having been voted down, C.S.H. felt it was better to vote on the regulations as a whole, realizing that if he voted No it would make a tie, and plunge the whole matter into chaos again.

Even on the vote as cast, Sec. Mellon could defeat it by voting No, thus making a tie, but C.S.H. believes he could hardly be recorded against his own draft for which he has asked to be recorded.

Branch banks (Cont.)

The spectacle of Dawes rushing out of the room to induce Sec. Mellon to vote against his own draft for which he had asked to be recorded, is enough to satisfy anyone of the domination of the Board by its Ex-officio members.  
Mar. 26, 1924. p. 88, 89.

Dawes tells C.S. H. that Sec. Mellon will vote so as to make a tie on all the above votes.

Dawes begs C.S.H. to accept his amendment but C.S.H. cannot.  
Mar. 26, 1924. p.90

Dawes, Gov. C. and Platt come into C.S.H.'s room; C.S.H. tells them he cannot accept Dawes amendment.

Dawes begged C.S.H. to draw something he (C.S.H.) would accept.

C.S.H. agreed, saying, however, that he feared Dawes would not accept it.

C.S.H. accordingly drew a new draft differing only slightly from Dawes draft, which itself was an amendment to Sec. Mellon's draft. This was prepared prior to the meeting and was shown to no one.

C.S.H. draft:

The F.R. Board will, as a general principle, restrict the establishment of branches, agencies, or additional offices by such banks or trust companies to the city of location of the parent bank and the territorial area within the state tributary to and connected with the city the city of location of the parent bank in usual banking relations, as said territory has been defined in the Board's resolution of Nov. 7, 1923, excepting in instances where the State Banking authorities have certified and the Board finds that public necessity and advantage renders a departure from the principle necessary or desirable.

At the meeting, C.S.H. read this and threw it down on the table fully expecting it to be voted down.

C.S.H. said he would not agree in advance to vote for it, but that he had drawn it as a basis for further discussion, but that he was inclined to vote for it as a compromise.

C.S.H. said he made no reference to the Jan. 1, 1924, amendment to the Nov. 27, 1923 resolution (defining additional territory around S. Francisco and Los Angeles) as this amendment would remain as an exception to the general principle under the last part of his draft.

Branch banks (Cont.)

James, after C.S.H. read the draft, immediately left the room and in a minute came rushing back with Sec. Mellon, having evidently told him of C.S.H.'s compromise draft.

Sec. Mellon took the chair and said it was most advisable to settle this question, and that C.S.H.'s draft was a fair compromise and he felt strongly should be adopted.

Miller attacked it, saying it left everything wide open.

Sec. Mellon said this might be true as a matter of voting, but that the principles and exception laid down were fair.

Miller suggested substituting "contiguous thereto" for "tributary to and connected with" etc.

C.S.H., assuming Miller would vote for the draft, accepted the amendment.

Miller said, however, he should vote against it.

Vote:

- Aye - Sec. Mellon, C.S.H., Dawes, James, Cunningham
- No - Gov. C., Platt, Miller

Carried Mar. 27, 1924. p. 91, 92, 93.

Merely to complete the parliamentary record, Sec. Mellon voted against Miller's and James' motions, thus creating a tie and defeating each.

Later a final vote was taken approving the draft of regulations as amended, and it was the same as the vote on C.S.H.'s motion. Mar. 27, 1924. p. 94

To sum up:

1. Dawes told C.S.H. the secretary had decided to vote against his own draft of Clause 1.
2. This would have defeated Miller's motion and would have left the resolution of Nov. 7 in full force as an acting policy of the Board.
3. C.S.H.'s draft, which was adopted, makes the principle of contiguous territory merely a prima facie rule subject to the power of the Board to grant state wide permits if it so desires.

Dawes tells C.S.H. his statesmanship has saved the Board. Mar. 27, 1924. p. 95

See - Dawes

(Cont.) Branch banks  
The proposal of Dawes regarding out of the room to induce  
Sec. Mellon to vote against his own draft for which he  
had asked to be recorded, is enough to satisfy anyone of the  
intention of the Board by the K-O official member.  
Mar. 27, 1924. p. 88, 89

Dawes tells C.S.H. that Sec. Mellon will vote so as to save  
the on all the above votes.

Dawes says C.S.H. to accept his amendment but C.S.H. cannot  
Mar. 27, 1924. p. 90

Dawes, Gov. C. and Platt come into C.S.H.'s room; C.S.H. tells  
them he cannot accept Dawes amendment.

Dawes suggests C.S.H. to draw something as (C.S.H.) would accept  
C.S.H. agrees, however, that he would not accept it.

C.S.H. accordingly drew a new draft differing only slightly from  
Dawes draft, which itself was an amendment to Sec. Mellon's  
draft. This was prepared prior to the meeting and was  
shown to no one.

The Board will, as a general principle, restrict the  
establishment of branches, agencies or additional  
offices by such banks or trust companies to the city or  
location of the parent bank and the territory area  
within the state tributary to and connected with the city  
or location of the parent bank in rural banking  
regions, as said territory has been defined in the  
Board's resolution of Nov. 7, 1923, excepting in instances  
where the State Banking authorities have certified and  
the Board finds that public necessity and sound banking  
principles require the principle necessary or desirable.

At the meeting C.S.H. read this and threw it down on the table  
fully expecting it to be voted down.

C.S.H. said he would not agree in advance to vote for it but  
that he had drawn it as a basis for further discussion  
but that he was inclined to vote for it as a compromise.

C.S.H. said he made no reference to the Jan. 1, 1924, amendment  
to the Nov. 27, 1923 resolution (relating additional  
territory around a branch and for agencies) as this  
amendment would remain as an exception to the general  
principle under the last part of his draft.

Branch banks (Cont.)

C.S.H. explains his vote for the regulations on the Record; said he originally accepted all but two; that he was opposed to the zoning regulation as originally drawn; that he accepted Sec. Mellon's draft as a fair compromise which did not necessarily violate Sec. 9 of the Act as he construed it; that he was opposed to that part relating to simultaneous examinations and voted against it when offered; but that taking the regulations as a whole, he regarded so many of them as good that he decided to vote for them as a whole, reserving the right to move to amend them in the future.

Platt was at first very disappointed at vote of C.S.H., but when he realized that C.S.H.'s compromise really so amended the Nov. 7 resolution as to practically repeal it, he changed his views.

Mar. 28, 1924. p. 95, 96.

A state bank at Charlotte, N. Car. applied for permission to buy another state bank with 3 branches.

Gov. Seay said they were all in fine condition.

Dawes and James reported adversely because of the new regulations.

C.S.H. and Platt said only condition the bank agreed to on admission was as to changing the character of its assets and this was the only question before the Board.

James claimed the new regulations applied to all banks no matter what conditions they originally agreed to.

C.S.H. read the new regulations, which, in Section 6, stated that the regulations as to simultaneous examinations and the consent of the Board to new branches only applied to banks which on entrance agreed to this condition.

C.S.H. asked James if he seriously asked the Board, in its first decision under the new regulations, to deliberately violate them?

All voted in favor of C.S.H.'s position except James, who voted against it.

Wyatt said C.S.H. was right.

April 16, 1924. p. 116, 117.

Johnson, Bank Superintendent of Calif. has conference with Board.

April 22, 1924. p. 119.

Branch banks (Cont.)

Johnson says he has increased his examiners to 30 (old, 8) and is now prepared to make simultaneous examinations, without assistance of F.R. examiners, and would pay entire expense; that he thought the banks would agree to have one simultaneous examination by the state and one by the F.R. system.

Referred to Herson to work out details, and report to Board.

Large, p. 1940 and claimed April 22, 1924. p. 119.

Sen. Glass opposes Board compromise regulations as trying to validate the illegal resolution of Nov. 7, 1923.

Miller talked for nearly an hour May 31, 1924. 175

Brandeis, Justice

C.S.H. and H.P.H. dine with Justice and Mrs. Brandeis. He said President Coolidge was a very narrow, timid, cunning man, of absolutely no courage. April 23, 1924. p. 122.

Breck, Asst. F.R. Agent

Miller asked Board to give Assistant F.R. Agent Breck, of San Francisco, leave of absence with full pay go to with to Mr. Robinson of Los Angeles to attend the meetings of the Reparations Commission, of which Robinson, Dawes, and Young were unofficial members of a committee.

C.S.H. objected:

1. No authority to detail an officer of a F.R. bank for such a purpose.
2. Congress provided against any participation in foreign commissions without its authority, by any office of the U.S., and that the detail of Breck would violate the spirit of this provision.

(See reservations to the treaty of the U.S. with Germany.)

Miller suggested sending Breck but assigning some other nominal purpose

Gov. C. consulted with Sec. Mellon

Sec. Mellon said he did not approve, and that the cabinet also disapproved.

Robinson then came before the Board.

Miller said we should do this, in spite of what Sec. Mellon said, evidently "performing" before Robinson.

Robinson said Hoover had delegated some of his officers who were abroad for this purpose on the understanding they would not sit on any sub-committee.

It was stated that the committee would have to pay their own expenses.

Breck, Asst. F.R. Agent (Cont.)

What a pitiable foreign policy for the administration!  
Jan. 2, 1924. p. 1, 2.

C.S.H. reads reservations to German treaty (42 statutes at Large, p. 1945) and claimed that sending Breck abroad at the expense of the F.R. System would violate the spirit of these reservations.

Miller talked for nearly an hour suggesting a resolution of the Board which would not be objectionable.

C.S.H. and James said it could be arranged in form but in substance it would violate the spirit of the reservations.

F.R. Agent Perrin telegraphed Board asking authority to detail Breck to accompany Robinson.

C.S.H. moved to wire Perrin that the Board had no authority to authorize such a detail.

A long, bitter debate followed.

C.S.H. said the auditor and Comptroller General would surely disallow any salary payments to Breck while on this service.

Miller said in such event he would tell the auditor to go to hell!

Miller characterized Sec. Mellon's opinion as a "curb stone" opinion and C.S.H. as a "scared school girl!"

Miller moved as a substitute to C.S.H. motion that Gov. C. consult the Secretary of State.

C.S.H. pointed out the discourtesy of going over Sec. Mellon's head.

Vote on C.S.H. motion:-

- Aye - C.S.H., James & Cunningham
- No - Miller, Gov. C.

Gov. C. said he believed Board had authority to send experts abroad.

C.S.H. agreed if it was for a F.R. purpose.  
Jan. 3, 1924. p. 1, 2, 3.

See - Miller  
Strong, Gov.

Branch banks (Cont.)  
Johnson says he has increased his examiners to 30 (old 8) and is now prepared to make simultaneous examinations, without assistance of F.R. examiners, and would pay entire expense; that he thought the banks would agree to have one simultaneous examination by the state and one by the F.R. system.

Referred to Barton to work out details, and report to Board.  
April 22, 1924. p. 119.

Sen. Glass opposes Board compromise regulations as trying to validate the illegal resolution of Nov. 7, 1923.  
May 31, 1924. p. 178.

Branches, Justice  
C.S.H. and H.P.H. dine with Justice and Mrs. Branches. He said President Coolidge was a very narrow, timid, cunning man, of absolutely no courage.  
April 23, 1924. p. 122.

Breck, Asst. F.R. Agent  
Miller asked Board to give Assistant F.R. Agent Breck, of San Francisco, leave of absence with full pay to go to with Mr. Robinson of Los Angeles to attend the meetings of the Reparations Commission, of which Robinson, Dawes, and Young were unofficial members of a committee.

C.S.H. objected:  
1. No authority to detail an officer of a F.R. bank for such a purpose.

2. Congress provided against any participation in foreign commissions without its authority, by any officer of the U.S., and that the detail of Breck would violate the spirit of this provision.

(See reservations to the treaty of the U.S. with Germany.)

Miller suggested sending Breck but assigning some other nominal purpose!

Gov. C. consulted with Sec. Mellon

Sec. Mellon said he did not approve, and that the cabinet also disapproved.

Robinson then came before the Board.

Miller said we should do this, in spite of what Sec. Mellon said, evidently "performing" before Robinson.

Robinson said Hoover had delegated some of his officers who were abroad for this purpose on the understanding they would not sit on any sub-committee.

It was stated that the committee would have to pay their own expenses.

**Breck, Asst. F.R. Agent (Cont.)**

C.S.H. cites Breck vote while opposing request of Young on the Dawes committee to have Gov. Strong sent abroad.  
Feb. 23, 1924. p. 43.

**Breckinridge, Asst. Sec.**

Glover says Breckinridge told him that McAdoo asked Sec. Garrison to remove the Philippine deposits from the Riggs bank, - about 1 1/2 millions but that Garrison declined and that later he was ordered to do so, he thought, by President Wilson, and that the deposits were gradually drawn down and and not added to.

Feb. 20, 1924. p. 30

**British Ambassador**

C.S.H. dined with Mr. and Mrs. Chilton to meet Sir. Emma and Lady Isabella Howard. June 5, 1924. p. 178

**Bullard, Arthur**

Dines with C.S.H. and H.P.H. to meet Egyptian Minister and Madame Yousouri.

May 25, 1924. p. 161

**Butler, Justice**

Calls on New Years Day after our reception was over, with Justices Sanford and Vandevanter. We opened a special bottle of old Madeira.

Jan. 1, 1924. p. 4,

**Butler, Nicholas Murray**

Locked distressed when C.S.H. moved at meeting of Carnegie Endowment for International Peace, that the Executive Committee prepare appropriate resolutions on the death of President Harding and President Wilson, enumerating their work for the peace of the world. /6

April 25-27 1924, p. 123.

New York Times prints an abstract of the report of Butler for the division of intercourse and education. This report was presented at the Carnegie meeting last Thursday by Butler, but was not read. Butler gave a resume of the report lasting 30 minutes, but did not refer to the League of Nations in any way.

The abstract in the Times quoted at length statements about the League and scarcely mentioned anything else. The abstract said public opinion had changed about the League and was now against it, and that there was no hope for it, or words to that effect.

It was purely prepaganda against the League! April 28, 1924. p. 125



Butler, Nicholas Murray (Cont.)

Gov. Montague confirms C.S.H. recollection that Butler, in his address, never mentioned the League.

April 30, 1924. p. 127

Bruce, Senator

C.S.H. and H.P.H. dine with.

Nov. 20, 1924. p. 30

At the dinner the son of Senator Bruce said, "I wish I could have told Wilson what I thought of him."

This was said in terms of contempt.

Feb. 20, 1924. p. 33.

Senator Bruce gave out a very neutral tribute on the death of Wilson, - more of a covert attack than a tribute.

Feb. 20, 1924. p. 33, 34.

Cabinet.

Disapproves sending of Breck, Asst. F.R. Agent, by the F.R. Board to help Robinson in Dawes Commission.

Jan. 2, 1924. p. 1

Agrees with Sec. Mellon that Gov. Strong should not be permitted to go abroad to consult with Young, of Dawes Commission.

Feb. 23, 1924. p. 43

Caetani, Prince

The Italian Minister, Prince Caetani, in talking about the suicide of Margaret Harding, spoke of her death with great regret; said she would have been just as happy with many other men, as with Hawkes; that American girls thought more with their wombs than with their intellects.

Feb. 25, 1914. p. 51, 52.

Spoke of President Wilson; said he did not wish to criticize the dead; that Wilson did not understand the Italian people; that he was sorely deceived as to Fiume; that Fiume was given to Italy by the treaty with Jugoslavia; that Jugoslavia got a post only four or five miles from Fiume; that Hungary was more entitled to Fiume than was Jugoslavia.

Feb. 25, 1924. p. 51, 52.

Caetani, Prince (Cont.)

He also said that Italy had consented to Gov. Harding being made financial dictator in Hungary; that Harding knew all about the matter; that the reason why a formal public tender to Harding had not been made was because certain details suggested by Harding had not yet been completely arranged.  
Feb. 25, 1924. p. 52

The more C.S.H. sees of Caetani the less he likes him. While charming and Democratic on the surface, C.S.H. believes him to be very cynical Aristocrat, very much like the first Russian Ambassador Bakmeteff.  
Feb. 25, 1924. p. 52, 53.

Capital National Bank p. 141, 142.  
See - Mitchell, John

Capital Securities Co. p. 141, 142  
See - Mitchell, John

Capital Trust Co. p. 195  
See - Mitchell, John

Carnegie Endowment for World Peace

C.S.H. attends annual meeting of trustees. During entire meeting, although much was said about peace in the abstract, not a word was said of the League of Nations, Limitation of Armaments, the World Court, or the deaths of President Harding or President Wilson.

C.S.H. was amazed at this, and just before adjournment moved that the Executive Committee be instructed to prepare appropriate resolutions on the deaths of President Harding and of President Wilson, referring to their work for World Peace and that a copy be sent to the respective families.

There was quite an interval of silence, Nicholas Murray Butler and Robert Lansing appeared to C.S.H. as rather stunned at the motion; finally James Brown Scott explained the motion to Judge Gray, the presiding officer, who was very deaf, and after another interval of silence, Scott very feebly seconded C.S.H.'s motion, and it was passed very quietly, C.S.H. fancying that a large number did not vote at all.  
April 25, 1924. p. 122, 123.

The N.Y. Times publishes what purported to be the report of Nicholas Burray Butler of the Intercourse and Education Division; it was really propaganda against the League of Nations saying there had been a great change in public opinion so that now it was impossible, etc.

Carnegie Endowment for World Peace (Cont.)

Butler gave a 30 minute resume of his report at our meeting, but never alluded to the League of Nations.

His report, however, did contain this propaganda, but was not read at the meeting.

Gov. Montague told C.S.H. that he thought most of the trustees were not friendly to the League, and that Scott, although claiming to favor a world court, was opposed to this one. April 30, 1924. p. 127

C.S.H. tells Mrs. Wilson about the Carnegie meeting. May 4, 1924. p. 128

Case, Deputy Governor, N. Y.

Gov. Crissinger tells C.S.H. that Case was opposed to lowering New Yorkrate to 4%.

C.S.H. says this was not mentioned at the Board meeting; that it was stated there that Case merely wanted the reduction postponed for a few days. April 5, 1924. p. 129.

Gov. Case explains reasons for lowering N.Y. discount rate to 4%:-

Brings F.R. rate into harmony with customers rates; will not cause inflation; a director of Bank of England told N.Y. directors that Great Britain was overburdened with credit demands which it could not handle; and that F.R. rates should go down and Great Britain up.

May 7, 1924. p. 130

Says F.R. System needs 300 millions more of earning assets to make its dividends and expenses; that such an amount can not be secured for the money released by F.R. banks in open market purchases will be used to pay off FR. bank rediscounts; he admitted that when the rediscounts were all paid off, then the earning assets would be increased; he said that to pour 50 millions and, later, more into the market would entail competition with member banks in buying acceptances and Gov. securities, and would interfere with Treasury operations.

May 7, 1924. p. 131, 132

C.S.H. believes Gov. Case's objections to enlarged open market operations is founded upon aversion to any competition with member banks, or any interference with Treasury placing of certificates, and, C.S.H. suspects, fear of disturbance of the stock market.

May 7, 1924. p. 133

Cassell, Prof.

Gov. Strong thinks ultimately prices will rise in U.S. and fall in Great Britain, thus reaching a parity of inflation. This is also Cassell's wish, but he would like inflation deliberately produced in the U.S. while Gov. Strong thinks it will come naturally.

May 22, 1924. p. 153

Charlotte, North Carolina. p. 116

See - Branches

Chase, Dr. p. 191, 194

See - University of North Carolina

Chilton, Henry Getty

Mr. and Mrs. Chilton attend high tea given by H.P.H. to the Egyptian Minister and Madame Yousry.

May 25, 1924. p. 161

C.S.H. dines with Mr. and Mrs. Chilton to meet the British Ambassador, Sir Esme Howard and Lady Isabella Howard.

June 5, 1924. p. 178

Citizens First National Bank, Albany, Georgia

This bank closed sometime ago and the stockholders, through Shernwell, its president, are trying to reorganize it. Comptroller Dawes is very anxious to have this done, and claims that the Federal Reserve bank, through lack of cooperation, is responsible for its closing.

Their last suggestion was that the F.R. bank should release all of its excess collateral (\$213,000) over the amount owed it by the bank (\$217,000) and, further, should purchase some \$118,000 of very doubtful or worthless paper from the bank for \$75,000, later reduced to \$50,000, the bank to be released from all liability, the notes purchased to be indorsed by the old stockholders.

Some months ago, C.S.H. sent Herson to Atlanta and he reported that the F.R. bank had gone to the very limit in its efforts to help open the bank.

About a month ago, the Board called a conference at Washington at which there were present, Gov. Wellborn, F.R. Agent McCord, Shernwell and Captain Fletcher, the National Bank Examiner.

Fletcher said the \$118,000 paper was practically worthless.

After a long conference Shernwell made the above proposition, saying that if accepted, the bank could reopen, as new stockholders

Citizens First National Bank, Albany, Georgia. (Cont.)  
would come in and put up \$150,000 of new capital.

The Federal Reserve Bank turned down this proposition.

It agreed, however, subject to approval of its Counsel, to surrender all but \$100,000 of the excess collateral and to buy for \$50,000; the \$118,000 of worthless paper provided the directors and all of the new stockholders would indorse it.

Dawes said this was a minor difference, in a letter to C.S.H. or Crissinger, and urged to Board to urge the F.R. Bank to accept the first proposition.

C.S.H. wrote Dawes that, assuming that the F.R. bank could lawfully enter into such an arrangement, which he did not decide, the matter was one purely of banking judgment, which the Board must leave to the Federal Reserve bank to decide uninfluenced by it.

It was agreed at the Conference that the F.R. bank should take no action without the express approval of its counsel.

Gov. C. later came to C.S.H. with a draft of letter to the F.R. bank urging it to accept the proposition, and its language was tantamount to an order.

C.S.H. objected saying that if a question of banking judgment we had no right to interfere, and if a question of legal power, it was for the bank and its counsel to determine this, at least in the first instance.

Gov. C. said he would not send the letter.  
May 16, 1924. p. 143, 144, 145.

Clarkson, Judge  
C.S.H. meets Judge Clarkson of the Supreme Court of North Carolina at dinner at Mrs. Daniels. He is a trustee of the University of North Carolina and warmly congratulated C.S.H. on his address.  
June 11, 1924. p. 192

Clayton Act  
Hearing before Board on matter of Welch serving as director of Old Colony Trust Co. and Nat. Union Bank.  
Mar 20, 1924. p. 82

Clearing system, F.R.  
C.S.H. thinks the opposition of legislature of North Carolina to the clearing system was the reason the University of North Carolina did not give him an honorary degree.  
June 11, 1924. p. 191

Committee on Economy and Efficiency

C.S.H. moves to discharge the committee from the duty of making recommendations based on its examinations and to transfer this function to the committee on salaries and expenditures.

Miller bitterly opposes.

C.S.H. said the committee positively refuses to make recommendations and that he wanted action.

C.S.H. cited the vote of the Board months ago directing the committee and Stewart to report as to the F.R. agents monthly reports, which lies sleeping in the committee.

Miller said the committee could not and would not report.

C.S.H. said that is why he made his motion.

Finally C.S.H. moved, - suspending his first motion, - to reconsider the adverse report on the Cunningham resolution, as to an investigation by committee on salaries and expenditures.

Miller said he heartily approved the Cunningham resolution if it directed instead of merely authorizing the committee to act.

The Board then voted to reconsider and Miller alone voted No! Jan. 17, 1924. p. 6, 7.

Committee on Salaries and expenditures.

Cunningham introduced a resolution that the Committee report on the number of officers and salaries of F.R. banks and branches, with a view to finding whether economies can not be effected, with authority to employ experts, etc.

Jan. 14, 1924. p. 5

C.S.H. moved an amendment that no expenditures of money be authorized except by direct vote of the Board. Passed.

Jan. 14, 1924. p. 5

Miller said he was in sympathy with the resolution as amended and then proceeded bitterly to assail it. He said he originally favored it when moved by C.S.H. some years ago.

C.S.H. strongly favored the resolution with his amendment.

Vote:

Aye - C.S.H., Cunningham

No - Gov. C., Platt

Not voting, Miller James

Lost

Jan. 14, 1924. p. 5, 6,

See supra- Committee on economy and efficiency.

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- No - Gov. C., Platt
- Not voting, Miller James
- Lost

Jan. 14, 1924. p. 5, 6,

See supra- Committee on economy and efficiency.

Committee, Special

Platt, James, and Miller appointed to report draft of new regulations for branch banks.

Feb. 29, 1924. 158, 159.

Board takes up report of special committee.

Mar. 7, 1924. p. 67.

Competition with member banks.

Gov. Case fears extended open market purchases will result in competition with member banks in purchase of Govt. securities

May 7, 1924. p. 131, 132.

Comptroller of the Currency.

See - Dawes

Conferences, Governors

Discount rates. Open market operations.

May 7, 1924. p. 129, 130, 131, 132, 133 140.

See - (Case

(Dawes

(Discount rates

(Harding, Gov.

(Miller

(Open market operations

Confirmation

Miller confirmed by Senate for new term of 10 years.

May 28 (?) 1924. p. 167, 175, 176.

Cooke, State Department

Advises C.S.H. that Federal Reserve Board outranks all Assistant Secretaries, whether 1st, 2nd or 3rd.

Jan. 24, 1924. p. 7.

Coolidge, President

Replies to Senate Resolution calling for Denby's resignation to effect that that is his business. This is true but thereby he accepts responsibility for retaining Denby.

Feb. 15, 1924. p. 25.

C.S.H. thinks Sec. Mellon consulted President Coolidge before disapproving sending Breck and Gov. Strong abroad to Dawes Commission.

Feb. 23, 1924. p. 43

Miller says President Coolidge ought to be informed as to the divisions in the Board so he can "clean it out."

Feb. 28, 1924. p. 55



Coolidge, President (Cont.)

Justice Brandeis says Coolidge is a very narrow, timid, cunning man, of absolutely no courage.

April 23, 1924. p. 122.

C.S.H. and H.P.H. dine at White House with President and Mrs. Coolidge, at a dinner in honor of Speaker and Mrs. Gillette. C.S.H. took out Mrs. Pierce, wife of the Clergyman of President Coolidge's church in Washington. April 24, 1924. p. 123

President Coolidge redesignates Crissinger as Governor for one year from May 1, 1924. May 5, 1924. p. 130.

President Coolidge nominates Dr. Miller for 10 year term beginning Aug. 10, 1924. May 17, 1924. p. 147

Sec. Weeks told H.P.H. at dinner of Argentine Ambassador that President Coolidge when assaulted always turned the other cheek; that the other day, in speaking of Lodge's vote for the bonus bill over Coolidge's veto, he asked Sec. Weeks with innocence of a child, "Why does Lodge act in this way?" May 26, 1924. p. 166, 167.

Cosmos Club

C.S.H. elected Vice President of Cosmos Club over William Bruce King by a vote of 176 to 120. Jan. 14, 1924. p. 5

Cotton, Joseph

Gilbert says, McAdoo's partner, is identified with Wall St. May 25, 1924. 161

Court, World

Gov. Montague says James Brown Scott is for a World Court, but against the one proposed by Presidents Harding and Coolidge. April 28, 1924. p. 127

Court injunction

C.S.H. warns Board he may apply for an injunction if the Board declines to consider applications for branches from states not making simultaneous examinations, and, at same time, refuses to examine such banks itself or through the F.R. bank. Feb. 25, 1924. p. 50

Crissinger, Gov.

Favors recommending to Congress that national banks be given all privileges as to branches now accorded state banks, under reasonable restrictions; said that he would try to get Miller to agree to this and then he, Platt, Miller and C.S.H. could put it through, leaving the minority to file dissenting report, if they saw fit. Feb. 21, 1924. p. 34, 35.

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Coolidge, President (Cont.)

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Gov. Mangrove says James Brown Scott is for a World Court, but against the one proposed by Presidents Harding and Coolidge. April 28, 1924. p. 127.

Court injunction

C.S.H. warns Beard he may apply for an injunction if the Board declines to consider applications for branches from statement making simultaneous examinations, and, at same time, refuses to examine such banks itself or through the F.R. bank. Feb. 28, 1924. p. 20.

Crissinger, Gov.

Favors recommending to Congress that national banks be given all privileges as to branches now accorded state banks, under reasonable restrictions; said that he would try to get Miller to agree to this and then he, Platt, Miller and C.S.H. could put it through, leaving the minority to file dissenting report, if they saw fit. Feb. 21, 1924. p. 34, 35.

Crissinger, Gov. (Cont.)

Opposes application of Eastern Banking and Trust Company of Newburn, North Carolina, because state is not making simultaneous examinations, although the condition of assent of Board to branches was never imposed on it. Feb. 25, 1924. p. 48.

Claims that Federal Reserve banks can not make a satisfactory simultaneous examinations Feb. 25, 1924. p. 48, 55.

Votes to lay on table C.S.H.'s motion that Herson's report be accepted and that simultaneous examinations be ordered by Board of all state member banks with branches. Feb. 28, 1924. p. 53, 54.

Appoints Miller, James, and Platt a special committee to present draft of regulations for branches. Feb. 29, 1924. p. 58, 59.

Votes against general indorsement of the McFadden branch bank bill offered by Dawes as a substitute for Miller's motion. Feb. 29, 1924. p. 54.

Votes for Miller's draft offered as a motion that either state banks should be restricted to same privileges as national banks, or national banks should be given the powers now being exercised by member banks, - the latter being preferred. Feb. 29, 1924. p. 59.

Gov. C. rules that henceforth no vote of a member of the Board who is actually in Washington shall be recorded, unless he is present at the meeting.

C.S.H. thinks this is a sound ruling. Mar. 5, 1924. p. 63.

Votes in favor of draft of completed report to Congress. Mar. 7, 1924. p. 65.

Votes against postponing for a meeting of the full Board the application of a bank in Elizabeth City, South Carolina, to take over a bank as a branch. Mar. 12, 1924. p. 74.

Voted for motion that F.R. Agent be instructed to report on the condition of the parent bank and proposed branch. Mar. 12, 1924. p. 74.

Crissinger, Gov. (Cont.)

Gov. C. has been a failure as presiding officer of Board; the new members distrust him because of his changed attitude on branch banks, - certainly not to his discredit; he is unable, however, to hold the meetings in hand, and a change should be made.

Mar. 12, 1924. p. 75.

Gov. C. allows the meetings to drag on at great length and cannot turn off business expeditiously.

Mar. 12, 1924. p. 76

Says he has reduced to writing James' statement that a full vote on all questions of branches is necessary, for otherwise the country will think that the appointive members have been "fixed."

Mar. 14, 1924. p. 78

Announces that he would not have voted on C.S.H. motion for an immediate simultaneous examination by the F.R. Board, through Herson, of all state member banks with branches. The motion passed

Mar. 18, 1924. p. 80

Votes for Miller's motion rejecting the Torrance bank application of Pac. S. W. Savings and Trust Co. because the state was not making simultaneous examinations.

Mar. 18, 1924. p. 81

Objects to recording of Sec. Mellon's vote on proposed draft of regulation of state bank branches, which draft Sec. Mellon had prepared and for which he desired to be recorded.

Mar. 26, 1924. p. 86

Votes against Dawes motion, - to which he said Sec. Mellon intimated he might agree, - to insert in Miller's draft of regulations "said territory having been defined in the resolution of Nov. 7, 1923 and the amendment of Jan. 1924."

Mar. 26, 1924. p. 87

Votes for Miller's motion which Miller said Sec. Mellon favored.

Mar. 26, 1924. p. 87

Votes against C.S.H.'s motion restricting entertaining of branch applications unless within one year there has been a simultaneous examination made by the state authorities or by the Federal Reserve Board or Federal Reserve bank.

Mar. 26, 1924. p. 88

Votes for final adoption of the branch regulations. Sec. Mellon to record vote.

Mar. 26, 1924. p. 88

Crissinger, Gov. (Cont.)

Tells C.S.H. that Dawes and his chief examiner Pole has had a long conference with Sec. Mellon taking with him the minutes of today's meeting; says Dawes had no right to do this. Mar. 26, 1924. p. 90

C.S.H. tells Gov. C., Dawes and Platt he cannot accept Dawes' amendment but will draw a draft he can accept. Mar. 27, 1924. p. 91

Votes against C.S.H.'s compromise draft, to which Sec. Mellon agreed and which was finally passed, only Miller, Platt, and Gov. C. voting against it. Mar. 27, 1924. p. 93.

C.S.H. advises Sen. Thomas to see Gov. C. as to the silver dollars exported for benefit of banks in the East. Feb. 26, 1924. p. 104

Votes in favor of C.S.H. motion modifying proposed letter on application of a member bank at Charlotte, North Carolina, for a branch, - to effect that the only question is as to the condition of the bank and proposed branch, as the bank never agreed or was asked to agree that consent of Board must be had as to branches. April 16, 1924. p. 117

Denies C.S.H. statement (from Herson) that only one complete examination per year of national banks was necessary, and that Comptroller was to recommend a change in the law so as to require only one examination, but more in discretion of the Comptroller. April 22, 1924. p. 120

Returning from New York meeting says all the directors of the F.R. Bank of New York wanted to reduce rates to 4%. April 26, 1924. p. 125.

Tells Board that Gov. Case opposed the reduction.

C.S.H. says it was merely stated at Board meeting that Gov. Case merely wanted it postponed for a few days. April 5, 1924. p. 129

Redesignated as Governor for one year from May 1, 1924. May 5, 1924. p. 130.

At Governors' Conference, favors a general reduction of rates at other F.R. banks. May 7, 1924. p. 131

Crissinger, Gov. (Cont.)

Gov. C. has been a failure as presiding officer of Board; the new members disagree with his manner of his changed attitude on branch banks - certainly not to his credit; he is unable however to hold his meetings in hand, and a change should be made. Mar. 12, 1924. p. 78.

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Says he has refused to write James' statement that a full vote on all questions of branches is necessary, for otherwise the country will think that the opposite members have been "fixed". Mar. 12, 1924. p. 78

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Crissinger, Gov. (Cont.)

Board considers action of Gov. C. in charging \$5.00 per copy for his reports furnished F.R. banks, two years ago, in connection with Dawes plan of charging \$10. May 7, 1924.p. 141

Drafts letter requesting and practically ordering F.R. bank of Atlanta to put through settlement with citizens 1st National of Albany, Georgia.

C.S.H. protests and Gov. C. agrees not to send it. May 16, 1924. p. 145

Denies that F.R. banks are under any obligation to make earnings through open market operations if the effect of putting money into the market will disturb it; says fact that dividends are cumulative shows this. May 20, 1924. p. 147

Gov. C. reads letter from McFadden asking for a vote of the Board on the McFadden branch bank bill.

(At this time McFaddens committee had already reported his bill to the H.R.)

Votes for Cunningham resolution favoring the McFadden bill. May 26, 1924. p. 163

Explains his vote, - does not approve Sec. 9 of the McFadden bill but voted for the resolution in order to help national banks! May 26, 1924. p. 163

Objects to Under Secretary Winston's request that, as representing the Sec. of the Treasury, he should be counted for purpose of making a quorum of F.R. Board, and rules adversely. June 12, 1924. p. 188

Cunningham, Edward H.

Votes for C.S.H. motion that all reference to future intention of the Board to publish separate deposit and note reserves be stricken from the annual report. Mar. 5, 1924. p. 62

Then Cunningham changed his mind and said he wanted separate reserves.

Then he changed again and said he favored Platt's motion to effect that a clause be inserted that the reserves should be separated. Mar. 5, 1924. p. 62

C.S.H. and Cunningham's views, that all reference be excluded, were finally adopted. Mar. 5, 1924. p. 63

Cunningham, Edward H. (Cont.)

Cunningham records his vote in favor of Dawes motion and against Miller's motion as to the McFadden bill. (see p. 59, Diary), as did also Sec. Mellon; both therefore failed by a tie vote.  
Mar. 6, 1924. p. 64

On motion to order annual report as agreed upon printed and signed by Gov. C., Cunningham talked in a rambling manner saying he supposed the report was all right, but that it did not give a full report of the Board's operations.

It was pointed out that the appendices contained everything, and that the report was merely editorial.  
Mar. 7, 1924. p. 64

Miller reproved Cunningham for not having presented a draft of what he wanted to go into the report on agriculture, for which he was asked weeks ago.

Cunningham admitted that he had forgotten all about it.

Miller suggested that, if not satisfied, Cunningham should file a minority report.

C.S.H. asked Cunningham if he would not renew his motion made the other day to strike out parts of the report and a vote could be had on it, but Cunningham refused.  
Mar. 7, 1924. p. 65

Voted with James not to accept and print the report.  
Mar. 7, 1924. p. 65

Said he would not file a minority report.  
Mar. 7, 1924. p. 66

Cunningham is a mixture of shrewdness, denseness, and politics.

During the debate reference was made to the proposed reference to the McFadden bill, Dawes' motion, defeated by a tie caused by record of Cunningham's and Sec. Mellon's vote.

Cunningham said he knew nothing about this, although only yesterday he recorded his vote against it!

He evidently fears to sign any report and wants to curry favor with the political farmers!

A great mistake, - appointing him on the Board.  
Mar. 7, 1924. p. 66

Cunningham, Edward H. (Cont.)

If Gov. C. is not redesignated C.S.H. does not know who will be, - clearly Cunningham is not fit.

Mar. 12, 1924. p. 76

Votes for C.S.H. substitute motion that action on application of Pac. S. W. Savings & Trust Co. for Torrance Bank be postponed until a simultaneous examination be made by Board, which is hereby ordered.

Mar. 18, 1924. p. 80.

Votes for C.S.H. motion that Board examine simultaneously all state member banks with branches which are not being so examined by the state banking authorities.

Mar. 18, 1924. p. 80

Votes for Miller's motion to reject Torrance application because state was not examining simultaneously.

Mar. 18, 1924. p. 81.

Votes for Dawes motion to amend the motion of Miller as to branch banks in proposed regulations by inserting a reference to contiguous territory as defined in Jan. 1924 amendment to Nov. 7, 1923 resolution. Lost.

Mar. 26, 1924. p. 87.

Voted against main motion of Miller which Miller said Sec. Mellon would accept.

Mar. 26, 1924. p. 87.

Voted against C.S.H. motion that application for branches, except in extraordinary contingencies, will not be entertained unless a satisfactory simultaneous examination has been made within 1 year by the Federal Reserve or by the state authorities, etc.

Mar. 26, 1924. p. 88

Voted against draft of regulations as finally amended.

Mar. 26, 1924. p. 88

(Sec. Mellon later defeated the draft by recording his vote, No)

Voted for the compromise draft drawn by C.S.H. and approved by Sec. Mellon

Mar. 27, 1924. p. 93

Voted for regulations as above amended.

Mar. 27, 1924. p. 94

Complains of leaks in Board on subject of branch banks, referring evidently to Platt's talks with representative of N.Y. Journal of Commerce and Comm. Bulletin.

Mar. 27, 1924. p. 94.

Cunningham, Edward H. (Cont.)

Believes F.R. bank rates should be reduced.

May 7, 1924. p. 131

Says it will cause trouble if Board suggested control of speculative activities in the future, in discussing open market operations.

May 21, 1924. p. 150.

Moves a resolution (evidently not prepared by him) that Board favored passage of the McFadden branch bank bill. Votes for it.

May 26, 1924. p. 164, 165.

Votes for C.S.H. resolution condemning F.R. Bank of Cleveland for renting share of its bank to National Republican Committee for the Convention.

May 29, 1924. p. 173

Cunningham and Miller, the Minneapolis committee, directed to report on Mitchell for F.R. Agent at F.R. Bank of Minneapolis, - to interview Mitchell and ascertain whether he would accept if tendered the office, but with no authority to tender it.

June 5, 1924. p. 179

Reported an interview with Mitchell in N. Y.; that Mitchell was completely wiped out; that just before he qualified for F.R. Board he sold all his stock in the Capital Trust Company to his brother, etc. etc.; that he acted as an upright, honorable man, etc. etc.

June 17, 1924. p. 194, 195, 196

See- Mitchell

Agrees with C.S.H. that the proposed rates of F.R. Bank of Philadelphia should not be approved, because it differentiated against 9 months farmers paper in favor of shorter maturities.

June 17, 1924. p. 196, 197.

Curtiss, Federal Reserve Agent, Boston

Tells C.S.H. over telephone that Margaret Harding shot herself.

Jan. 28, 1924. p. 9

Says Federal Reserve Bank will not follow New York and reduce discount rates to 4% for the present, but executive committee has been authorized to do so in its discretion.

April 30, 1924. p. 127



Daniels, Josephus

Baker and Redfield have conference with Daniels at Hamilton Hotel; said that Daniels had prepared a letter to Senator LaFollette on the Teapot Dome leases; that Daniels would not volunteer to testify before the Walsh Committee, but would be glad to do so if asked; that Daniels protested to Sec. Lane against confirming a patent granted by Land Board in territory reserved by the Government (not however controlled by the Navy); that Daniels went to Attorney General Gregory, and finally they both went to President Wilson, who wrote Lane not to approve it before consulting with him; that the matter rested for 4 or 5 years; that Daniels heard that Lane was going to approve it just before leaving office; that again they went to Wilson who wrote a similar letter to Lane; that Daniels told them that Lane repeatedly urged him to lease the Teapot Dome reserve after Congress had put it in charge of the Navy; that if the committee summoned him he should tell the whole truth.

Feb. 5, 1924. p. 16, 17.

C.S.H. stays with Mr. and Mrs. Daniels at Raleigh, North Carolina; delivered the commencement address at University of North Carolina, Chapel Hill.

Daniels told C.S.H. that, were it not for his loyalty to McAdoo, North Carolina would have declared for him for President.

Daniels was away on occasion of C.S.H.'s visit, speaking in South Carolina.

Mrs. Daniels gave him a dinner in the evening where he met Judge Clarkson of the Supreme Court, Ex-Judge Bibbs, Mr. Brown, formerly of the Federal Advisory Council, and others.  
June 11, 1924. p. 191, 192

Davis, John W.

Mrs and Mrs. Davis lunched with us.

Talked very frankly of his chance for nomination as President.

Said he had told his West Virginia friends that he most decidedly would not enter the lists as a professed candidate; that under West Virginia laws delegates can not be pledged unless the candidate files his approval.

Said that he was not the personal counsel of J. P. Morgan, but that his firm handled much of their banking and financial questions.

Davis, John W. (Cont.)

He frankly said he could be nominated only as a compromise candidate; that he was not seeking it, and that, if nominated he would accept only as a public duty.

He said that, during the war, Doheny wanted a passport to go abroad, but the State Department would not give it, as it suspected he wished to embroil the Peace Conference at Paris in the Mexican oil controversies; that finally he satisfied the State Dept. that he would not attempt this and a passport was given to him and to his attorney; that he sailed from Halifax and on the day of the sailing gave out an interview that he was going abroad for this very purpose; that under Secretary Polk cabled him to take up his passport and to give him one merely authorizing him to return to the U.S. at once; that he wired all the Consuls in Great Britain not to vize his passport, but to take it up; that one day Doheny called on him to have his passport vized; that he told him his instructions; that Doheny was livid with rage and denied giving out the interview; that he told him that any protest he cared to make would be cabled to the State Department; that Doheny asked him to write down his protest, but he declined and said he could have his passport for a few days for identification purposes, and if he brought in a protest he would cable it; that later he brought in a protest and he cabled it.

Davis said that, according to his recollection, Doheny at once sailed back to the U.S., but that Polk told him the other day that Doheny was finally allowed to have his passport vized, having given assurance that he would not try to mix up with the Peace Conference; that he was going to find out whether what Polk said was correct.

Davis also said he was asked to represent Doheny in the Congressional investigation, but declined because of other professional engagements and Martin Littlefield was retained.

Davis was very severe on the Roosevelt boys; said that Archie did not voluntarily go before the Walsh Committee; that Archie wrote Theodore a letter about his suspicions of Sinclair, and that, while the letter was en route, Theodore went to him in New York; that the letter was shown by Theodore's secretary to several people and finally was given to the committee which at once notified him to appear, saying it would summon him otherwise.

Davis said Archie's betrayal of Sinclair had caused the coinage of a new word, "To Archie"; that a friend of his heard two employees of a New York Corporation quarreling, and that one said he would not be "Archied" by the other, i.e. have some delinquency shown up by the other.

Feb. 24, Sunday, 1924.

p. 38, 39, 40, 41.

Davis, John W. (Cont.)

Col. House tells C.S.H. the Democratic Party could not afford to nominate any man whose record would have to be explained, and that the fact that Davis' firm being of counsel for J.P. Morgan would eliminate him from consideration.

Mar. 10, 1924. p. 71

Dawes, (Comptroller of the Currency)

Superintendent Johnson wires Board that the McFadden branch bank bill is absolutely inconsistent with an agreement entered into between himself and a committee of the Board, - Miller, James, and Dawes, made on the occasion of his last visit to Washington, - a month ago.

Feb. 21, 1924. p. 34

Dawes, Gov. Strong, and C.S.H., differing from Wyatt, believe that an acceptance of a bank in the foreign trade, drawn by another bank, is at least technically lawful.

Feb. 23, 1924. p. 35, 36.

Votes against dividing up the branches of the Valley Bank of Fresno between the Bank of Italy and the Pacific S. W. Savings & Trust Co.

Feb. 25, 1924. p. 47.

Votes for Miller's draft of regulation declining to consider applications for branches in states not making simultaneous examinations.

Feb. 29, 1924. p. 58

Moves as a substitute for Miller's motion (that National banks be given same rights as to branches as exercised by member banks,) - a general indorsement of the McFadden bill.

Votes for this substitution.

Feb. 29, 1924. p. 59

Votes against main motion of Miller.

Feb. 29, 1924. p. 60

Sec. Mellon asks to be recorded as voting Aye on Dawes motion and No on Miller's motion.

Mar. 4, 1924. p. 60

C.S.H. believes Sec. Mellon was induced to do this by Dawes, who told C.S.H. he had seen him and that he was opposed to the branch banking system.

Mar. 4, 1924. p. 60

Davis, John W. (Cont.)

He finally said he could be nominated only as a compromise candidate; that he was not seeking it, and that, if nominated, he would accept only as a political duty.

He said that, during the war, Doherty wanted a passport to go abroad, and the State Department would give it as it suspected he wished to enroll in the Peace Conference at Paris in the Mexican all conference; that finally he contacted the State Dept. that he would not attempt this and a passport was given to him and to his attorney; that he called from Halifax and on the day of the sailing gave out an interview that he was going abroad for this very purpose; that under Secretary Polk called him to take up his passport and to give him one merely authorizing him to return to the U.S. as once; that he first called the Consul in Great Britain not to issue his passport, but to take it up; that one day Doherty called on him to have his passport issued; that he told him his instructions; that Doherty was livid with rage and denied saying out the interview; that he told him that any protest he cared to make would be copied to the State Department; that Doherty asked him to write down his protest, but he declined and said he could have his passport for a few days for identification purposes, and if he brought in a protest he would call it; that later he brought in a protest and he called it.

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Feb. 24, Sunday, 1924.

p. 38, 39, 40, 41.

Dawes, Comptroller of the Currency (Cont.)

C.S.H. believes the F.R. Act should be amended so as to take away the right to vote from the Secretary of the Treasury and the Comptroller.

Dawes, as Comptroller, recommends to McFadden's committee radical changes in the F.R. Act, saying that the F.R. system will be ruined unless the McFadden bill is adopted, and then, when 4 of the 6 appointive members desire and vote to put into the annual report of the Board that they disagree with Dawes and do not approve the McFadden bill, Dawes and the Sec. of the Treasury vote with the 2 appointive members against the wishes of the 4 appointive members and, by tying the vote, kill it.

Thus the ex-officio members can send their own reports to Congress, and, at the same time, prevent the majority of the appointive members from sending any report on the matter to Congress at all

Mar. 4, 1924. p. 60, 61.

Gov. C. rules that no member, who is actually in Washington at the time can have his vote recorded unless he casts it himself at the meeting.

A slap at Mellon and Dawes, but perhaps a sound ruling technically

Mar. 5, 1924. p. 63

Cumingham records his vote in favor of Dawes substitute motion.

Mar. 6, 1924. p. 64

Dawes questions Gov. C's ruling as to absent members recording their vote. C.S.H. opposes the ruling.

Mar. 12, 1924. p. 72

See - Hamlin, C. S.

C.S.H. believes if Sec. Mellon had fully realized that by voting against Miller's motion and for Dawes motion he had prevented a majority of the appointive members from putting their views in the Annual Report, he would not have thus voted, at least without hearing the views of the 4 appointive members.

Mar. 12, 1924. p. 77, 78.

Votes Aye and James votes No, as a committee on Torrance bank application.

Mar. 18, 1924. p. 79

Dawes changes his vote to No.

Mar. 18, 1924. p. 79

Dawes, Comptroller of the Currency (Cont.)

Votes against C.S.H.'s substitute motion that Torrance bank application be postponed pending a simultaneous examination by the F.R. Board which is herewith ordered.  
Mar. 18, 1924. p. 80

Votes in favor of C.S.H. motion that the Board examine simultaneously all state member banks with branches, not now so examined by state authorities.  
Mar. 18, 1924. p. 80

Votes in favor of Miller's motion rejecting Torrance bank application because state is not examining simultaneously.  
Mar. 18, 1924. p. 81

Spends afternoon with Sec. Mellon and other members of Committee considering proposed branch regulations.  
Mar. 25, 1924. p. 85

Miller moves draft of regulation approved by Sec. Mellon, who desired to be recorded for it, - Sec. Mellon's own draft.

Dawes asked that we ask Sec. Mellon to come in and discuss it.

Gov. C. and Platt objected, as the draft was Sec. Mellon's, and he had asked to be recorded in favor of it.

Dawes, very angry, rushed out of the room saying he should see Sec. Mellon and should not ask the consent of the Board, either.

Gov. C. was about to put the vote, but C.S.H. insisted on waiting until Dawes returned.

Dawes finally returned; said he saw Sec. Mellon only for a moment, but that he intimated he might possibly agree to an insertion of a reference to contiguous territory as defined by the Board in the Jan. 1924 amendment to the Nov. 7, 1923, resolution.

Dawes moved this as an amendment to Miller's draft.

Dawes voted for his amendment.  
Lost - 4 to 3, but Sec. Mellon to have right to record his vote  
Mar. 26, 1924. p. 85, 86, 87.

Votes against Miller's main motion.  
Lost, 43 to 3 but Sec. Mellon to record his vote.  
Mar. 26, 1924. p. 87

Dawes, Comptroller of the Currency (Cont.)

Votes against C.S.H.'s motion that Board, except in extraordinary emergencies will grant no further branch applications, unless within one year before date of application there has been a simultaneous examination by the Federal Reserve or by the state authorities, etc.

Mar. 26, 1924. p. 88

Votes against the regulations as amended. Carried 4 to 3, but Sec. Mellon to record his vote. Mar. 26, 1924. p. 88

C.S.H. is shocked at Dawes, an ex-officio member, rushing out of the Board room to induce Sec. Mellon, another ex-officio member, to change the vote he had just recorded.

The F.R. Board is dominated by the ex-officio members, - both political appointees.

Unless voting rights are taken away from the ex-officio members, the F.R. System is doomed!

The Board is looked on with amused contempt by the country.

President Harding has changed it into a political system. Mar. 26, 1924. p. 89, 90.

Gov. C. tells C.S.H. that Dawes, with his chief examiner Pole, has just had a long conference with Sec. Mellon on the branch bank regulations, taking with him the minutes of today's meeting.

Gov. C. was bitterly incensed and denied his right to do this. Mar. 26, 1924. p. 90.

Dawes comes in and tells C.S.H. that Sec. Mellon will vote so as to cause a tie and defeat the Miller motion.

Dawes begged C.S.H. to accept his (Dawes) substitute motion, which had been voted down.

C.S.H. said he would consider it but felt he could not accept it.

Dawes then begged C.S.H. to prepare some compromise draft which all could accept.

C.S.H. said he would try but he did not believe the majority would be satisfied with it. Mar. 26, 1924. p. 90.

Dawes, Comptroller of the Currency (Cont.)

Dawes came in, also Gov. C., and Platt.

C.S.H. said he could not accept Dawes motion but would try to draft some compromise which he could accept.

C.S.H. then drew a compromise draft as an amendment to Miller's (Sec. Mellon's) draft, and slightly changed Dawes draft.

For C.S.H. draft, see p. 91, diary.

Later, at the Board meeting C.S.H. read his draft, not agreeing in advance to accept it but would be glad to discuss it.

James rushed out and brought in Sec. Mellon, who strongly approved C.S.H.'s draft.

C.S.H. accepted an amendment by Miller.

Dawes votes for C.S.H.'s draft.

Passed, 5 to 3, Gov. C., Miller and Platt voting No. Mar. 27, 1924. p. 93

Dawes votes to accept the regulations as amended.

Same vote as above. Mar. 27, 1924. p. 93, 94

See - Regulations

Miller bitterly attacks Dawes for his letter to McFadden to effect that the Federal Reserve system was in danger unless the McFadden bill was passed.

Miller said the letter was written as if it were the opinion of the Board, whereas 4 out of the 6 appointive members were of a contrary opinion.

Miller said Dawes should have first consulted the Board.

Dawes said in justification that the letter stated that these were merely his personal views.

C.S.H. feels Miller's remarks were justified. Mar. 27, 1924. p. 94

To sum up the matter:-

1. Dawes told C.S.H. the secretary had decided to vote against his own draft of clause 1.

Dawes, Comptroller of the Currency (Cont.)

- 2. This would have tied and defeated Miller's motion and have left the resolution of Nov. 7, 1923 in full force as an acting policy of the Board.
- 3. C.S.H.'s compromise draft left the principle of contiguous territory in the Nov. 7 resolution merely a prima facie rule, subject to the power of the Board to grant state-wide branches, if it wished to do so.
- 4. C.S.H.'s draft, therefore, so amended the Nov. 7 resolution, as to practically take its teeth out, and in fact practically to repeal it.

Mar. 27, 1924. p. 95

Dawes comes in and says C.S.H. had maintained the high standard usual to him, this morning, and that his statesmanship had saved the Board from chaos and public ridicule.

Mar. 27, 1924. p. 95, 96.

Reports, with James, a letter to Gov. Seay stating that under the new regulations a bank in Charlotte, North Carolina, could not take over a branch.

C.S.H. objected as no condition as to approval of Board as to branches was ever imposed on this bank.

Dawes votes to substitute C.S.H.'s draft of letter, that only the condition of the bank and branch could be inquired into by the Board.

April 16, 1924. p. 116, 117.

Wills tells C.S.H. that Dawes praised him for his fairness and impartiality.

April 23, 1924. p. 121

C.S.H., asked by Warburg, of the Federal Advisory Council, as to opinion of Board as to McFadden bill, explains how Dawes and Mellon defeated the draft of 4 of the appointive members against the McFadden bill.

May 13, 1924. p. 138

Dawes asked the Federal Advisory Council to indorse the McFadden bill, - an extraordinary action.

May 13, 1924. p. 138

A majority of the Council favored making membership in Federal Reserve System voluntary for national banks, but not at the present time.

Dawes was very much disturbed at this suggestion.

May 13, 1924. p. 139



Dawes, Comptroller of the Currency (Cont.)

At the Governor's conference, Dawes said he wanted the F.R. banks to pay \$10 per copy for his reports, in place of \$5 now paid. The Governors seemed willing provided the Board approved.

The Board stated it would not affirmatively advise this, as it was a matter to be determined between the Comptroller and the respective Federal Reserve banks, but that it would not disapprove any such payments.

May 13, 1924. p. 140

Dawes showed C.S.H. a letter from Gov. Harding objecting to paying \$10.

Gov. Harding said it was originally agreed to pay \$5 to help out Gov. C. when he was Comptroller; that such a charge was not fair to state member banks upon whom the Board has to charge the whole cost of examination, while the law requires Comptroller to assess his costs against the national banks.

May 13, 1924. p. 140, 141.

Gov. Harding sends Dawes a copy of a vote of the Directors of the Federal Reserve Bank of Boston against paying for the Comptroller's reports more than the cost of transcribing and furnishing copies.

May 14, 1924. p. 142.

Dawes writes expressing the hope that the Board will induce the Federal Reserve Bank of Atlanta to agree to a proposed settlement with the Citizens First National Bank of Albany, Georgia.

Dawes told C.S.H. the Federal Reserve bank was responsible for its closing.

C.S.H. wrote Dawes declining to interfere.

May 16, 1924. p. 143, 144.

See - Citizens First National Bank, Albany, Georgia.

In trying to secure indorsements from banks of McFadden bill.

May 26, 1924. p. 161

McFadden tells C.S.H., after hearing how Dawes and Mellon tied the Board in McFadden bill, said it was a reason for abolishing the Comptroller or putting him under the Board.

May 26, 1924. p. 163

**Dawes, Comptroller of the Currency (Cont.)**

Dawes admits C.S.H. claim that the McFadden bill, as amended by the House committee would prevent any state bank entering the Federal Reserve system unless it gave up all of its branches situated outside of location of the parent bank. (The bill, as first reported by committee, applied this only to branches established after the passage of the McFadden bill.)  
May 26, 1924. p.164

Votes for resolution favoring the passage of the McFadden bill.  
Passed, 4 to 3. Sec. Mellon voted Aye.

Carried by the votes of the Ex-officio members.

Otherwise would have failed 3 to 2. May 26, 1924. p. 165

It would have failed 4 to 2 had not Crissinger weakened and voted for it, saying he did not believe in it, but voted for it to help the national banks.  
May 26, 1924. 165

Dawes tells C.S.H. that Under Secretary Winston had no special reputation as a lawyer in Chicago, that he had no tact and was merely the son of his father who was a good lawyer.  
June 10, 1924. p. 187

**Dawes Commission, Germany**

Board refused request of F.R. Bank of San Francisco to send Asst. F.R. Agent Breck to help Robinson on the Commission. Sec. Mellon and the Cabinet were opposed. Jan. 2, 1924. p. 1,2,3.

Board disapproves request of Young that Gov. Strong come over to consult with him. Sec. Mellon and Cabinet also opposed it.  
Feb. 23, 1924. p. 42, 43.

Gov. Strong believes the report of the Dawes commission will be accepted and will be followed by a broad uprising of business.  
May 22, 1924. p. 153

Prof. Kemmerer tells C.S.H. he drew the currency part of the report.  
June 9, 1924. p. 187

**Denby, Sec.**

Last week the Senate passed a resolution demanding Denby's resignation. See - Hoover  
Hughes, Sec.  
Kemmerer

**De Serriere**

Sec. of Dutch Legation attends funeral of Margaret Harding in Boston. Jan. 27, 1924. p. 7

Dawes, Comptroller of the Currency (Cont.)  
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May 28, 1934. p. 184

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See - Hoover  
Hughes, Sec.  
Kammerer

De Berriere  
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Boston. Jan. 27, 1934. p. 7

Deflation

C.S.H. answers Miller's draft for Annual Report to effect that the  
excessive issues of Federal Reserve notes was the cause of  
inflation and that it is the duty of the Board to place a restriction  
on Federal Reserve note issues in the future; also that Federal  
Reserve banks discounted chiefly to secure currency, and that the  
Federal Reserve banks were primarily note-issuing banks.

C.S.H. pointed out that any such limitation of notes would certainly  
bring about drastic deflation, but was entirely unnecessary; that  
every Federal Reserve note issued (except directly against gold)  
rested on an antecedent rediscount of commercial paper, and that  
proper control over rediscounts by fixing discount rates would  
incidentally regulate note issues; that when the credit is created,  
whether it is availed of in the shape of a deposit credit, or by  
taking out cash or Federal Reserve notes is immaterial, so far as  
inflation is concerned; that in fact, if F.R. notes are taken no  
bank credits can be established against them, while if the credit is  
left as a deposit credit the member bank can loan on this credit  
about 7 to 1.

For memorandum, see scrap book.

Miller was very angry and said my article was "muddleheaded" as he was  
prepared to show.

C.S.H. dared him to put his draft in the report and he would file a  
minority report.

Feb. 14, 1934. p. 19

See - Miller

C.S.H. gives Board his reasons for answering Miller and shows up  
Miller's inconsistencies.

Reminded Miller that he was the original deflationist, quoting his  
article in the annals of political and social science.

Feb. 15, 1934. p. 21, 22.

See - Miller

Denby, Sec.

Last week the Senate passed a resolution demanding Denby's resignation.  
President Coolidge informed Senate that that was his business, which  
was true, but thereby Coolidge accepts the responsibility for  
Denby's retention.

The Senate resolution should have merely expressed the opinion of the  
Senate that in view of the grave charges against Denby, he should  
at once resign, even though in fact he was entirely innocent of wrong  
doing.  
Feb. 15, 1934. p. 25

Deposits and notes

Separate ratio. Discussion.

Mar. 5, 1924. p. 62

See - Miller  
Reserves

Designation of Governor. p. 75,76, 13

See - Governor

Differential discount rates. p. 196, 197, 198

See - Discount rates

Dimock, Mrs.

C.S.H. dines with Mrs. Dimock to meet Egyptian Minister and wife.  
June 7, 1924. p. 181

Director, Interlocking. p. 82

See - Interlocking director

Discount rates

Gov. C. just returned from New York says directors want to reduce  
discount rates to 4%.

Miller and C.S.H. favor

Platt at first had doubts.

Voted to call special meeting Monday.

Sec. Mellon to be present.

April 26, 1924. p. 124

Board meeting.

Sec. Mellon at first opposed any reduction in N. Y. rates.

Miller pointed out decline in both production and prices; thought it  
well to reduce rates from psychological point of view.

C.S.H. favored lower rates; he thought prices, however, would continue  
to fall, and believed it would furnish a good object lesson to  
those who claimed that prices could be stabilized through rates.

Miller said business recession would continue, but that by July, a  
pronounced upward movement would set in and that it would be  
far easier to check any possible speculative movement by  
increasing from 4% than from 4 1/2%.

Discount rates (Cont.)

Discount rates (Cont.)

Board voted to notify N. Y. that, if at their next meeting, it was the judgment of the N. Y. directors to go down to 4%, the Board would approve.

Board authorized executive committee to approve such reduction on part of N. Y., Philadelphia and Boston, if proposed when no quorum of Board present.

April 28, 1924. p. 124, 125.

Executive committee, ratified proposed action of N. Y. to reduce to 4% to take effect at 3 p. m. today.

April 30, 1924. p. 126

C.S.H. calls up Gov. Harding who says he knows of New York's proposed action and asks if it resulted from the desire of the Board communicated to N. Y.

C.S.H. said No; that the Board merely said that if the judgment of the directors was for lowering the rate, the Board would approve, and that this applied also to Philadelphia and Boston.

Gov. Harding asked if Board would object if Boston did not reduce for some days yet.

C.S.H. said Board would not object.

Gov. H. asked if Board approved the N. Y. reduction in connection with any plan under the Dawes commission report.

C.S.H. said No; that the Dawes report was barely mentioned and not in connection with the rate reduction.

April 30, 1924. p. 126, 127.

Gov. Harding tells C.S.H. he is certain that the movement for lower rates in New York was inspired by Gov. Strong, now ill in Gov. Norman's house in London; that Gov. Norman wanted inflation in U.S. to put us more nearly on a parity with Great Britain.

Gov. Crissinger told C.S.H. that Gov. Case opposed the reduction.

C.S.H. replied that at the Board meeting it was merely said that Case wanted the production postponed for a few days.

April 5, 1924. p. 129

At Governors Conference, Gov. Case gives the reasons for reduction at New York to 4%:-

1. Brings rates into harmony with customers rates.

Discount rates (Cont.)

Discount rates (Cont.)

- 2. Will not cause inflation
- 3. A director of the Bank of England told him that Great Britain was over burdened with credit demands which it could not handle; that her votes should go up and ours down.

Gov. Harding said there was no necessity for reducing rates at Boston but that ultimately Boston must follow New York; that country rates were generally 6% in N.E. to customers and would not be reduced, if F.R. rates were lowered to 4%.

Gov. Fancher said country rates in his district would not fall below the customary 6 to 8%, even if F.R. rates were lowered to 2%.

Gov. McDougal expressed the same view.

All agreed, however, that F.R. rate reductions would help large borrowers in the larger cities.

Miller said F.R. banks should lead, - downward as well as upward; that lower rates meant lower cost of manufacture; that prices had declined 15% in six months which prevented carrying large inventories and made for uncertainty.

The Governors, as did Jay in 1921, all seemed to believe that F.R. banks should not lead, but should follow the market, at least as to descending rates.

Gov. C., C.S.H., Miller and Cunningham believed the principal F.R. banks should reduce rates. Platt was somewhat equivocal. May 7, 1924. p. 130, 131.

Gov. Strong said he was rather favorable to lowering N. Y. discount rate to 3 1/2%; that this would not affect domestic conditions it might induce much borrowing from abroad; that it would give the U.S. an opportunity to become the money centre of the world.

He predicted a tremendous business boom, not however, until after the Presidential elections and perhaps long after; that this would be preceded by speculative activity in the stock market, aided by low interest rates, etc. Feb. 22, 1924. p. 154

See - Open market operations.

Philadelphia proposed new rates, as follows:

	90 days	6 months	9 months
Present rates	4 1/2%	4 1/2%	5%
Proposed rates	3 1/2%	4 1/2%	4 1/2%

Board would approve. The judgment of the N. Y. directors to go down to 4% was Board voted to notify N. Y. that if at their next meeting, it was

Board authorized executive committee to approve such reduction part of N. Y., Philadelphia and Boston, if proposed when no program of Board present.

April 28, 1924. p. 134, 135

Executive committee, ratified proposed action of N. Y. to reduce to 4% to take effect at 3 p. m. today. April 30, 1924. p. 138

C.S.H. calls up Gov. Harding who says he knows of New York's proposed action and asks if it resulted from the desire of the Board communicated to N. Y.

C.S.H. said No; that the Board merely said that if the judgment of the directors was for lowering the rate, the Board would approve, and that this applied also to Philadelphia and Boston.

Gov. Harding asked if Board would object if Boston did not reduce for some days yet.

C.S.H. said Board would not object.

Gov. H. asked if Board approved the N. Y. reduction in connection with any plan under the Dawes commission report.

C.S.H. said No; that the Dawes report was merely mentioned and not in connection with the rate reduction. April 30, 1924. p. 138, 137

Gov. Harding calls C.S.H. he is certain that the movement for lower rates in New York was inspired by Gov. Strong, now ill in Gov. Norman's house in London; that Gov. Norman wanted inflation in U.S. to put us more nearly on a parity with Great Britain.

Gov. C. said that Gov. Case opposed the reduction.

C.S.H. replied that at the Board meeting it was merely said that Case wanted the production postponed for a few days. April 3, 1924. p. 138

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I. Brings rates into harmony with customary rates.

Discount rates (Cont.)  
S. Will not cause inflation  
A. Director of the Bank of England told him that Great Britain  
was overburdened with credit demands which it could  
not handle; that her rates should go up and ours down.

Gov. Harding said there was no necessity for reducing rates at Boston  
but that ultimately Boston must follow New York; that country  
rates were generally 3% in N.E. to 4% in S.E. and would not be  
reduced, if N.E. rates were lowered to 4%.

Gov. Fletcher said country rates in his district would not fall below  
the average 3 to 3 1/2, even if N.E. rates were lowered to 2 1/2.

Gov. McDonald expressed the same view.

All agreed, however, that F.R. rate reductions would help large  
borrowers in the larger cities.

Miller said F.R. banks should lead - downward as well as upward; that  
lower rates meant lower cost of manufacturing; that prices had  
declined 15% in six months which prevented carrying large  
inventories and made for uncertainty.

The Governors, as directed in 1931, all seemed to believe that F.R.  
banks should not lead, but should follow the market, at least as  
to descending rates.

Gov. C.S.H., Miller and Cunningham believed the principal F.R.  
banks should reduce rates. This was somewhat equivocal.  
May 7, 1934, p. 130, 131.

Gov. Strong said he was rather favorable to lowering N. Y. discount  
rate to 3 1/2%; that this would not affect domestic conditions if  
it might induce much borrowing from abroad; that it would give the  
U.S. an opportunity to become the money center of the world.

He predicted a tremendous business boom, not however, until after the  
Presidential elections and perhaps long after; that this would  
be preceded by speculative activity in the stock market, aided  
by low interest rates, etc.

Tab. 22, 1934, p. 134

See - Open market operations.

Philadelphia proposed new rates, as follows:

	90 days	6 months	9 months
Present rates	4 1/2	4 1/2	5
Proposed rates	3 1/2	4 1/2	4 1/2

Discount rates (Cont.)

Every other F.R. bank has flat rates for all maturities.  
Board unanimously agreed on 3 1/2% for 90-day paper; C.S.H.,  
Cunningham and James objected to the differential against 6  
and 9 months paper.

Miller said a longer maturity should carry a higher rate.  
C.S.H. said this was true as to ordinary commercial loans, but  
he did not believe Congress intended that agricultural  
paper (necessarily of longer maturity) should necessarily  
have a higher rate than commercial paper; that the 90-day  
paper was often renewed at the lower rate; that the claim  
that banks, if the discount rate were flat, would offer first  
their long term paper, could easily be taken care of by the  
F.R. banks and the attempt frustrated; that in the bonus bill  
Congress made 9 months veterans notes eligible at the 90-day  
rate.

(C.S.H. the other day saw 6 months and 90 day paper quoted  
at the same rate.)

Miller said the F.R. banks might cease to be liquid if they had  
in their portfolios an unusually large amount of long-term  
paper, and might be in danger of insolvency.

C.S.H. said the F.R. banks could and would regulate this, and  
pointed out that it is the bad quality of the paper and not  
the maturity which makes banks insolvent.

Board voted to approve the 3 1/2% rate and to disapprove the rest.  
June 17, 1934. p. 196, 197.

C.S.H. called up F.R. Agent Austin who said that the spread of  
1% between 90-day and 6 months paper was an error which  
his Board would be at once reconvened to correct.

C.S.H. expressed hope that his Board would bear in mind that all  
other F.R. banks have a flat rate, and that raising the  
question of a differential by a bank having so little of the  
long term paper might raise an awkward question which could  
better be raised by other banks having a material amount of  
such paper.  
June 17, 1934. p. 197, 198.

Dividends and Expenses, Federal Reserve banks.

Gov. Case says Federal Reserve banks must have 300 millions  
more of earning assets to have system make; that such an  
amount can not be secured for the money poured out into  
the market will at once be used by the m. banks to pay off  
their redemptions with the F.R. banks; that only when all  
discounts are paid off will such purchases increase earning  
assets; that to pour 50 millions into the market would mean

Discount rates (Cont.)  
 Every other F.R. bank has flat rates for all maturities.  
 Board unanimously agreed on 3 1/4% for 90-day paper; C.S.H.  
 Cunningham and James objected to the differential against  
 6 and 9 months paper.  
 Miller said a lower rate should carry a higher rate.  
 C.S.H. said this was true as to ordinary commercial loans, but  
 he did not believe Congress intended that differential  
 paper (necessity of longer maturity) should necessarily  
 have a higher rate than commercial paper; that the 90-day  
 paper was often renewed at the lower rate; that the claim  
 that banks, if the discount rate were flat, would offer first  
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C.S.H. said the F.R. banks could and would regulate this, and  
 pointed out that it is the bad quality of the paper and not  
 the maturity which makes banks insolvent.

Board voted to approve the 3 1/4% rate and to disapprove the rest.  
 June 17, 1934. p. 127, 128.

C.S.H. called up F.R. Agent Austin who said that the spread of  
 1/2 between 90-day and 6 months paper was an error which  
 his board would be at once corrected to correct.

C.S.H. expressed hope that his Board would bear in mind that all  
 other F.R. banks have a flat rate, and that relating the  
 question of a differential by a bank having so little of the  
 long term paper might raise an awkward question which could  
 better be raised by other banks having a material amount of  
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June 17, 1934. p. 127, 128.

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 their liabilities with the F.R. banks; that only when all  
 discounts are paid off will such purchases increase earning  
 assets; that to pour 30 million into the market would mean

Dividends and Expenses, F.R. Banks (Cont.)

competition with M. banks in buying acceptances and Govt. securities  
 and would interfere with Treasury operations.

Gov. McDougal said the F.R. banks ought to engage in open market  
 operations in order to ensure payment of expenses and  
 dividends.

Gov. Norris said it would violate reserve bank policy to pour money  
 into the market at the present time.

C.S.H. said this would be true if the Federal Reserve banks had  
 say 600 millions of Govt. securities, but that now it can buy  
 them little by little, without causing inflation, to use for  
 control against future undue speculative activity, and Dr. Miller  
 took same position.

C.S.H. is satisfied Case does not want to compete with M. banks,  
 or to interfere with Treasury operations, or, possibly, with  
 the stock market.

May 7, 1924. 131 to 133.

The Federal Advisory Council states that the present aggregate of  
 investments, -(835 millions) should be retained and perhaps  
 somewhat increased if it can be done without affecting the  
 market; that the Federal Reserve banks should not make  
 investments for the sole purpose of increasing earnings in  
 order to meet expense and dividend requirements; that  
 dividends should be paid as long as the surplus will justify  
 it, even though not earned.

May 13, 1924. 135

Above recommendation ignores open market operations as a source  
 of earnings, in controvention of the spirit of the F.R. Act;  
 C.S.H. pointed out this to the council.

Warburg replied very ambiguously saying that open market  
 operations justified for other reasons, would usually  
 incidentally take care of earnings.

C.S.H. asked Warburg if he was right in interpreting the Council's  
 statement to mean that open market powers should never be  
 used for earnings unless justified on other grounds, and  
 Warburg said Yes. 137

This is a complete reversal of the intent of Congress.

C.S.H. quotes from Board's annual report for 1914, and Mr. Forgan's  
 statement in 1915 to effect that expenses and dividends should  
 be earned and that the resulting competition with M. banks  
 would be negligible. 137

*See, when market operations and purchases.*



Dividends and Expenses, F.R. Banks (Cont.)  
competition with M. banks in paying acceptances and Govt. securities  
and would interfere with Treasury operations.

Gov. McAdoo said the F.R. banks ought to engage in open market  
operations in order to ensure payment of expenses and  
dividends.

Gov. Hays said it would violate reserve bank policy to pour money  
into the market at the present time.

C.S.H. said this would be true if the Federal Reserve banks had  
any 600 millions of Govt. securities, but that now it can buy  
them little by little, without causing inflation, so as to  
control against future inflationary activity, and Dr. Miller  
took same position.

C.S.H. is satisfied Case does not want to compete with M. banks  
or to interfere with Treasury operations, or, possibly, with  
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May 13, 1924. 133

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in 1913 to effect that expenses and dividends should  
be earned and that the resulting competition with M. banks  
would be negligible.

See also market operations and dividends.

Eastern Banking and Trust Co. (Cont.)

**Doheny** Reserve bank and from other sources; that the rest to the  
Much excitement from discovery that McAdoo had received  
retainers of \$150,000 from Doheny.  
Feb. 5, 1924. 18

C. See - McAdoo out that the Federal Reserve Bank of Boston charged  
the Rhode Island bank \$7000 for an examination, and that the  
Controversy with John W. Davis as to passport.

Asks Davis to accept retainer. 39, 40. for this branch, provided  
See - Davis, John W. simultaneous examination to see being made  
by the state and (2) that condition of parent bank and branches

**Drum, John** sound.  
See - Mercantile Trust Co.  
Platt offered amendment that if (1) not fulfilled, then the Federal  
Reserve Bank should examine.

Miller's motion failed, -E- for and Gov. C. alone voting for it.

Platt's motion was carried.

**Earning assets** Feb. 23, 1924. 47, 48, 49, 50.

See - Dividends and expenses  
See - Open market operations

**Eastern Banking and Trust Company**  
Application of, of Newburn, North Carolina, to take over a  
small bank as a branch.

Miller bitterly opposed this.  
James and Platt both favored, as the condition of both the  
C.S. parent bank and of the proposed branch was sound.

Gov. C. bitterly opposed as state had no system of simultaneous  
C.S. examinations, and said Board had determined to permit no  
further branches in states having no such examinations.

C.S.H. pointed out that, whatever the Board might do in the future,  
it had not yet done this, and that such policy would violate  
the Federal Reserve Act, which calls for examination by the  
C.S. F.R. banks if the state examination is not satisfactory.

Gov. C. claimed the F.R. banks could not make a satisfactory  
simultaneous examination.

C.S.H. pointed out that clearly in this case it was practicable, -  
one parent bank and one branch.

James agreed with C.S.H. and said Herson would shortly report that  
it would be perfectly practicable to arrange for simultaneous  
examination of even the largest state banks with branches, -  
e.g. the Bank of Italy; that it might require perhaps 140  
examiners which could easily be procured from the Federal

Doherty

much excitement from discovery that McAfee had received  
 retainers of \$150,000 from Doherty.  
 Feb. 8, 1934. 18

See - McAfee

Controversy with John W. Davis as to passport.  
 Davis to accept retainers. 38, 40.  
 See - Davis, John W.

Dunn, John  
 See - Mercantile Trust Co.

-7-

Earning assets  
 See - Dividends and expenses  
 Open market operations

Eastern Banking and Trust Company  
 Application of of New York, North Carolina, to take over a  
 small bank as a branch.

James and Platt both favored, as the condition of both the  
 parent bank and of the proposed branch was sound.

Gov. C. bitterly opposed as state had no system of simultaneous  
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 examiners which could easily be procured from the Federal

Egyptian Minister  
 H.P.H. gives a New England supper to the Egyptian Minister and  
 Eastern Banking and Trust Co. (Cont.)  
 Reserve bank and from other sources; that the cost to the  
 Bank of Italy would not be over \$20,000, which was not  
 unreasonable.  
 and Mrs. Henry Getty Jullison (Counsellor of  
 Brit. Embassy), Sir Maurice Low, Mr. and Mrs. Eugene  
 C.S.H. pointed out that the Federal Reserve Bank of Boston charged  
 one Rhode Island bank \$7000 for an examination, and that the  
 bank was glad to pay it as it was of such value to it.

Miller moved to permit Bank to take over this branch, provided  
 (1) a satisfactory, simultaneous examination was being made  
 by the state and (2) that condition of parent bank and branches  
 was sound.

Sat beside Madam Yonary at dinner at Mrs. Binock's. Had nice talk  
 Platt offered amendment that if (1) not fulfilled, then the Federal  
 Reserve Bank should examine. Bertie and Arna.

C. Miller's motion failed, Miller and Gov. C. alone voting for it. Yued.

Platt's motion was carried.  
 that she made no official calls in  
 Egypt but found when she the King, who replied  
 Feb. 25, 1934. 47, 48, 49, 50. to  
 makes calls; that she wrote to her uncle, the King, who replied  
 in U.S. she should conform to it,  
 Economy and Efficiency Committee.  
 C.S.H. moves to discharge, from the duty of making recommendations  
 based on its examinations and to transfer this function to the  
 salaries and expenditures committee.  
 Application of a bank in, to take over as a branch a bank 40 miles  
 Miller bitterly opposed this.

C.S.H. said committee positively refused to make any recommendations  
 and that he wanted action.  
 resolution of Nov. 7, 1933.

C.S.H. cited vote of Board months ago to report on advisability of  
 continuing publication of Federal Reserve Agents monthly  
 reports, and said it was sleeping in the committee.

Miller said the committee could not and would not report.  
 No: Gov. C., Miller, Platt

C.S.H. replied that was why he made this motion.  
 Miller's motion was then passed, C.S.H. voting for it.

C.S.H. finally dropped his motion and moved to reconsider the  
 adverse vote on the Cunningham resolution requesting sal. and  
 expenditures committee to report on all salaries, officers,  
 etc. with recommendations.

C.S.H. felt Passed, Miller alone voting No. Minority motion.  
 Mar. Jan. 17, 1934. 75. 6, 7  
 See - Sal. and Expenditures committee.

Elliott  
 Writes C.S.H. asking for contribution towards McAfee's campaign.  
 Did not answer. Explain when I see him.  
 Jan 13, 1934. 140

**Egyptian Minister**

H.P.H. gives a New England supper to the Egyptian Minister and Madame Youstry.

Ex-officio members

Present: C.S.H., H.P.H., Egyptian Minister, Madame Youstry, Mr. and Mrs. Henry Getty Chilton (Counsellor of Brit. Embassy), Sir Maurice Law, Mr. and Mrs. Eugene Meyer, Mr. and Mrs. Sweetser (attached to League of Nations), Mr. and Mrs. Arthur Bullard, Miss Josephine Patten.

Drank to health of the Minister in 1811 sherry.

May 25, 1924. 161

Sat beside Madame Youstry at dinner at Mrs. Dimock's. Had nice talk with her about Egypt. She said she enjoyed her supper with us immensely and sent her love to Bertie and Anna.

C.S.H. asked how he should address her, - she is the niece of King Fuad.

She said to use simply "Madame"; that she made no official calls in Egypt but found when she arrived in U.S. she would have to make calls; that she wrote to her uncle, the King, who replied that if this was the custom in U.S. she should conform to it, but that she should not use any titles.

Elizabeth City, North Carolina, branch.

Application of a bank in, to take over as a branch a bank 40 miles away.

Miller moved Federal Reserve Agent report whether the acquisition was desirable on banking grounds, - wholly apart from resolution of Nov. 7, 1923.

James moved postponement for a full Board meeting.

Lost on the vote:

Aye: C.S.H., James, Cunningham  
No: Gov. C., Miller, Platt

Miller's motion was then passed, C.S.H. voting for it.

Pointed out that it was merely an enquiry, not necessarily implying a change in policy, but James insisted on his motion.

C.S.H. felt bound to vote with James on preliminary motion.

Mar. 12, 1924. 74, 75.

Elliott

Writes C.S.H. asking for a contribution towards McAdoo's campaign.

Did not answer. Will explain when I see him.

May 13, 1924. 140

Egyptian Minister  
H.P.H. gives a New England supper to the Egyptian Minister and  
Madame Yovary.

Present: C.S.H., H.P.H., Egyptian Minister, Madame Yovary,  
Mr. and Mrs. Henry Getty Chilton (Counselor of  
Brit. Embassy), Sir Maurice Law, Mr. and Mrs. Rogers  
Mayer, Mr. and Mrs. Sweetser (attached to League of  
Nations), Mr. and Mrs. Arthur Bullard, Miss Josephine  
Patten.

Drunk to health of the Minister in 1811 sherry.

May 22, 1924. 181

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C.S.H. asked how he should address her, - she is the niece of King Foad.

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make calls; that she wrote to her uncle, the King, who replied  
that if this was the custom in U.S. she should conform to it,  
but that she should not use any titles.

Elizabeth City, North Carolina, branch.

Application of a bank in to take over as a branch a bank 40 miles  
away.

Miller moved Federal Reserve Agent report report whether the application  
was desirable on banking grounds, - wholly apart from  
restriction of Nov. 7, 1923.

James moved postponement for a full Board meeting.

Lost on the vote:  
Aye: C.S.H., James, Cunningham  
No: Gov. C., Miller, Platt

Miller's motion was then passed, C.S.H. voting for it.

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a change in policy, but James insisted on his motion.

C.S.H. felt bound to vote with James on preliminary motion.  
Mar. 12, 1924. 74, 75

Writes C.S.H. asking for a contribution towards Madoc's campaign.  
Did not answer. Will explain when I see him.  
May 12, 1924. 140

Examination of Branches (Cont.)

by the F.R. bank; that to make simultaneous examinations  
of the assets, ledgers,  
Ex-officio member, Federal Reserve Board.  
Law should be changed to take away from, the right to vote.  
Mar. 4, 1924. 60  
Mar. 12, 1924. 74

Four of appointive members voted Aye on question of expressing opinion  
on McFadden bill in Annual Report, but the adverse vote of the  
2 ex-officio members tied the vote and defeated it.  
Mar. 4, 1924. 61

The Ex-officio members can express their opinions in their report to  
Congress, but by their adverse vote in the Board prevented the  
appointive members expressing their opinion in their report to  
Congress.  
Mar. 4, 1924. 61

Sec. Mellon's adverse vote, together with Dawes, left in effect  
Comptroller Dawes report and letter to the McFadden Committee,  
stand unchallenged.  
Mar. 12, 1924. 77, 78

Spectacle of Dawes, an ex-officio member, rushing out of the Board room  
to induce Mellon, another ex-officio member, to change the vote  
for which he had asked to be recorded, shows that the Board is  
now dominated by the ex-officio members, both political appointees.  
The Board is doomed unless the right to vote is taken away from  
the ex-officio members. They are turning the F.R. system into a  
political system.

Mar. 26, 1924. 89, 90.

Dawes announces that Sec. Mellon will vote so as to cause a tie on  
subject of new regulations as to branch banks.  
Mar. 26, 1924. 90

Winston, Under Secretary, claims that he has right to sit in Board  
meetings as an ex-officio member, in absence of the Sec. of  
the Treasury.

Wyatt advises he has no such right.  
June 12, 1924. 188

Examinations of branches  
Herson, Chief Examiner, says it is perfectly practicable for F.R.  
examiners to examine branch member banks simultaneously even  
tho there may be 75 branches to a member bank.  
Feb. 15, 1924. 23

Herson tells C.S.H. he has prepared a plan for such examinations;  
that it was practicable, and expense would not exceed \$20,000  
for banks with the largest number of branches; that it might  
require at maximum 175 examiners, of which 100 could be supplied

Examination of Branches (Cont.)

by the F.R. bank; that to make simultaneous examinations skilled examiners were not necessary, as the assets, ledgers, etc. only had to be checked up and copied, and that this could be done within 2 days as a maximum; that after that the rest of the examination could proceed just as if each branch were a unit bank; that James had directed him to hold back this report until he could ascertain whether these branches had sufficient capital, e.g. whether the capital of the parent bank was sufficient; that one examination each year would be ample, and that any other information desired would be secured by credit inquiries; that the National Bank Act should be amended so as to require only one examination each year and as many more as the Comptroller deemed necessary; that the present requirement of two examinations forced the Comptroller to spend much of his time in examining banks known to be sound, at the expense of those suspected to be unsound.

Feb. 18, 1924. 27, 28.

Gov. C. says F.R. examiner cannot make a satisfactory simultaneous examination of state banks with branches. C.S.H. denies this and James backed up C.S.H., saying Herson would shortly report that such an examination was perfectly practicable, etc.

Feb. 25, 1924. 48, 49.

C.S.H. tells Board that if it lays down the policy of not examining state banks with branches and yet excludes all branches unless the state makes a satisfactory simultaneous examination, he might feel it his duty to apply to the court for an injunction.

Feb. 25, 1924. 50

C.S.H. says Senator Glass told him our Board should make examinations of state banks no matter how many branches they might have, and that he would so move as soon as Herson's report was filed.

Feb. 25, 1924. 50, 51.

Herson files report showing that simultaneous examinations by the Federal Reserve examiners of all state banks with branches, no matter how many, was practicable, sitting out the method in detail; that the cost would not exceed \$20,000 for the bank with the largest number of branches, - the Bank of Italy. Report dated Feb. 15, 1924.

Feb. 28, 1924. 53

C.S.H. moved that the report be accepted and that immediate examination of all state member banks with branches, be ordered in the manner outlined in Herson's report.

Miller bitterly objected.

Ex-officio member, Federal Reserve Board. Law should be changed to take away from the right to vote. Mar. 4, 1924. 50 Mar. 12, 1924. 54

Four of appointive members voted in favor of examining opinion on Herson's report, but the adverse vote of the 2 ex-officio members defeated it. Mar. 4, 1924. 51

The ex-officio members can express their opinions in their report to Congress, but by their adverse vote in the Board prevented the appointive members expressing their opinion in their report to Congress. Mar. 4, 1924. 51

Sec. Mellon's adverse vote, together with Dawes, left in effect Comptroller Dawes report and letter to the National Committee. Mar. 12, 1924. 57, 58

Speech of Dawes, an ex-officio member, reading out of the Board room to Andrew Mellon, another ex-officio member, to change the vote for which he had asked to be recorded, shows that the Board is now dominated by the ex-officio members, both political appointees. The Board is doomed unless the right to vote is taken away from the ex-officio members. They are turning the F.R. system into a political system. Mar. 26, 1924. 59, 60

Dawes announces that Sec. Mellon will vote so as to cause a tie on subject of new regulations as to branch banks. Mar. 26, 1924. 60

Winston Under Secretary, claims that he has right to sit in Board meetings as an ex-officio member, in absence of the Sec. of the Treasury.

Watt advises he has no such right. June 18, 1924. 188

Examinations of branches. Herson, Chief Examiner, says it is perfectly practicable for F.R. examiners to examine branch member banks simultaneously even though there may be 75 branches to a member bank. Feb. 15, 1924. 53

Herson tells C.S.H. he has prepared a plan for such examinations; that it was practicable, and expense would not exceed \$20,000 for banks with the largest number of branches; that it might require at maximum 175 examiners, of which 100 could be supplied

Examination of Branches (Cont.)

James moved to lay on table.

Vote:

Aye: Miller and James  
No: C.S.H. and Platt

A tie vote.

Gov. C. then voted Aye and C.S.H. motion was tabled.

Feb. 28, 1924. 53, 54

Miller suggested a regulation providing that Board shall hereafter admit no branches unless the state was making a satisfactory simultaneous examination.

C.S.H. showed that this would be in direct violation of Section 9, which provides that the F.R. bank shall make such examinations unless the state examinations are not accepted.

Miller was furious, said we were all cowards, that President Coolidge should be informed of conditions in the Board so that he could "clean it out" etc.

C.S.H. pointed out that Board has notified the F.R. Bank of San Francisco that it will not accept the California examination because it is not simultaneous, and that it is now our duty to examine, which Herson says is practicable.

Feb. 28, 1924. 53, 54, 55.

Miller offers the proposed regulation referred to above.

Regulation tentatively passed.

Vote:

Aye: Gov. C., Miller, Dawes, James  
No: C.S.H., Platt

Feb. 29, 1924. 58

Board discusses draft of state bank regulation presented by special committee, - Miller, James, and Platt.

C.S.H. points out that that part forbidding entertaining of application for branch where no state simultaneous examination, would prevent Board from approving even a teller's window in city of location.

Miller and James said Calif. superintendent told them he does now examine simultaneously all banks except the 4 largest.

Miller moved to lay on table:

Examination of Branches (Cont.)

by the F.R. bank; that to make simultaneous examinations...  
skilled examiners were not necessary, as the assets, ledgers...  
only had to be checked up and copied, and that this could...  
be done within 2 days as a maximum; that after that the rest of...  
the examination could proceed just as if each branch were a unit...  
bank; that James had directed him to hold back this report...  
until he could ascertain whether these branches had sufficient...  
capital, e.g. whether the capital of the parent bank was...  
sufficient; that one examination each year would be ample, and...  
that any other information desired would be secured by credit...  
inquiries; that the National Bank Act should be amended so as...  
to require only one examination each year, and as many more as...  
the Comptroller deemed necessary; that the present requirement...  
of two examinations forced the Comptroller to spend much of his...  
time in examining banks known to be sound, at the expense of...  
those suspected to be unsound.

Feb. 18, 1924. 57, 58.

Gov. C. says F.R. examiner cannot make a satisfactory simultaneous...  
examination of state banks with branches. C.S.H. denies this...  
and James backed up C.S.H. saying Herson would shortly report...  
that such an examination was perfectly practicable, etc.

Feb. 28, 1924. 48, 49.

C.S.H. tells Board that if it lays down the policy of not examining...  
state banks with branches and yet excludes all branches unless...  
the state makes a satisfactory simultaneous examination, he...  
might feel it his duty to apply to the court for an injunction.

Feb. 28, 1924. 50

C.S.H. says Senator Glass told him our Board should make examinations...  
of state banks no matter how many branches they might have, and...  
that he would so move as soon as Herson's report was filed.

Feb. 28, 1924. 50, 51.

Herson files report showing that simultaneous examinations by the...  
Federal Reserve examiners of all state banks with branches...  
no matter how many, was practicable, sitting out the method...  
in detail; that the cost would not exceed \$50,000 for the bank...  
with the largest number of branches - the Bank of Italy.

Feb. 28, 1924. 52

C.S.H. moved that the report be accepted and that immediate examination...  
of all state banks with branches be ordered in the...  
member outlined in Herson's report.

Miller bitterly objected.

Examination of Branches (Cont.)  
James moved to lay on table.

Vote:  
Aye: Miller and James  
No: C.S.H. and Platt

A tie vote.

Gov. C. then voted Aye and C.S.H. and Platt  
Feb. 28, 1924. 53, 54

Miller suggested a regulation providing that Board shall hereafter  
admit no branches unless the state was making a satisfactory  
simultaneous examination.

C.S.H. showed that this would be in direct violation of Section 9,  
which provides that the F.R. bank shall make such examinations  
unless the state examinations are not accepted.

Miller was further, said we were all aware, that President Coolidge  
should be informed of conditions in the Board so that he  
could "clean it up" etc.

C.S.H. pointed out that Board has notified the F.R. Bank of  
San Francisco that it will not accept the California  
examination because it is not simultaneous, and that it is  
now our duty to examine, which Herson says is practicable.  
Feb. 28, 1924. 53, 54, 55

Miller offers the proposed regulation referred to above.

Regulation tentatively passed.

Vote:  
Aye: Gov. C., Miller, Dawes, James  
No: C.S.H., Platt  
Feb. 28, 1924. 58

Board discusses draft of state bank regulation presented by special  
committee - Miller, James, and Platt.

C.S.H. points out that part forbidding entertaining of  
application for branch where no state simultaneous examination  
would prevent Board from approving even a letter's window in  
city of location.

Miller and James said Calif. Superintendent told them he does not  
examine simultaneously all banks except the 4 largest.

Examinations of branches (Cont.)

C.S.H. does not so understand it.

Examinations of branches (Cont.)

Miller said proposed regulation forbids entertaining an application  
only in case such bank is not being examined simultaneously, i.e.  
it would apply only to these 4 large banks.

By Miller, James

C.S.H. said it was an illegal condition; that it is the duty of the  
F.R. bank or Board to examine, if the state bank examination  
is not accepted.

Wyatt denied this.

Mar. 7, 1924. 78, 78.

Miller's motion, - forbidding entertaining of application where no  
Application of Pacific S.W. Co. to merge a national bank at Torrance,  
15 miles from Los Angeles, and within the tributary territory  
as defined in the amendment to the resolution of Nov. 7, 1923.

Perrin and Executive Committee of F.R. bank reported that the  
Torrance bank was in good condition, and the state superintendent  
approved merger and gave a certificate of public necessity.

The Committee reported: Dawes Aye, James No

James said he should vote against approving the merger on ground  
that he expected the proposed regulations, - providing no  
applications should be considered where state was not examining  
simultaneously, - would finally be adopted.

Dawes then changes his vote to No.

Miller moved to reject application on ground that state was not  
examining simultaneously.

C.S.H. moved as a substitute a postponement until a simultaneous  
examination be made by F.R. authorities, which is hereby ordered.

C.S.H. agreed Mellon and Gov. C. could record their vote.

Vote on C.S.H. substitute:-

Aye: C.S.H., Platt, Cunningham  
No: Miller, Dawes, James

Left for record of Mellon's and Gov. C.'s vote.

Mar. 18, 1924. 79, 80.

C.S.H. moved for immediate examination by Herson of all state banks not  
now being examined simultaneously by State Superintendent.

Miller moved to table: - defeated.

Examinations of branches (Cont.)  
C.S.H. does not understand it

Miller said proposed regulation forbids entering an application only in case such bank is not being examined simultaneously. It would apply only to these large banks.

C.S.H. said it was an illegal condition; that it is the duty of the F.R. Board or Board to examine, if the state bank examination is not accepted.

Watts denied this.

Mar. 7, 1924. 78, 79.

Application of Pacific S.W. Co. to merge a national bank at Torrance, 13 miles from Los Angeles, and within the primary territory as defined in the amendment to the resolution of Nov. 7, 1923.

Perkin and Executive Committee of F.R. Board reported that the Torrance bank was in good condition, and the state superintendent approved merger and gave a certificate of public necessity.

The Committee reported: Dawes Aye, James No

James said he should vote against approving the merger on ground that he expected the proposed regulations, - providing no applications should be considered where state was not examining simultaneously, - would finally be adopted.

Dawes then changes his vote to No.

Miller moved to reject application on ground that state was not examining simultaneously.

C.S.H. moved as a substitute a postponement until a simultaneous examination be made by F.R. examiners, which is hereby ordered.

C.S.H. agreed Mellon and Gov. C. could record their vote.

Vote on C.S.H. substitute:-

Aye: C.S.H., Platt, Cunningham  
No: Miller, Dawes, James

Left for record of Mellon's and Gov. C.'s vote.  
Mar. 18, 1924. 79, 80.

C.S.H. moved for immediate examination by Herson of all state banks now being examined simultaneously by State Superintendent.

Miller moved to table: - defeated.

Examinations of branches (Cont.)

Johnson said he thought the banks would agree to have one examination by the state, and one by the

Vote on C.S.H. motion.

Aye: C.S.H., Platt, Cunningham, Dawes  
No: Miller, James

Gov. C. in afternoon, said he would not have voted, no matter how Gov. Miller would vote.

The motion, therefore, was carried.

Miller's motion, - forbidding entertaining of application where no state simultaneous examinations, was then discussed.

C.S.H. said Miller was using this motion as an excuse for rejecting the application as he himself had said that a Federal Reserve bank simultaneous examination would show the banks were in fine condition.

Vote on Miller's motion:-

Aye: Miller, Cunningham, Gov. C., James, Dawes  
No: C.S.H., Platt

Passed Mar. 18, 1924. 79, 80, 81.

Miller said the simultaneous examination ordered by Board, on C.S.H. motion, will precipitate a banking crisis in California! Mar. 20, 1924. 83

James did not want Board to give to the Pacific S.W. Co. the real reason of the Board for rejecting the application.

C.S.H. insisted it should be given.

Finally voted to give the real reason, - lack of a simultaneous examination by the State Superintendent, altho the regulation as to this had not been passed by the Board at that time.

Mar. 25, 1924. 83, 84.

Johnson, Calif. Superintendent tells Board he will examine all banks with branches simultaneously, as he now has 30 examiners while formerly only 8; that he could do this without assistance of the F.R. examiners but he would prefer to have them and would pay the entire cost.

Board asked him to confer with Herson who was directed to report on the method proposed tomorrow.

That Congress did not intend to have the F.R. banks use open market power solely to make earnings, and that they



Examinations of branches (Cont.)

Vote on C.S.H. motion.

Aye: C.S.H., Platt, Gunningham, Dawes  
No: Miller, James

Gov. C. in afternoon, said he would not have voted, no matter how Miller would vote.

The motion, therefore, was carried.

Miller's motion - forbidding entertaining of application where no state simultaneous examinations, was then discussed.

C.S.H. said Miller was using this motion as an excuse for rejecting the application as he himself had said that a Federal Reserve bank simultaneous examination would show the banks were in fine condition.

Vote on Miller's motion:

Aye: Miller, Gunningham, Gov. C., James, Dawes  
No: C.S.H., Platt

Passed Mar. 18, 1924. 79, 80, 81.

Miller said the simultaneous examination ordered by Board on C.S.H. motion, will precipitate a banking crisis in California! Mar. 30, 1924. 83

James did not want Board to give to the Pacific S.W. Co. the real reason of the Board for rejecting the application.

C.S.H. insisted it should be given.

Finally voted to give the real reason - lack of a simultaneous examination by the State Superintendent, at the time regulation as to this had not been passed by the Board at that time.

Mar. 25, 1924. 83, 84

Johnson, Calif. Superintendent tells Board he will examine all banks with branches simultaneously, as he now has 30 examiners while formerly only 8; that he could do this without assistance of the F.R. examiners but he would prefer to have them and would pay the entire cost.

Board asked him to confer with Hanson who was directed to report on the method proposed tomorrow.

Expenses and dividends (Cont.)

Examinations of branches (Cont.)

Johnson said he thought the banks would agree to have one simultaneous examination by the state, and one by the F.R. authorities, and that he would ascertain this and report to Board.

C.S.H. said he heard Dawes was to recommend a change in Nat. Bank Act so as to require only one annual examination.

Gov. C. denied this.

April 22, 1924. 119, 120.

See - National bank examiners reports.

Examiners reports: 140, 142

Sale to F.R. banks

See - Nat. Bank examiners reports.

Exchange charges. 191

See - Univ. of North Carolina

Expense and dividends

Federal Advisory Council advises dipping into surplus to pay expenses and dividends if not earned.

C.S.H. said Congress intended that the open market powers should be used to secure earnings for expenses and dividends.

Warburg said open market operations justified for other reasons would incidentally care for expenses and dividends.

Warburg says C.S.H. is justified in assuming that Fed. Adv. Council is of opinion that open market powers should never be used to secure earnings unless justified on other grounds.

C.S.H. shows such a policy is a reversal of Board's position in its report for 1914, and quotes Forgan as sustaining the Board in 1916.

May 13, 1924. 136, 137.

C.S.H. points out at Board meeting that the F.R. system is bleeding to death, and that the Open Market Committee is being deterred by the Treasury from increasing its investment in Govt. securities; that holdings of 500 million were needed properly to regulate future speculative activity.

Gov. C. and Platt say that fact that dividends are cumulative shows that Congress did not intend to have the F.R. banks use open market powers solely to make earnings, and that they

Examinations of branches (Cont.)  
 Johnson said he thought the banks would agree to have one  
 simultaneous examination by the state and one by the  
 F.R. authorities, and that he would ascertain this and  
 report to Board.

C.S.H. said he had Dawes was to recommend a change in Nat.  
 Bank Act so as to require only one annual examination.  
 Gov. O. denied this.

April 23, 1924. 130.

See - National bank examinations reports.  
 Examiners reports: 140, 142  
 Sale to F.R. banks  
 See - Nat. Bank examiners reports.  
 Exchange charges: 191  
 See - Univ. of North Carolina

Expenses and dividends  
 Federal Advisory Council advised dipping into surplus to pay  
 expenses and dividends if not earned.

C.S.H. said Congress intended that the open market powers should  
 be used to secure earnings for expenses and dividends.  
 Warburg said open market operations justified for other reasons  
 would include calls for expenses and dividends.

Warburg says C.S.H. is justified in assuming that Fed. Adv.  
 Council is of opinion that open market powers should never  
 be used to secure earnings unless justified on other  
 grounds.

C.S.H. shows such a policy is a reversal of Board's position in  
 its report for 1914, and goes far as establishing the  
 Board in 1916.

May 13, 1924. 137.

C.S.H. points out at Board meeting that the F.R. system is  
 leading to death, and that the Open Market Committee is  
 being deterred by the Treasury from increasing its  
 investment in Govt. securities; that holdings of 500 million  
 were needed properly to regulate future speculative  
 activity.

Gov. O. and First say that Fed. dividends & cumulative shows  
 that Congress did not intend to have the F.R. banks use  
 open market powers solely to make earnings, and that they

Expense and dividends (Cont.)

would disturb the money market.

C.S.H. said all the Governors were of opinion that such investments at the present time would not disturb the money market.

C.S.H. said we yielded to the Treasury during the war and post armistice, and that it was dominating our Board now.  
May 20, 1924. 147, 148.

C.S.H. offers resolution at Board meeting reaffirming position of Board as to earnings in annual report of 1914; concurrence in recommendation of Federal Advisory Council given May 13, 1924 as to increase in earning assets; that present earning assets should be considered as a minimum and should gradually be increased to approximately one billion of dollars; that the only justification justifying abstention from open market operations, thus sacrificing earnings, would be when such purchases would seriously disturb the money market and encourage inflation; that the Governors agreed that no such effect would be produced at the present time; that the objection advanced by some Governors, - competition with member banks and interference with Treasury operations, were not sufficient reasons for suspending such open market purchases.

See - Open market purchases. May 21, 1924. 149, 150.

Sen. Glass tells C.S.H. Congress intended that open market powers should be used to make earnings on lines suggested by C.S.H. above. May 22, 1924. 151

Gov. Strong said increase of earning assets was imperative; predicts broad revival of business. May 22, 1924. 152, 153  
See - Strong

Export and import transactions

Wyatt ruled that a bank could not draw a bankers acceptance against another bank, secured by a trade bill drawn on the foreign purchaser bought by said drawer bank.

Dawes, Strong and C.S.H. thought such acceptances were at least technically eligible but should be limited or perhaps forbidden as a matter of banking policy.

Later Wyatt modified his opinion. Feb. 23, 1924. 35

See- Wyatt

(Cont.)

would disturb the money market.

C.S.H. said all the Governors were of opinion that such a move at the present time would not disturb the money market.

C.S.H. said we yielded to the Treasury during the war and post armistice, and that it was dominating our Board now. May 30, 1924. 147, 148.

C.S.H. offers resolution at Board meeting regarding position of Board as to earnings in annual report of 1914; concurred in recommendation of Federal Advisory Council given May 13, 1924 as to increase in earning assets; that present earning assets should be considered as a minimum and should gradually be increased to approximately one billion of dollars; that the only justification for limiting open market purchases from open market operations, thus restricting earnings, would be when such purchases would seriously disturb the money market and encourage inflation; that the Governors agreed that no such effect would be produced at the present time; that the objection advanced by some Governors - competition with member banks and interference with Treasury operations, were not sufficient reasons for suspending such open market purchases. May 21, 1924. 148, 150.

See - Open market purchases.

Sen. Glass says U.S.H. Congress intended that open market powers should be used to make earnings on lines suggested by C.S.H. above. May 22, 1924. 151.

Gov. Strong said increase of earning assets was imperative; predicts broad revival of business. May 22, 1924. 152, 153.

See - Strong.

Exports and import transactions. Wyatt ruled that a bank could not draw a bankers acceptance against another bank, secured by a trade bill drawn on the foreign purchaser bought by said trader bank.

Daves, Strong and C.S.H. thought such acceptances were at least technically rights but should be limited or perhaps forbidden as a matter of banking policy.

Later Wyatt modified his opinion. Feb. 28, 1924. 38.

See - Wyatt.

Federal Advisory Council (C-F-.)

It was opposed to further Treasury domination; that the Treasury should approach the market as it found it, subject to all the influences which regulate it, including the Fancher, Gov.

Says country rates in his District would not be reduced below the customary 6 to 8% even if F.R. rates were reduced to 2%.

Warburg agreed to this, but May 7, 1924. 130. Warburg would cooperate with the Treasury, so far as practicable, in making open

Takes position that open market purchases should be made only when market rates are high and we wish to soften rates; that when rates are low as now we should sell securities to stiffen up rates. May 28, 1924. 170.

See - F.R. Bank, Cleveland recommendation as to open market purchase. Strong, Gov. that 7.5% banks should have a sufficient volume of investments in normal times to be able to stabilize

Farragut Square House. Bernet agrees we may keep furniture in, for summer at same rate as last year. Gov. April 26, 1924. 124.

Federal Advisory Council Meeting, Monday, Feb. 18, 1924.

The council also said investments should not be made solely for qualifiedly indorses the McFadden branch bank and Nat. banking Act bill (H.R. 6855, Feb. 11, 1924), Section 6 of which also permits branches of nat. banks in the city of location in states permitting branch banks, and Section 7 of which amends Sec. 9 of Federal Reserve Act so that, after its passage no state bank shall be admitted into the Federal Reserve System unless it shall relinquish any branches established after the passage of the Act beyond the limits of the city of location, and that, after the passage of the Act, no member bank may establish a branch outside of the city of location.

Mr. Warburg said the council was unanimous as to city branches, divided as to county branches, and scarcely considered state-wide branch banking; that the council was willing to swallow Sec. 7 to get Section 6 (B).

(See scrap book for notes as to the debate).

Warburg says Council had asked him to write McFadden strongly urging a vote to take Feb. 18, 1924. 27, 28, 29.

Meeting of Council. Warburg says Federal Reserve System should always have a billion of earning assets; that Govt. securities should be purchased and that it would not, at the present time, cause inflation. C.S.H. said that during the war and post armistice period the Board subordinated itself to the Treasury, and that

Gov. ...  
 State country rates in his District would not be reduced below  
 customary 6 to 8% even if F.R. rates were reduced to 3%  
 May 2, 1924. 130

Takes position that open market purchases should be made only when  
 market rates are high and we wish to soften rates; that when  
 rates are low we should sell securities to stiffen up  
 rates.  
 May 28, 1924. 134

See - F.R. Bank, Cleveland  
 Strong, Gov.

Barrett Square House  
 Board address was kept private in for summer at same rate as  
 last year.  
 April 26, 1924. 134

Federal Advisory Council  
 Meeting, Monday, Feb. 18, 1924.

Qualifiedly indorses the McFadden branch bank and Nat. banking  
 Act bill (H.R. 8886, Feb. 11, 1924), Section 8 of which  
 permits purchase of Nat. banks in the city of location in  
 states permitting branch banks, and Section 7 of which  
 exempts Sec. 9 of Federal Reserve Act so that, after its  
 passage no state bank shall be admitted into the Federal  
 Reserve System unless it shall relinquish any branches  
 established after the passage of the Act beyond the limits  
 of the city of location, and that, after the passage of  
 the Act, no member bank may establish a branch outside of  
 the city of location.

Mr. Warburg said the Council was unanimous as to city branches,  
 divided as to county branches, and scarcely considered state-  
 wide branch banking; that the Council was willing to swallow  
 Sec. 7 to get Section 8 (B).

(See scrap book for notes as to the debate).

Feb. 18, 1924. 27, 28, 29

Meeting of Council  
 Warburg says Federal Reserve System should always have a  
 billion of earning assets; that Govt. securities should be  
 purchased and that it would not, at the present time, cause  
 inflation. C.S.H. said that during the war and post armistice  
 period the Board subordinated itself to the Treasury, and that

Federal Advisory Council (Cont.)

C.S.H. said all favored extending the power of national banks;  
 he was opposed to further Treasury domination; that the  
 Treasury should approach the market as it found it, subject  
 to all the influences which regulate it, including the  
 effect of F.R. operations in the open market. He members from  
 taking any action.

Warburg agreed to this, but said the F.R. System could cooperate  
 with the Treasury, so far as practicable, in making open  
 market purchases, and that he did not see how the Treasury  
 could object if open market operations enabled it to place  
 its certificates at more advantageous rates to the Govt.  
 membership in F.R. by May 12, 1924. 134

Council makes a very ambiguous recommendation as to open market  
 purchases, to effect that F.R. banks should have a sufficient  
 volume of investments in normal times to be able to stabilize  
 the market when necessary; that they should keep on hand  
 investments equal to present volume (discounts 440, open  
 market bills 87, Govt. bonds and notes 250, U.S. certificates 60,  
 total 835), with a tendency somewhat to increase these  
 investments if possible without unduly affecting the market.

Council finally voted not to recommend a rule for the McFadden Bill.  
 The council also said investments should not be made solely for  
 revenue purposes.

The Council, May said, voted informally in favor of the  
 Also advised paying dividends out of surplus when necessary.  
 May 13, 1924. 142

C.S.H. pointed out that Congress intended that open market powers  
 should be used to make earnings in case discounts shall fall off.  
 Warburg replied ambiguously that open market purchases justified  
 for other reasons would incidentally take care of earnings.

Federal Reserve Agents  
 Warburg said C.S.H. was justified in assuming that the Council  
 was of opinion that open market purchases should never be  
 used to make earnings unless justified upon other grounds.  
 Jan. 17, 1924. 8

C.S.H. says this is a reversal of views of Board in 1914 annual  
 report and cites Forgan in 1916.  
 Controversy between Board and May 13, 1924. 136, 137.

Warburg says Council had asked him to write McFadden strongly  
 urging a rule to take up McFadden bill.

Federal Reserve Bank of Boston  
 C.S.H. said he did not question the right of the Council, but  
 that if it did this some members would try to have the  
 Board oppose such a rule. Feb. 23, 1924. 43, 44.

Warburg asked attitude of Board as to McFadden bill.

Federal Advisory Council (Cont.)

he was opposed to further Treasury domination; that the Treasury should approach the market as it found it, subject to all the influences which regulate it, including the effect of F.R. operations in the open market.

Warburg agreed to this, but said the F.R. System could cooperate with the Treasury, so far as practicable, in making open market purchases, and that he did not see how the Treasury could object if open market operations enabled it to place its certificates at more advantageous rates to the Govt.  
May 12, 1924. 138

Council makes a very ambiguous recommendation as to open market purchases, so effect that F.R. banks should have a sufficient volume of investments in normal times to be able to stabilize the market when necessary; that they should keep on hand investments equal to present volume (accounts \$40,000,000, Govt. bills \$7, Govt. bonds and notes \$20, U.S. certificates \$30, total \$97), with a tendency somewhat to increase these investments if possible without unduly affecting the market.

The Council also said investments should not be made solely for revenue purposes.

Also advised paying dividends out of earnings when necessary.

C.S.H. pointed out that Congress intended that open market purchases should be used to make earnings in case discounts shall fall off.

Warburg replied ambiguously that open market purchases justified for other reasons would incidentally take care of earnings.

Warburg said C.S.H. was justified in assuming that the Council's way of opinion that open market purchases should never be used to make earnings unless justified upon other grounds.

C.S.H. says this is a reversal of views of Board in 1914 annual report and also Morgan in 1916.  
May 12, 1924. 137

Warburg says Council had asked him to write McFadden strongly urging a rule to take up McFadden bill.

C.S.H. said he did not question the right of the Council, but that if it did this some members would try to have the Board oppose such a rule.

Warburg asked attitude of Board as to McFadden bill.

Federal Advisory Council (Cont.)

C.S.H. said all favored extending the power of national banks; that 4 out of 6 of the appointive members opposed cutting down the power of state member banks as to branches; that the 2 ex-officio members joined with 2 appointive members, thus making a tie and preventing the appointive members from taking any action.

Warburg said the Council would reconsider this recommendation.

May 13, 1924. 138

The Council stated informally that a majority favored making membership in F.R. System purely voluntary for national banks, but not at the present time.

The Council thought, if made voluntary, none of the large banks would leave but that many small banks might.

It was pointed out that the old reserve requirements would revive as to all banks so withdrawing, and also U.S.R.S. sec. 5202, limiting liabilities to 100% of capital.

Council finally voted not to recommend a rule for the McFadden bill.

May 13, 1924. 139

The Council, Eddy said, voted informally in favor of the reappointment of Dr. Miller on the F.R. Board.

May 13, 1924. 142

Dr. Miller reads report of Federal Advisory Council which rather feebly favored an increase in the earning assets of the system.

May 20, 1924. 148

Federal Reserve Agents

C.S.H. criticizes action of economy and efficiency committee not having reported on question whether the monthly reports of the F.R. Agents should be cut down or discontinued.

Jan. 17, 1924. 6

Federal Reserve Bank of Atlanta.

Controversy between Board and Comptroller Dawes as to assistance to citizens First Natl. Bank of Albany, Georgia.

May 16, 1924. 143 to 146

Federal Reserve Bank of Boston

Board tells Gov. Harding that if he asks for it he may have a 6 weeks leave because of ill health. Papers say League of Nations is to ask him to take financial charge of Hungary.

Feb. 23, 1924. 43, 44.

See - Harding.

Federal Reserve Bank of Boston (Cont.)  
C.S.H. said all favored extending the power of national banks; that 4 out of 6 of the appointive members opposed cutting down the power of state member banks as to branches; that the 2 ex-officio members joined with 3 appointive members in making a tie and preventing the appointive members from taking any action.

Ward said the Council would reconsider this recommendation.  
May 13, 1924. 138

The Council stated informally that a majority favored making membership in F.R. System purely voluntary for national banks, but not at the present time.

The Council thought it made voluntary, none of the large banks would leave but that many small banks might.

It was pointed out that the old reserve requirements would revive as to all banks so withdrawing, and also U.S.R.R. sec. 3302, limiting liabilities to 100% of capital.

Council finally voted not to recommend a rule for the National Bill.  
May 13, 1924. 139

The Council, Eddy said, voted informally in favor of the reappointment of Dr. Miller on the F.R. Board.  
May 13, 1924. 142

Dr. Miller reads report of Federal Advisory Council which rather feebly favored an increase in the earning assets of the system.  
May 30, 1924. 148

Federal Reserve Agents  
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Feb. 23, 1924. 44

See - Harding

Federal Reserve Bank of Boston (Cont.)

Gov. Harding asked C.S.H. if the lowering of the N. Y. rate to 4% was caused by any suggestion of the Board. C.S.H. said No.

April 30, 1924. 126

See - Harding

Gov. Harding asked if the Board approved the N.Y. reduction in connection with any plan under the Dawes committee report. C.S.H. said No; Mr. Dawes report was barely mentioned and not in connection with any rate reduction.

April 30, 1924. 127

Federal Reserve Bank of Cleveland

Smead tells C.S.H. that the F.R. Bank of Cleveland had rented rooms in its bank building for the use of the Republican Natl. Committee for the National Convention.

C.S.H. is very much disturbed at this.

May 13, 1924. 142

C.S.H. tells Senator Glass of above. He deplored this and feared it might injure the F.R. System; he said Sen. Heflin would seize on this; that he feared that if the Board could legally and should insist on a cancellation of the lease it might serve to increase the trouble; that the Board should go on record as opposed to such leases, and perhaps send out such a communication to all the F.R. banks, but whether to do it now or wait puzzled him greatly.  
May 22, 1924. 151

Eddy gives C.S.H. a clipping from a Cleveland paper stating that the convention headquarters of the Repub. Natl. Committee in the F.R. Bank building had been transformed from a bare room to a suite of offices partitioned with newly painted metal, etc.

May 23, 1924. 156

C.S.H. told Under Sec. Winston of the lease.

Gov. Strong told C.S.H. he talked with Sec. Mellon about it yesterday and he was very much disturbed about it.

Winston said he had called up Fancher who said the Repub. National Committee had been in possession since May 7, and that the Executive Comm. and the full Board both approved and voted for it.

Winston at first was inclined to minimize the matter and said there was no politics in it.

Federal Reserve Bank of Boston (Cont.)  
Gov. Harding asked C.S.H. if the lowering of the N. Y. rate to  
4 1/2 was caused by any suggestion of the Board. C.S.H.  
said No.

April 30, 1924. 158  
See - Harding

Gov. Harding asked if the Board approved the N. Y. rate reduction in  
connection with any plan under the Dawes committee report.  
C.S.H. said No; Mr. Dawes report was partly mentioned and  
not in connection with any rate reduction.  
April 30, 1924. 157

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rooms in its bank building for the use of the Republican  
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C.S.H. calls Senator Glass of above. He deplores this and feared  
it might injure the F.R. System; he said Sen. Heflin  
would raise on this; that he feared that if the Board  
could legally and should insist on a cancellation of the  
lease it might serve to increase the trouble; that the  
Board should go on record as opposed to such leases and  
perhaps send out such a communication to all the F.R.  
banks, but whether to do so or not was passed him  
privately.  
May 22, 1924. 141

Kidd gives C.S.H. a clipping from a Cleveland paper stating  
that the convention headquarters of the Repub. Natl.  
Committee in the F.R. Bank building had been transferred  
from a bare room to a suite of offices partitioned with  
gaily painted wains, etc.  
May 23, 1924. 139

C.S.H. told Under Sec. Winston of the lease.

Gov. Strong told C.S.H. he talked with Sec. Mellon about it  
yesterday and he was very much disturbed about it.

Winston said he had called up Fletcher who said the Repub.  
National Committee had been in possession since May 7  
and that the Executive Comm. and the full Board both  
approved and voted for it.

Winston at first was inclined to minimize the matter and said  
there was no politics in it.

Federal Reserve Bank of Cleveland (Cont.)

C.S.H. said he assumed this was true and that civic pride was  
the only motive, but pointed out that if known it might  
furnish the basis of an attack which might injure the  
System; that Sen. Glass said McAdoo and Heflin would  
use this; that if the Democrats discovered this a similar  
lease might be demanded in the F.R. Bank of New York.

Winston asked C.S.H. what he wanted. C.S.H. said the best plan  
would be to have the lease quietly rescinded; that as the  
contract was made he doubted whether it could be rescinded  
except by consent of both parties; that the Board should at  
least at once place on record its disapproval forbidding  
future leases to any political organization, sending a copy  
to each F.R. bank.

C.S.H. further pointed out that while the lease was said to be  
purely for clerical purposes, a newspaper clipping referred  
to "The Convention Headquarters in the Federal Reserve  
Bank building," and that he feared the stationery of the  
Republican Committee would have some reference to the  
F.R. Bank building.

Winston agreed this would be bad and said that our Board had  
a right to see that no action by a F.R. bank, in the future  
at least, should be allowed which might subject the system  
to political attack, whether warranted or unwarranted.

Winston finally said he would at once consult with Sec. Mellon  
about it.

May 24, 1924. 156, 157, 158, 159.

Parker Gilbert called and said he had heard of the action of the  
Cleveland Bank and thought the Directors had acted most  
unwisely.

May 25, 1924. 160

C.S.H. introduced a resolution condemning the lease by the  
Cleveland Bank and directing that a copy be sent to it, and  
after the elections, a circular be sent to each F.R. Bank  
forbidding leases to political committees. Passed  
unanimously altho Platt voted against sending the circular.  
May 29, 1924. 173

The Wash. Post prints an article from Cleveland to effect that  
all eyes were fastened on the vaults of the F.R. Bank where  
were kept all tickets to the Rep. Convention. (See sc. book)  
June 6, 1924. 180

Federal Reserve Agent ... Board as to whether German  
trade bills (not bankers' acceptances) payable in dollars  
in U.S. drawn by Germans against Germans, were eligible for  
purchase by Federal Reserve banks.

Federal Reserve Bank of Cleveland (Cont.)

C.S.H. said he assumed this was true and that this was the only motive but pointed out that it might be found on the basis of an attack which might injure the system; that Sen. Glass said that the Board would use this; that if the Democrats discovered this a similar issue might be demanded in the F.R. Bank of New York.

Winston asked C.S.H. what he wanted. C.S.H. said the best plan would be to have the lease quietly rescinded; that as the contract was made he doubted whether it could be rescinded except by consent of both parties; that the Board should at least at once place on record its disapproval of forbidding future leases to any political organization, sending a copy to each F.R. bank.

C.S.H. further pointed out that while the lease was said to be purely for clerical purposes, a newspaper clipping referred to "The Convention Headquarters in the Federal Reserve Bank Building" and that he feared the stationery of the Republican Committee would have some reference to the F.R. Bank Building.

Winston agreed this would be bad and said that our Board had a right to see that no action by a F.R. bank in the future at least should be allowed which might subject the system to political attack, whether warranted or unwarranted.

Winston finally said he would at once consult with Sec. Mallin about it.

May 24, 1924. 182, 183, 184.

Parke Gilbert called and said he had heard of the action of the Cleveland Bank and thought the Directors had acted most wisely.

May 28, 1924. 180.

C.S.H. introduced a resolution condemning the lease by the Cleveland Bank and directing that a copy be sent to each F.R. Bank after the election, a circular be sent to each F.R. Bank forbidding leases to political committees. Passed unanimously at the Platts visit against sending the circular.

May 29, 1924. 173.

The Wash. Post prints an article from Cleveland to effect that all eyes were fastened on the visit of the F.R. Bank where were kept all letters to the Rep. Convention. (See ac. book)

June 8, 1924. 180.

Federal Reserve Bank of Cleveland (Cont.)

The Federal Reserve Bank of Cleveland replies to the Board resolution, stating that it caused great excitement in the Board of Directors, and vaguely intimating that the Federal Reserve Board had no jurisdiction over the matter.

The resolution said, among other things, that the Directors gave careful consideration to the obvious difference in the points of view of the two Boards, which difference it sincerely regrets; that the chairman is instructed to convey to the Federal Reserve Board its unqualified belief that its action and that of its officers was warranted and governed by no other consideration than the obligation of community hospitality, sound business management, and its own belief in its authority over the administration of such affairs.

The resolution was proposed by Mr. Williams, Stambough and Knight and was unanimously adopted.

June 6, 1924. 182

The resolution was accompanied by a letter dated June 7 from Federal Reserve Agent Wills giving the particulars of the two leases:-

1. Lease to a non-partisan convention committee.  
Jan. 23, 1924.  
868 sq. feet from Jan. 1 - June 30, 1924  
rental - \$300 per month.
2. To Repub. Natl. Committee:  
8500 sq. feet for 45 days from May 8, 1924  
at a total rental of \$7500, which includes  
cost of partitions.

Wills said in his letter "to the best of my recollection I have not seen our Board so stirred since the organization of the Bank."

June 6, 1924. 183

Smead tells C.S.H. the rentals were fair.

Federal Reserve Bank of Minneapolis  
See - Mitchell  
Rich

Federal Reserve Bank of New York  
C.S.H. visits.  
Mar. 10, 1924. 71

Federal Reserve Agent Jay confers with Board as to whether German trade bills (not bankers acceptances) payable in dollars in U.S. drawn by Germans against Germans, were eligible for purchase by Federal Reserve banks.



Federal Reserve Bank of Cleveland (Cont.)  
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 resolution stating that it caused great excitement in the  
 Board of Directors, and vaguely intimating that the Federal  
 Reserve Board had no jurisdiction over the matter.

The resolution and, among other things, that the Directors gave  
 general consideration to the obvious difference in the  
 points of view of the two Boards, which difference is  
 sincerely regretted; that the chairman is instructed to convey  
 to the Federal Reserve Board his unqualified belief that the  
 action and that of its officers was warranted and governed  
 by no other consideration than the obligation of community  
 responsibility, sound business management, and the own belief  
 in its authority over the administration of such affairs.

The resolution was proposed by Mr. Williams, Stoughton and Knight  
 and was unanimously adopted.  
 June 6, 1924. 183

The resolution was accompanied by a letter dated June 7 from  
 Federal Reserve Agent Willis giving the particulars of the two  
 leases to a non-business convention committee.  
 Jan. 23, 1924.  
 888 sq. feet from Jan. 1 - June 30, 1924  
 rental - \$300 per month.

To Report. Natl. Committee.  
 8300 sq. feet for 45 days from May 8, 1924  
 at a total rental of \$7000, which includes  
 cost of partitions.

Willis said in his letter "to the best of my recollection I have not  
 seen our Board so stirred since the organization of the Bank."  
 June 6, 1924. 183

Board tells C.E.H. the rentals were fair.

Federal Reserve Bank of Minneapolis  
 See - Mitchell  
 Rich

Federal Reserve Bank of New York  
 C.E.H. visited  
 Mar. 10, 1924. VI

Federal Reserve Agent Jay confers with Board as to whether German  
 trade bills (not bankers acceptances) payable in dollars  
 in U.S. drawn by Germans against Germans, were eligible for  
 purchase by Federal Reserve banks.

Federal Reserve Board  
 Outrank assistant secretaries.  
 Federal Reserve Bank of New York (Cont.)  
 Board finally held they were eligible.  
 Miller's draft for Annual Report April 5, 1924. 105 to 111  
 See - Miller

Gov. C. returning from New York, says N. Y. directors want to  
 lower discount rates from 4 1/4 to 4%.

Board finally voted it would approve if request made by N. Y.  
 April 26, 1924. 124  
 April 28, 1924. 125

Exec. Committee ratifies N. Y. request to lower rates to 4%.  
 April 30, 1924. 126

Gov. Harding says this was inspired by Gov. Strong.  
 May 5, 1924. 129

See-Discount rates banks. 127  
 Harding - Branch banks

Conference of Governors. Long discussion on discount rates by  
 Gov. Case et als. May 7, 1924. 130 to 133

Gov. Strong's plan for open market purchases.  
 May 22, 1924. 154

Gov. Strong tells of dispute with McAdoo who asked him to release  
 certain rooms in Equitable Building leased by the Federal  
 Reserve Bank of New York.  
 May 22, 1924. 156

Open market committee meeting. Gov. Strong's remarks.  
 May 29, 1924. 168, 169, 170, 171.  
 See - Open market operations

Federal Reserve Bank of Philadelphia  
 See - Discount rates  
 Norris, Gov.

Federal Reserve Bank of San Francisco  
 See - Branches  
 Breck

Federal Reserve banks  
 Miller's suggestions for Annual Report. 19  
 Competition with member banks. 132  
 Treasury policies and. 132, 134, 148, 149 to 154.  
 Expenses and dividends. 136  
 See - same

Federal Reserve Bank of New York (Cont.)  
 Board finally held they were eligible  
 April 8, 1924. 105 to 111

Gov. C. returning from New York says N. Y. directors want to  
 lower discount rates from 4% to 3%  
 Board finally voted it would approve if request made by N. Y.  
 April 28, 1924. 134  
 April 28, 1924. 133

Exec. Committee ratifies N. Y. request to lower rates to 4%  
 April 30, 1924. 136

Gov. Harding says this was inspired by Gov. Strong  
 May 2, 1924. 132

See-Discount rates  
 Harding

Conference of Governors. Long discussion on discount rates by  
 Gov. Case, et al.  
 May 7, 1924. 130 to 133

Gov. Strong plan for open market purchases  
 May 22, 1924. 134

Gov. Strong tells of dispute with Mahood who asked him to release  
 certain rooms in Equitable Building leased by the Federal  
 Reserve Bank of New York.  
 May 22, 1924. 135

Open market committee meeting. Gov. Strong's remarks.  
 May 22, 1924. 138, 139, 140, 141

See - Open market operations

Federal Reserve Bank of Philadelphia  
 See - Discount rates  
 Norris, Gov.

Federal Reserve Bank of San Francisco  
 See - Branches  
 Brock

Federal Reserve banks  
 Miller's suggestions for Annual Report. 19  
 Competition with member banks. 133  
 Treasury policies and. 132, 134, 135, 142 to 144  
 Expenses and dividends. 135  
 See - same

Federal Reserve Board  
 Outrank assistant secretaries.  
 Fiscal Jan. 24, 1924. 7

Miller's draft for Annual Report. 19  
 See - Miller

Annual report. 59  
 Board in hopeless morass. 75, 76

James charges vs. 78

Votes. See same, principal heading

Exportation of silver to U.S. banks in Orient. 100 to 105

Reed consults C.S.H. as to bonus bill.  
 April 12, 1924. 114, 118.

Report on branch banks. 117  
 See - Branch banks

Miller takes oath of office.  
 June 17, 1924. 196.

See - Fiscal Agent  
 McFadden bill  
 Miller  
 Regulations. Branch banks  
 Report, Annual

Federal Reserve notes  
 C.S.H. and Miller clash on Annual Report.  
 Feb. 14, 1924. 19  
 Separate ratio for deposit and notes. 62

Federal Reserve System  
 Platt suggests making membership voluntary.  
 May 13, 1924. 139

See- Federal Reserve Bank of Cleveland  
 Repub. Natl. Committee

Fiscal Agent, Federal Reserve banks  
 Under Sec. Winston, without any previous consultation with the  
 Board, notified the Federal Reserve banks, that, because  
 of using up the appropriation, up to July 1 (when the new  
 appropriation would be available), he could no longer ship  
 U.S. currency in exchange for unfit notes unless the  
 Federal Reserve banks would pay for the postage on the  
 unfit notes, and take out and pay for insurance on the new  
 notes shipped.

Federal Reserve Board  
 Outrank assistant secretaries  
 Jan. 24, 1924

Miller's draft for Annual Report 19  
 See - Miller

Annual Report 23  
 Board in hopeless morass 28, 29

James charges vs 28

Voted See same principal heading

Expectation of silver to U.S. banks in Oct. 1924

Need committee C.R.B. as to same bill  
 April 12, 1924 114, 118

Report on branch banks 117  
 See - Branch banks

Miller takes oath of office  
 June 12, 1924 126

See - Fiscal Agent  
 McPhaden bill  
 Miller  
 Regulations, Branch banks  
 Report, Annual

Federal Reserve notes  
 C.R.B. and Miller draft on Annual Report  
 Feb. 12, 1924 12

Separate ratio for deposits and notes 23

Federal Reserve System  
 Platt suggests making membership voluntary  
 May 13, 1924 139

See - Federal Reserve Bank of Cleveland  
 Report, Fiscal Committee

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 Federal Reserve banks would pay for the postage on the  
 unfit notes, and take out and pay for insurance on the new  
 notes shipped.

Fiscal Agent, Federal Reserve banks (Cont.)

Wyatt advised Board that the Federal Reserve banks could pay postage on the unfit notes, as they had hitherto done, even though Congress might not reimburse them, they could not lawfully insure the new currency shipped to them as the title did not vest in them until received, and that such action would violate the law against creating deficiencies.

The Board wired the F.R. banks to make no commitment as to insurance charges. June 9, 1924. 184, 185.

Winston writes Board that he has temporarily discontinued the Fiscal Agency relations of the F.R. banks with the Treasury, forwarding it to Washington, and receiving in exchange new currency, and that if they desired new currency they must pay the cost of shipment.

He cited the old practice, before the F.R. banks were made Fiscal Agents, when each bank had to pay the cost of shipment to and from the Treasury and Subtreasuries.

He said that after the abolition of the Subtreasuries, the Treasury, as a matter of convenience, authorized the F.R. banks to receive for the Treasury unfit notes and the Treasury paid the cost of shipment to and from the F.R. banks.

He added:

"Since funds for this expense are no longer available and will not be until the beginning of the next fiscal year, on July 1, the Treasury has been obliged to withdraw these Agencies temporarily and return to the original practice. It is, of course, unfortunate that the deficiency bill did not pass, but the Treasury is faced with a condition it can not remedy, and unless the Federal Reserve banks are willing to assume the expense, shipments of new currency to the F.R. banks will cease until July 1, 1924. I trust, therefore, that your Board will advise the F.R. banks of the Treasury's position and your views in respect thereto."

Winston did not refer to the Board's telegram of yesterday, of which he had a copy.

Winston evidently looks on the F.R. Board as an appanage of the Treasury  
 June 10, 1924. 185, 186, 187.

(See my talk with Mrs. Wilson in August, 1924, as to this.)

Winston advised Board that the Federal Reserve banks could pay postage on the unfit notes, as they had hitherto done, even though Congress might not reimburse them. They would not lawfully insure the new currency shipped to them as the title did not vest in them until received, and that such action would violate the law against creating counterfeit money.

The Board voted the F.R. banks to make no commitment as to insurance charges. June 9, 1924. 189, 188.

Winston writes Board that he has temporarily discontinued the fiscal agency relations of the F.R. banks with the Treasury, forwarding it to Washington and receiving in exchange new currency, and that if they desired new currency they must pay the cost of shipment.

He cited the old practice, before the F.R. banks were made fiscal agents, when each bank had to pay the cost of shipment to and from the Treasury and Subtreasuries.

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He added:

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Winston did not refer to the Board's telegram of yesterday, which he had a copy.

Winston evidently looks on the F.R. Board as an agency of the Treasury. June 10, 1924. 189, 188, 187.

Fiscal Agent, Federal Reserve banks (Cont.)

Winston told Gov. C. and Platt he had not yet discontinued the fiscal agency relationship of F.R. banks as to redemption of unfit currency.

Plattner, June 11, 1924. 189

Winston came before the Board with a draft of telegram to all F.R. banks stating that he had temporarily, until July 1, discontinued the fiscal agency functions as to exchange of fit for unfit currency; that, until July 1, the F.R. banks could take in unfit currency, cut it in halves and ship it to the Treasury, receiving credit therefor when received by the Treasury; that the Treasury would ship new money charging it to them when shipped (thus vesting title in them); that they could then pay the cost both ways and pay for insurance as an ordinary banking matter; that the F.R. Board would interpose no objection.

Miller said Treasury should agree to ask Congress to reimburse the F.R. banks.

Winston said this could be considered later.

C.S.H. said he preferred to have this done without any reimbursement, as an agreement to reimburse would make the service a voluntary one forbidden by the statute.

Nothing was finally said as to reimbursement.

The Board did not order the F.R. banks to do this, but merely permitted it if they saw fit to do it.

C.S.H. moved to approve Winston's telegram.

All voted Aye except Miller and Crissinger, who voted No.

C.S.H. felt that as Winston had at last consulted with the Board and admitted its independence of the Treasury, we ought to cooperate as above.

June 12, 1924. 189, 190.

Fiume

Met Prince Caetani, the Italian Ambassador, at dinner at Mrs. Reyburn's. He spoke of President Wilson, saying he did not wish to criticize the dead, but that he did not understand the Italian people and was sorely deceived as to Fiume; that by the Treaty between Italy and Jugoslavia, Fiume was given to Italy while Jugoslavia got a port only 4 or 5 miles from Fiume; that Hungary was more entitled to Fiume than Jugoslavia.

Feb. 25, 1924. 51, 52.

(See my talk with Mrs. Wilson in August, 1924, as to this.)

Flat rate

See - Discount rates

Fletcher, Capt. 143

See - Citizens 1st Natl. Bank of Albany, Georgia.

Foreign Government debts

Gov. Strong says we must ultimately readjust the debts of foreign Govts. owed to us.

Miller said No. C.S.H. agrees with Strong.

May 22, 1924. 153

Foreign policy. 2

See - Miller  
Robinson  
Strong

Forgan

Said, on Feb. 15, 1916, absolutely necessary for F.R. banks to earn expenses and dividends. 137

Foster, Mrs. (Miss Hoar)

Mrs. Eugene Thayer telephones Mrs. Foster to go and see her sister, Margaret Harding. Jan. 26, 1924. 11

France

Kemmerer tells C.S.H. France bitterly objected to having Germany placed on the dollar, gold standard, while her standard was depreciated; that Germany later might even offer to help France go on the dollar standard.

June 9, 1924. 187

See - Kemmerer

Freeman, Bishop

Glover tells C.S.H. that Bishop Freeman, at the time of President Wilson's death had come to him to ask if he would consent to have him buried in the Cathedral, saying that Mrs. Wilson wanted this very much, and that he, Glover, had said:

"I have fought that man bitterly for many years, but if you and Mrs. Wilson want to have him buried in the Cathedral, - the future Westminster Abbey of the Country, - I shall not object, but will consent."

See - Glover.

Special Agent, Federal Reserve Bank (Cont.)  
Winston told Gov. C. and Platt he had not yet discontinued the special agency relationship of F.R. banks as to redemption of their currency.  
June 11, 1924. 182

Winston came before the Board with a draft of telegram to all F.R. banks stating that he had temporarily until July 1 discontinued the special agency functions as to exchange of their currency; that until July 1 the F.R. banks could take in their currency, but it in dollars and ship it to the Treasury, receiving credit therefor when received by the Treasury; that the Treasury would ship the money charging it to their account (thus saving time in them); that they could then pay the cost both ways and pay for insurance as an ordinary banking matter; that the F.R. Board would interpose no objection.

Miller said Treasury should agree to ask Congress to reimburse the F.R. banks.

Winston said this could be considered later.

C.S.H. said he preferred to have this done without any reimbursement, as an agreement to reimburse would make the service voluntarily one forbidden by the statute.

Nothing was finally said as to reimbursement.

The Board did not order the F.R. banks to do this, but merely permitted it if they saw fit to do it.

C.S.H. moved to approve Winston's telegram.

All voted Aye except Miller and Cressinger, who voted No.

C.S.H. said that as Winston had at last consulted with the Board and admitted the independence of the Treasury, we ought to cooperate as above.

June 18, 1924. 189, 190

Met Prince Gastoni, the Italian Ambassador, at dinner at Mrs. Reynolds. He spoke of President Wilson, saying he did not wish to criticize the dead, but that he did not understand the Italian people and was sorely puzzled as to them; that by the Treaty between Italy and Yugoslavia, Rome was given to Italy while Jugoslavia got a part only 4 or 5 miles from Rome; that Hungary was more entitled to Rome than Yugoslavia.

Feb. 28, 1924. 81, 82

(See my talk with Mrs. Wilson in August, 1924, as to this.)

Foreign Government debts  
 Gov. Strong says we must ultimately pay the debts of  
 Foreign Government debts  
 Fletcher, Capt. 143  
 See - Citizens Natl. Bank of Albany, Georgia  
 Fletcher, Capt. 143  
 See - Discount rates  
 First rate  
 Miller said Mr. C.S.H. says with Strong  
 May 23, 1924, 133  
 Foreign policy  
 See - Miller  
 Robinson  
 Strong  
 Foreign  
 said, on Feb. 13, 1916, absolutely necessary for F.R. banks to  
 earn expenses and dividends. 137  
 Foster, Mrs. (Miss Hoar)  
 Mrs. Thayer telephone Mrs. Foster to go and see her sister  
 Margaret Harding. Jan. 28, 1924. 11  
 France  
 Hammer tells C.S.H. France bitterly objected to having Germany  
 placed on the dollar, gold standard, while her standard was  
 depreciated; that Germany later might even offer to help  
 France go on the dollar standard.  
 June 9, 1924. 187  
 See - Hammer  
 Freeman, Bishop  
 Glover tells C.S.H. that Bishop Freeman, at the time of President  
 Wilson's death had come to him to ask if he would consent to  
 have him buried in the Cathedral, saying that Mrs. Wilson  
 wanted this very much, and that he, Glover, had said:  
 "I have fought that man bitterly for many years, but  
 if you and Mrs. Wilson want to have him buried in the  
 Cathedral, - the future administrator of the country,  
 I shall not object, but will consent."  
 See - Glover

**Funk, Antoinette**  
 Says C.S.H. is McAdoo's choice for Vice President, and hopes he  
 will be nominated.  
 May 8, 1924. 133  
 Dined with us last week. Is trying to raise a fund for McAdoo.  
 Bertie explained that we had never contributed money in any  
 campaign, not considering it proper in view of my position on  
 the Federal Reserve Board. She agreed this was a proper attitude  
 to take.  
 May 13, 1924. 140  
 -G-  
**Garrett, Mrs.**  
 Tells Bertie Margaret Harding once spoke to her of her mother's  
 suicide and said she would go that way also; that she had  
 told her she had said to Hawkes she would kill herself if he  
 did not marry her.  
 Jan. 28, 1924. 10  
**Garrison, Sec.**  
 Glover says McAdoo asked Garrison to remove his Philippine  
 deposit of about 1 1/2 millions from the Riggs Bank; that  
 Garrison refused; that later he was ordered, he thinks by  
 President Wilson, to withdraw the deposit, and he finally  
 drew it down gradually making no additions to it.  
 Feb. 20, 1924. 30  
**General Counsel, Federal Reserve Board**  
 See - Wyatt  
**German reparations**  
 Gov. Strong says if we fix, on the basis of "ability to pay" we  
 should give our Allies similar consideration. Miller dissents.  
 See - Miller  
 May 22, 1924. 153  
**German trade bills**  
 Long discussion between F.R. Agent Jay and the Board as to whether  
 trade bills drawn by Germans against Germans of foreigners,  
 payable in dollars in U.S., indorsed by the new German bank  
 and bought by our member banks, - were eligible for purchase  
 by F.R. banks. Harrison advised F.R. Bank of New York they  
 were eligible. The Board finally ruled they were eligible.  
 (They were not bankers acceptances.)  
 April 5, 1924. 105 to 111

From, Antoinette  
Mrs. C. H. is McAdoo's choice for Vice President, and hopes he  
will be nominated.

May 8, 1924. 128

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Boris explained that we had never contributed money in any  
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May 18, 1924. 140

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Feb. 28, 1924. 30

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See - Wyatt

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were eligible. The Board finally ruled they were eligible.  
(They were not bankers' acceptances.)

April 8, 1924. 108 to 111

German trade bills (Cont.)

Sec. Mellon said it was not necessary to consult Sec. of State,  
as it was a purely banking question.  
April 8, 1924. 111

Germany, U.S. Treaty with

C.S.H. claimed that the Senate reservation on ratification would  
be violated in spirit at least, if our Board permitted Buck,  
Asst. F.R. Agent of F.R. Bank of San Francisco, or Gov.  
Strong, to go abroad to help the Dawes Commission.

The Cabinet felt the same way, and authority was denied.

Jan. 3, 1924. 2

Feb. 23, 1924. 42, 43.

See - Breck  
Robinson  
Strong, Gov.

Germany, Dawes report

See - Dawes report  
Germany, Treaty with  
Reparations Commission

Gilbert, Under Secretary

Thinks directors of F.R. Bank of Cleveland were very foolish to  
lease rooms in bank to Repub. National Committee for the  
Convention.  
May 25, 1924. 160

Said that Cotton, McAdoo's partner, was conspicuously identified  
with Wall St. influences.  
May 25, 1924. 161

Gillett, Speaker

C.S.H. and H.P.H. dine at White House to meet Speaker and Mrs. Gillett  
April 23, 1924. 123

Gionini

See - Bank of Italy

Glass, Senator

Tells C.S.H. the Board should examine all branches of state member  
banks where the state examination is not accepted, no  
matter how many and no matter what the expense.  
Feb. 25, 1924. 50

Col. House tells C.S.H. that Glass and Sweet would make a good  
Presidential ticket.  
Mar. 10, 1924. 71

Glass, Senator (Cont.)

Deplores the leasing of rooms in the Federal Reserve bank building at Cleveland to the Repub. Natl. Committee for the National Convention. He said if Sen. Heflin or McAdoo found it out and denounced it, he could only deplore it.

He also said that for the Board to insist on cancellation might only increase the trouble; that the Board should go on record as opposed to such leases and possibly so notify all the F.R. banks, but whether to do it at once puzzled him greatly.  
May 22, 1924. 151

Also said the F.R. banks should go into the open market purely for sake of earnings to pay expenses and dividends, unless such a course would so disturb the market as to cause inflation; that this was clearly the intent of Congress; that the Treasury must come to the market as it finds it, and should leave the F.R. banks alone and cease interfering with their operations.  
May 22, 1924. 151, 152

Never mentioned Miller's nomination for F.R. Board.  
May 22, 1924. 152

Gov. Strong said that while Glass disliked him and attacked him while Secretary, he recognized his ability and honesty and felt that he was the type of man for whom he should like the opportunity of voting for for President.  
May 22, 1924. 156

C.S.H. tells Board what Glass said about the lease of the Cleveland bank rooms to the Rep. Natl. Committee.  
May 24, 1924. 158

C.S.H. believes McFadden knows that Glass will attack him for not asking for the opinion of the Board on his branch bank bill, and therefore, after reporting on the bill, he asked the Board for an opinion.  
May 26, 1924. 162

Glass's secretary tells C.S.H. the Senate Committee reported favorably the McFadden branch bank bill while Glass was in Philadelphia making a speech; that there was a gentlemen's agreement that the bill would not be taken up while Glass was away; that Glass was very indignant and would fight the bill in the Senate and would defeat it.  
May 28, 1924. 167

Glass speaks freely to C.S.H. about his Presidential boom; said that Sen. Borah told him that if nominated, he would be glad to run with him as Vice President; that he thought Borah was not serious, but Sen. Swanson told him that Borah had spoken with him seriously to the same effect.  
May 31, 1924. 174



Glass, Senator (Cont.)

Deposits in the Federal Reserve bank building at Cleveland to the Rapid Relief Committee for the National Convention. He said if Sen. Miller or McAdoo found it out and denounced it, he would only deplore it.

He also said that for the Board to insist on cancellation might only increase the trouble; that the Board should go on record as opposed to such issues and possibly as to the F.R. banks, but whether to do it at once puzzled him greatly.

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May 31, 1924. 174

Glover, Charles (Cont.)

Glass, Senator (Cont.)

Glass said that McAdoo was severely to be criticized for not coming out squarely on any great issue, - especially the League of Nations.

He said McAdoo favored a Referendum on the L. of N., to be held apart from the elections to get the opinion of the people, which he, - McAdoo - believed to be overwhelmingly in favor of the League.

May 31, 1924. 174

Glass said that President Wilson, just before he died (Feb. 3, 1924) wanted to come out publicly against McAdoo for his course in avoiding the L. of N., and his attitude on the bonus, and that only with great difficulty he and others persuaded him to postpone this.

May 31, 1924. 174

Glass said McAdoo told him it would be bad politics to press the L. of N.

May 31, 1924. 174

Glass said the Senate Committee justified its action in reporting the McAdoo branch bank bill by the fact that it had changed Sec. 9 so as to permit the entrance of all non-member banks with branches established before the taking effect of the bill.

Glass still was bitterly opposed to the bill as an attempt to legalize the illegal Board resolution of Nov. 7, 1923.

C.S.H. explained to him that his compromise adopted with Sec. Mellon's help, in the Board's new regulations, in effect so modified the above resolution as substantially to annul it.

Glass said he was very uncertain whether merely to speak and vote against the bill on its merits, or to arrange such a long debate as to defeat it.

(See letter of C.S.H. to Glass on the bill.)

May 31, 1924. 175

Glass said Miller's nomination was O.K.'d by the committee without a meeting, and that there was no opposition on the floor.

May 31, 1924. 175

Glover, Charles

C.S.H. and H.P.H. dined with Senator Bruce of Maryland. Glover was there.

Glover, Charles (Cont.)

Glover began to talk of his fight with Sec. McAdoo and John Skelton Williams about the Riggs Bank.

He said that McAdoo telephoned asking him to call at the Treasury; that he felt that if the Sec. of the Treasury wished to see him, he should call at his office and not ask him to come to the Treasury.

He said he finally decided to go, and told in a general way of the quarrelsome scene with McAdoo, in which McAdoo charged him with being responsible for certain editorials attacking him, - which he - Glover - denied.

He said Asst. Sec. Breckenridge later told him that McAdoo asked Sec. Garrison to remove his Philippine deposits of about 1 1/2 millions from the Riggs Bank but that Garrison refused; that later Garrison was ordered, - he thought by President Wilson, - to withdraw the deposit and finally checked it down gradually and made no new deposits.

He then became very excited (he was recovering from a severe operation) and said that McAdoo and Williams had conspired to ruin his bank.

He then went on and said that at one time he thought he could prove that President Wilson was a party to the conspiracy, adding rather grudgingly, that that link of the chain was not proved!

I thought this had gone about far enough and I interrupted him and very quietly, but very firmly said: -

"President Wilson was not a party to that alleged conspiracy nor to any other. The President has to trust his cabinet officers and use their eyes and ears. They may, of course, deceive him but he can not be held responsible for that."

I then added: -

"President Harding transferred the naval oil reserve from the Navy to the Interior Department on the recommendation of his cabinet officer, Sec. Fall. The country believes that was a betrayal of the public interest. Do you believe that President Harding was in a conspiracy to betray the public interest in ordering this transfer, when apparently, he was deceived by Sec. Fall?"

To my surprise Glover at once changed his whole manner, became quiet and said: -

Glass said that McAdoo was severely to be criticized for not coming out squarely on any great issue - especially the League of Nations.

He said McAdoo favored a Referendum on the I. of N. to be held apart from the election to get the opinion of the people, which he - McAdoo - believed to be overwhelmingly in favor of the League.

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He said that Sec. Breckinridge later told him that McAdoo asked Sec. Garrison to remove the Phillips deposits of about \$1 million from the Riggs Bank but that Garrison refused; that later Garrison was ordered - he thought by President Wilson - to withdraw the deposit and finally checked it down gradually and made no new deposits.

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Glover, Charles (Cont.)

"I think your point is well taken. No President should justly be charged with any illegal intent when he accepts as true the advice given him by his Cabinet officer."

Glover, to my surprise, "came down" very quickly. Had he not, there would have been a scene which he would not soon have forgotten.

Later, Glover said that on the occasion of President Wilson's death (Feb. 3, 1924), Bishop Freeman had come to him as a trustee of the Cathedral to ask if he would consent to have the President buried in the Cathedral, saying that Mrs. Wilson wanted this very much, and that he (Glover) said to the Bishop: -

"I have fought that man bitterly for many years, but if you and Mrs. Wilson want him buried in the Cathedral - the future Westminster Abbey of the country - I shall offer no objection, but will consent."

His manifest feeling that he was the Cathedral (L'etat c'est moi) was really grotesque in its humor. I was tempted not to let even this pass unchallenged but I let it go, as, to do justice to him, I was satisfied that he was not intending to attack President Wilson, but rather to make an amusing display of personal egotism and vanity.

The picture of "Charley" Glover on an arch-episcopal throne graciously permitting Bishop Freeman and Mrs. Wilson to inter President Wilson's body in the Cathedral is enough to make a horse laugh - if a horse can laugh!

As we were going out of the smoking room, Sen. Bruce's son said:

"I wish I could have told Wilson what I thought of him! (Meaning how he hated him.)"

I said to him:

"President Wilson will be canonized by our children and our children's children."

Glover smilingly said to young Bruce: -  
"Be careful or Mr. Hamlin will annihilate you."

Thus this incident ended. Feb. 20, 1924. 30, 31, 32, 33.

Glover, Charles (Cont.)  
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 be charged with any illegal intent when he accepts as  
 true the advice given him by his Cabinet officer."  
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 there would have been a scene which he would not soon have  
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 our children's children."  
 Glover smilingly said to young Bruce:  
 "Be careful or Mr. Hamilton will annihilate you."  
 Thus this incident ended.  
 Feb. 20, 1924, 33, 33, 33

Glover, Charles (Cont.)

C.S.H. tells Mrs. Wilson of the above conversation with Glover,  
 and explained to her the row between McAdoo and Williams  
 and Glover over the Riggs Bank, saying that Glover started  
 the controversy by inspiring the editorials attacking  
 McAdoo (as C.S.H. believes in spite of Glover's technical  
 denial); that Glover was a coarse, dominating man who tried  
 to dominate McAdoo as he had other Secretaries of the Treasury;  
 that he felt that McAdoo and Williams in their rage had tried  
 to injure Glover and the Riggs Bank; and explained to her his  
 interview with President Wilson about Williams attitude and  
 McAdoo's conduct as to the tax deposits.  
 May 4 1924. 128

C.S.H. tells Mrs. Wilson about his talk with Glover as to interring  
 Mrs. President Wilson's body in the Cathedral.  
 Talks about Gertrude Meyer. May 4, 1924. 128

Gold  
 Gov. Strong says he believes England has a large amount of gold,  
 not stated in its financial reports, received from France and  
 left over from Russia, with which it can make interest payments  
 on its debt to U.S.; that he believed our imports of gold  
 will increase rather than fall off for the balance of the year.  
 May 22, 1924. 152, 153

Government securities 131 to 134, 147 to 152, 168 to 171  
 See - Dividends and expenses 8, 1924. 177  
 Open market operations 12, 1924. 183

Governor of the F.R. Board. 75, 76, 130  
 See - Crissinger

Governors  
 Dr. Miller says the fact that all the Governors are opposed to  
 expressing the deposit and note reserves separately  
 absolutely convinces him of the necessity of doing so.  
 Mar. 5, 1924. 63

Governors Conference. 129 to 133, 140  
 Comptroller of Currency  
 See - Discount rates  
 Open market operations

Grayson, Admiral  
 Gave out to Associated Press a copy of the list of honorary pall  
 bearers of President Wilson, without mentioning C.S.H.'s  
 name.  
 Tells C.S.H. it was a stupid blunder, - that my name was the first  
 that Mrs. Wilson selected, and that he will make the  
 correction in the press. Feb. 5, 1924. 15

Green, Theodore Francis  
Lunches with C.S.H. & H.P.H. to meet Mr. and Mrs. John Davis.  
Feb. 24, 1924. 38

Gregory, Attorney General  
See - Daniels

Gregory, Nina  
Is visiting Mrs. J. P. Morgan at Highland Falls. June 7, 1924. 181

-H-

Hale, Mrs. Chandler  
Talks about Gertrude Myer.  
Feb. 16, 1924. 26, 27.  
June 1, 1924. 176  
June 3, 1924. 177

Berates Sen. Hale for voting for bonus over President's veto.  
June 1, 1924. 176, 177

Talks as to Mrs. Miller  
June 3, 1924. 177, 178

Talk as to Gertrude Myer's statement as to Mrs. West.  
June 3, 1924. 177  
June 12, 1924. 193

Talk as to Mrs. West and Senator Fred Hale  
June 12, 1924. 193, 194

Hale, Senator Fred  
Mrs. Hale berates, for voting for bonus over President's veto.  
June 1, 1924. 177

Mrs. West told some one she was practically engaged to Sen. Hale  
June 12, 1924. 193, 194

Hamlin, Anna  
Says Margaret Harding had violent fits of coughing in which she  
raised a good deal of blood.  
Jan. 28, 1924. 10

Feels that Margaret Harding may have had some responsibility as  
well as Hawkes, - that she was always telephoning him and  
asking him to take her out to lunch.  
Jan. 28, 1924. 11

Glover, Charles (Cont.)  
Mrs. H. H. Wilson of the above conversation with Glover  
and explained to her the row between McAdoo and Williams  
and Glover over the Riggs Bank, saying that Glover started  
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Gregory, Nina  
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-H-

Hale, Mrs. Chamberler  
Talks about Gertrude Myer.  
Feb. 18, 1924. 26, 27  
June 1, 1924. 178  
June 3, 1924. 177

Barrett, Gen. Hale for voting for Burns over President's veto.  
June 1, 1924. 176, 177

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June 3, 1924. 177, 178

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June 3, 1924. 177  
June 12, 1924. 183

Talks as to Mrs. West and Senator Fred Hale  
June 12, 1924. 183, 184

Hale, Senator Fred  
Mrs. Hale barates for voting for Burns over President's veto.  
June 1, 1924. 177

Mrs. West told some one she was practically engaged to Gen. Hale  
June 12, 1924. 183, 184

Hamlin, Anna  
Says Margaret Harding had violent fits of coughing in which she  
raised a good deal of blood.  
Jan. 28, 1924. 10

Feels that Margaret Harding may have had some responsibility as  
well as Hawkes - that she was always telephoning him and  
asking him to take her out to lunch.  
Jan. 28, 1924. 11

Hamlin, Anna (Cont.)

Returns from Margaret Harding's funeral and gives us the  
particulars. June 30, 1924. 11

Says Sinclair or Doheny had employed Sec. Lane's son before Sec.  
Lane resigned.

Feb. 5, 1924. 17

Leaves for Albany with H.P.H. to attend the Albany Tercentenary;  
Anna takes part in the pageant.

May 30, 1924. 174

Anna says the movie agent at the pageant said he would be glad to  
sign a contract with her for the movie stage.

June 7, 1924. 181

Hamlin, C. S.

See various headings  
votes

Hamlin, H. P.

Mrs. Barret tells Bertie that Margaret Harding said she told  
Hawkes she would kill herself if he did not marry her.

Jan. 28, 1924. 10

Leaves for Albany to attend the Tercentennial.  
May 31, 1924. 174

Spends week-end with Mrs. J. P. Morgan at Highland Falls.  
June 7, 1924. 181

Mrs. Morgan writes Bertie eulogizing President Cleveland.  
See - scrap book

Hanihara

C.S.H. speaks in N. Y. at dinner to.  
Mar. 10, 1924. 71, 72

C.S.H. and H.P.H. give dinner to. April 10, 1924. 112

Hanihara shows C.S.H. a letter to Sec. Hughes on immigration  
and asks him to criticize it. April 10, 1924. 112

C.S.H. calls up Hanihara who says the letter has already gone to  
Hughes.

C.S.H. points out some criticisms.

Hanihara fears his Govt. will not understand how powerless he is  
in the matter.

(Cont.)  
 Reports from Margaret Harding and gives as the  
 particulars. June 30, 1924. 11  
 Says Sinclair or Debnay had employed Sec. Lane's son before Sec.  
 Lane resigned. Feb. 2, 1924. 17  
 Leaves for Albany with H.P.H. to attend the Albany Tercentenary;  
 Anna takes part in the pageant. May 30, 1924. 174  
 Anna says the movie agent at the pageant said he would be glad to  
 sign a contract with her for the movie stage. June 7, 1924. 181  
 See various headings  
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 Mrs. Morgan writes Bertie's autograph President Cleveland.  
 See - scrap book  
 Mrs. Morgan writes Bertie's autograph President Cleveland.  
 See - scrap book  
 C.S.H. speaks in N.Y. at dinner to. Mar. 10, 1924. 71, 72  
 C.S.H. and H.P.H. give dinner to. April 10, 1924. 115  
 Harding shows C.S.H. a letter to Sec. Hughes on immigration  
 and asks him to criticize it. April 10, 1924. 115  
 C.S.H. calls up Harding who says the letter has already come to  
 Hughes.  
 C.S.H. points out some criticisms.  
 Harding fears his Govt. will not understand how powerless he is  
 in the matter.

Hanihara (Cont.)

C.S.H. suggests that friends of Japan write President Coolidge  
 begging him to announce in advance that he will veto the  
 bill if it passes with the objectionable clause in it.  
 H. said he could not ask this of Hughes.  
 C.S.H. asks him about Hanihara saying he would like to take up the  
 C.S.H. believes the clause is a direct affront to Japan.  
 (See scrap book for Hanihara's letter.)  
 April 11, 1924. 112, 113.  
 Bitter resentment in Congress over H.'s letter to Hughes.  
 N.Y. World demands veto.  
 C.S.H. wishes H. had consulted him and had heard from him before  
 he sent the letter. April 15, 1924. 114  
 Hanihara says Hughes said President Coolidge and he were in full  
 sympathy with the feeling of the Japanese Govt.  
 April 20, 1924. 119  
 Hanihara dines with C.S.H. and H.P.H. reason for not having made a  
 formal tender was that certain details suggested by Harding  
 Opened a bottle of 1811 sherry and C.S.H. gave a toast to:  
 "His Excellency, the Ambassador of Japan, and the great  
 country he so worthily represents."  
 May 23, 1924. 157  
 Hanihara says he has given up all hope that Coolidge will veto the  
 immigration bill. May 23, 1924. 157  
 Harding, Gov.  
 Away from Boston when Margaret killed herself.  
 Jan. 28, 1924. 8  
 Writes C.S.H. the Doctor has ordered him to take 6 weeks rest and  
 that he is to sail for Europe March 1 and asked me to get  
 passport applications from the State Department.  
 The Board authorized me to say it would grant him leave of absence.  
 The papers say he is to take charge of the finances of Hungary.  
 Feb. 23, 1924. 43, 44.  
 Tells C.S.H. the Doctor says his blood pressure is excessive, that  
 he was not at all well, and that the Doctor had ordered him  
 to take a rest for 6 weeks.  
 He said he had received no formal notice in matter of Hungary.

Harding, Gov. (Cont.)

He said it would involve an absence of 5 years, and that he should almost certainly decline it, when offered.  
Feb. 25, 1924. 45

C.S.H. asks him about Hawkes saying he would like to take up the matter. Gov. Harding said:

"So far as I am concerned the matter is at an end. I know less about him than anyone else. I told Margaret 2 years ago I should not consent to her marrying him. So far as my friends go, I shall leave them to decide as to their course.

C.S.H. said Hawkes while at our house seemed an ardent lover; that he had heard a rumor that Hawkes had a mistress in Washington.

Gov. H. acted as if he had had a shall shock.  
Feb. 25, 1924. 45, 46.

Prince Caetani tells C.S.H. that Italy has consented to Harding's appointment as financial dictator of Hungary; that Harding knew all about this and that the only reason for not having made a formal tender was that certain details suggested by Harding had not been completely arranged.  
Feb. 25, 1924. 51, 52

Asks C.S.H. if directors of F.R. bank of New York had lowered discount rates as the result of the policy of the F.R. Board.

C.S.H. said No.

Gov. H. asked if the Board would object if Boston did not reduce its discount rate for some days yet. C.S.H. said No.  
April 30, 1924. 126

Gov. H. asked if Board approved reduction of N.Y. rate in connection with any plan under the Dawes commission report. C.S.H. said No; the report was barely mentioned and not at all in connection with discount rates.  
April 30, 1924. 127

Gov. H. tells C.S.H. he is certain that the N.Y. rate reduction was inspired by Gov. Strong, now ill in Gov. Norman's house in London; that Norman wanted inflation in the U.S. to put the dollar on a parity with the pound sterling.  
May 5, 1924. 129

Objects to paying \$10 per copy for examiners reports, to Comptroller. Files legal opinion.

May 13, 1924. 140, 141  
May 14, 1924. 142

Harding (Cont.)  
C.S.H. suggests that friends of Japan write President Coolidge begging him to announce in advance that he will veto the bill if it passes with the objectionable clause in it.

H. said he could not ask this of Hughes.

C.S.H. believes the clause is a direct affront to Japan.

(See report book for Harding's letter.)  
April 11, 1924. 118, 119

Bitter resentment in Congress over H.'s letter to Hughes.

N.Y. World demands veto.

C.S.H. wishes H. had consulted him and had heard from him before he sent the letter.  
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Harding says Hughes said President Coolidge and he were in full sympathy with the feeling of the Japanese Govt.  
April 30, 1924. 119

Harding dines with C.S.H. and H.P.H.

Opened a bottle of 1811 sherry and C.S.H. gave a toast to:

"His Excellency, the Ambassador of Japan, and the great country he so worthily represents."

May 28, 1924. 137

Harding says he has given up all hope that Coolidge will veto the immigration bill.  
May 28, 1924. 137

Harding Gov.  
Away from Boston when Margaret killed herself.  
Jan. 28, 1924. 8

Writes C.S.H. the Doctor has ordered him to take 8 weeks rest and that he is to sail for Europe March 1 and asked me to get passport applications from the State Department.

The Board authorized me to say it would grant him leave of absence. The papers say he is to take charge of the finances of Hungary.  
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Tells C.S.H. the Doctor says his blood pressure is excessive, that he was not at all well, and that the Doctor had ordered him to take a rest for 8 weeks.

He said he had received no formal notice in matter of Hungary.



Harding Gov. (Cont.)  
 He said it would involve an absence of 5 years, and that he should  
 almost certainly decline it, when offered.  
 Feb. 23, 1924. 48

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 matter. Gov. Harding said:  
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 inspired by Gov. Strong, now ill in Gov. Norman's house in London;  
 that Norman wanted inflation in the U.S. to put the dollar on a  
 parity with the pound sterling.  
 May 3, 1924. 128

Objects to paying \$10 per copy for examiners reports, to Comptroller.  
 Files legal opinion.  
 May 13, 1924. 141  
 May 14, 1924. 142

Herson, Chief Examiner (Cont.)  
 the F.R. Bank which would require a detail of  
 Harding, Gov. (Cont.)  
 Denies power in F.R. Board to forbid the purchase or sale of Govt.  
 securities by F.R. banks.  
 May 29, 1924. 169

Tells C.S.H. he has prepared a plan of simultaneous examination  
 of state banks with many branches; that it was perfectly  
 practicable to exceed 20,000 for the  
 Bank of Italy; that it would take 175 examiners, of which 100  
 would be necessary to copy the ledgers and list the  
 assets of the banks; that after  
 the examination would proceed as if each bank were a unit  
 bank.

Harding, Margaret  
 Details as to suicide of. 7 to 11, 12.  
 Gov. H. forbid Margaret's marrying Hawkes. 45  
 Prince Caetani on Margaret's death. 52  
 See - Caetani

Harding, President  
 Appointments to F.R. Board are changing it into a political system.  
 Mar. 26, 1924. 90

C.S.H. introduces resolution on death of, in meeting of Carnegie  
 Foundation. Passed. April 23, 1924. 122

C.S.H. tells Mrs. Wilson he wants her to tell him in detail as to the  
 action of President Harding and Sec. Weeks towards President  
 Wilson at the funeral of the unknown soldier. She says she will  
 be glad to do so.  
 June 6, 1924. 180

See - Wilson, Mrs. Woodrow

Harriman, Mrs. Borden  
 C.S.H. and H.P.H. take supper with, afterwards a mock trial was held  
 investigating Sen. Walsh on the oil scandal. Mr. Hard. acted as  
 judge.  
 Mar. 9, 1924. 70

Harrison, George  
 Advises F.R. Bank of New York it may purchase German trade bills  
 payable in dollars in N.Y. and indorsed by a member bank.  
 April 5, 1924. 105

See - German trade bills

Harvard Club  
 C.S.H. attends meeting of, at Chevy Chase School, Washington.  
 May 21, 1924. 154

Hawkes, Stanley  
 Margaret Harding's connection with. 9, 10, 11, 12.  
 Gov. H. tells C.S.H. about. 45, 46.

Herson, Chief Examiner  
 Tells C.S.H. it is perfectly practicable to examine state banks  
 even with 75 branches simultaneously and without inordinate  
 expense. Says we could arrange it as to California just after

Herson, Chief Examiner (Cont.)

we examine the F.R. bank which would require a detail of examiners from other parts of the country.  
Feb. 15, 1924. 23

Tells C.S.H. he has prepared a plan of simultaneous examination of state banks with many branches; that it was perfectly practicable; that the cost would not exceed 20,000 for the Bank of Italy; that it would take 175 examiners, of which 100 could be supplied by the F.R. Bank of San Francisco; that skilled examiners were not necessary to copy the ledgers and list the assets and that this would not occupy over 2 days; that after that the examination would proceed as if each bank were a unit bank.

He said James asked him to hold back his report until he could ascertain whether these branches had sufficient capital, i.e. whether the capital of the parent bank was sufficient.

He said one examination would be ample for each year, and that any further information could be obtained by credit inquiries.

He said the National Bank Act should be amended so as to require only one examination per year and as many more as the Comptroller might order; that the present requirement forced the Comptroller to spend much of his time in examining banks known to be solvent at the expense of suspected banks.

He said, in his opinion, the Bank of Italy was absolutely sound; that he had carefully studied the last report of the state examination.

Feb. 18, 1924. 27, 28, 29.

James says Herson will shortly report that a simultaneous examination of state banks with the largest number of branches is perfectly practicable, etc.

Feb. 25, 1924. 48, 49.

C.S.H. says he will move for a simultaneous examination of all state banks not now making a satisfactory simultaneous examination, as soon as Herson's report is filed.

Feb. 25, 1924. 50, 51

Herson files report showing that a simultaneous examination is practicable, not to exceed \$20,000 for the Bank of Italy. Report dated Feb. 15.

Feb. 28, 1924. 53

Feb. 28, 1924. 43

See - Herson's  
State Department

Harding Gov. (Cont.)  
Denies power in F.R. Board to forbid the purchase or sale of Govt securities by F.R. banks.  
May 29, 1924. 182

Harding, Margaret  
Details as to suicide of V to II, IS.  
Gov. H. Ford on Margaret's nursing habits. 45  
Prince Casani on Margaret's death. 28  
See - Casani

Harding, President  
Appointments to F.R. Board are changing it into a political system.  
Mar. 26, 1924. 90

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June 8, 1924. 180

See - Wilson, Mrs. Woodrow

Harrison, Mrs. Jordan  
C.S.H. and H.P.H. take supper with afterwards a mock trial was held investigating Gen. Walsh on the oil scandal. Mr. Hard acted as judge.  
Mar. 9, 1924. 70

Harrison, George  
Advices F.R. Bank of New York is may purchase German trade bills payable in dollars in N.Y. and endorsed by a member bank.  
April 8, 1924. 108

See - German trade bills

Harvard Club  
C.S.H. attends meeting of at Chevy Chase School, Washington.  
May 21, 1924. 124

Hawley, Stanley  
Margaret Harding's connection with. 9, 10, 11, IS.  
Gov. H. tells C.S.H. about. 42, 48.

Herson, Chief Examiner  
Tells C.S.H. it is perfectly practicable to examine state banks even with 75 branches simultaneously and without inordinate expense. Says we could arrange it as to California just after

Herson, Chief Examiner (Cont.)  
we examine the F.R. Bank which would require a detail of  
examiners from other parts of the country.  
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Tells C.S.H. he has prepared a plan of simultaneous examination  
of state banks with many branches; that it was practically  
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Bank of Italy; that it would take 175 examiners, of which 100  
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C.S.H. says he will move for a simultaneous examination of all state  
banks not making a satisfactory simultaneous examination,  
as soon as Herson's report is filed.  
Feb. 22, 1924. 50, 51.

Herson files report showing that a simultaneous examination is  
practically not to exceed \$20,000 for the Bank of Italy.  
Report dated Feb. 13.  
Feb. 23, 1924. 52

Herson, Chief Examiner (Cont.)

C.S.H. moves that Herson be directed to examine simultaneously  
all state member banks of California not now being examined  
simultaneously by the state superintendent.  
April 12, 1924. 114

Passed 4 to 2.  
Miller and James voted No.  
C.S.H., Platt, Cunningham and Dawes, Aye.

Gov. C. later said he would not have voted at all, had he been there.  
Mar. 18, 1924. 80, 81

Herson directed to report whether proposed simultaneous examination  
of California state superintendent was satisfactory in form.  
April 22, 1924. 119

C.S.H. sends Herson to Atlanta to report on F.R. banks relations  
with Citizens First National Bank of Albany, Georgia. Herson  
reported the F.R. Bank had done all it legally could to help  
open the bank.  
May 16, 1924. 143

Hoover, Sec.  
Robinson says Hoover has delegated some of his officers abroad to  
help the Dawes Commission on understanding that they should not  
sit on any sub-committee.  
Jan. 2, 1924. 2

House, Col.  
C.S.H. has talk with Col. House at his apartment in N. Y.  
He said he had been one of the managers of McAdoo's campaign; that,  
up to the oil scandal he was sure of the nomination, but that  
now he was absolutely out of it; that the party could not afford  
to nominate any man whose record would have to be explained, and  
that this would eliminate John W. Davis also, because of his  
acting as counsel for J. P. Morgan & Co.

He suggested Glass and Sweet as a strong ticket.  
Mar. 10, 1924. 70, 71

Houston, David R.  
C.S.H. calls on, at his office in New York.  
Mar. 10, 1924. 71

Hughes, Sec.  
Tells a friend of Robinson that it would be most inadvisable for  
Robinson to take a Federal Reserve bank officer with him to the  
Dawes Commission.  
Feb. 23, 1924. 43

See - Hanihara  
State Department

Herson, Chief Examiner (Cont.)  
C.S.H. moves that Herson be directed to examine simultaneously  
all state member banks of California not now being examined  
simultaneously by the state superintendent.

Passed 4 to 3.  
Miller and James voted No.  
C.S.H., Platt, Cummings and James, Aye.

Gov. C. Lester said he would not vote as all had been there.  
Mar. 18, 1924. 80, 81

Herson directed to report whether proposed simultaneous examination  
of California state superintendents was satisfactory in form.  
April 23, 1924. 119

U.S.H. sends Herson to Atlanta to report on F.R. Bank relations  
with Citizens First National Bank of Albany, Georgia. Herson  
reported the F.R. Bank had done all it legally could to help  
open the bank.  
May 18, 1924. 143

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Robinson says Hoover has delegated some of his officers abroad to  
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sit on any sub-committee.  
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C.S.H. calls on at his office in New York.  
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Tells a friend of Robinson that it would be most inadvisable for  
Robinson to take a Federal Reserve bank officer with him to the  
Dawes Commission.  
Feb. 23, 1924. 43

See - Hanihara  
State Department

Hughes, Sec. (Cont.)

New York World demands that Hughes should resign if Congress  
passes the Japanese clause of the Immigration bill.  
April 15, 1924. 114

Tells Hanihara the President and he are in full sympathy with the  
feeling of the Japanese Government as to the Immigration bill.  
April 20, 1924. 119

Hull, Cordell

Mr. and Mrs. Hull take supper with us.

C.S.H. advises Hull to stop the McKellar resolution as to whether  
Sec. Mellon is holding office illegally because of ownership  
of bank and business stock.

C.S.H. says Mellon has kept in many Democrats and has acted very  
fairly, and that such a resolution is very ill-advised. Hull  
agrees absolutely.  
Mar. 30, 1924. 97

Hungary

Gov. Harding and. 44, 45  
See - Harding, Gov.

Prince Caetani tells C.S.H. that Hungary was more entitled to Fiume  
than Yugoslavia.  
Feb. 25, 1924. 52

Says Italy has consented to Harding's appointment to Hungary.  
Feb. 25, 1924. 52

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Immigration Bill

See - Coolidge  
Hanihara  
Hughes, Sec.

Import or export transactions. 35  
See- Wyatt

Industrial Trust Co. R.I.

Delighted to pay F.R. Bank the cost for examining it.  
Feb. 25, 1924. 49

Hughes, Sec. (Cont.)  
New York World demands that Hughes should resign if Congress passes the Japanese clause of the Immigration bill.  
April 13, 1924. 111

Tells Hamilton the President and he are in full sympathy with the feeling of the Japanese Government as to the Immigration bill.  
April 30, 1924. 112

Hill, Cordell  
Mr. and Mrs. Hill take supper with us.

C.S.H. advises Hill to stop the McKelvie resolution as to whether Sec. Mellon is holding office illegally because of ownership of bank and business stock.

C.S.H. says Mellon has kept in many Democrats and has acted very fairly, and that such a resolution is very ill-advised.  
Mar. 30, 1924. 87

Gov. Harding and...  
See - Harding, Gov.

Prince Gastani tells C.S.H. that Hungary was more entitled to Times than Yugoslavia.  
Feb. 23, 1924. 88

Says Italy has consented to Harding's appointment to Hungary.  
Feb. 23, 1924. 88

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Immigration Bill  
See - Goodidge  
Hamilton  
Hughes, Sec.

Import or export transactions  
See - Wyatt

Industrial Trust Co. R.I.  
Delighted to pay F.R. Bank the cost for examining it.  
Feb. 25, 1924. 48

Injunction

C.S.H. tells Board that if it lays down the policy of not examining state banks by F.R. banks and of exclusion from F.R. system of all state banks with branches where the state does not have simultaneous examinations, he may apply to the courts for a mandatory injunction.  
Feb. 25, 1924. 50

Interlocking directors. Clayton Anti-Trust Act.  
Hearing before Board  
Old Colony Trust Co. and National Union Bank.  
Mar. 20, 1924. 82

International Peace. 122, 123  
See - Carnegie Endowment.  
The latter being recommended.

Italy  
See - Castani  
Fiume  
Vote against accepting and printing the final draft of the annual report.  
Mar. 7, 1924. 85  
-J-  
Says he will not file a dissenting report.  
Mar. 7, 1924. 86

James, George R.  
Votes in favor of C.S.H. motion to consult the Sec. of State as to detailing Asst. F.R. Agent Breck to help Robinson on Dawes Commission.  
Jan. 3, 1924. 3

Tells Herson to hold back his report on simultaneous examination of state banks and branches until he could ascertain whether the capital of the parent bank was sufficient.  
Feb. 18, 1924. 28

California Suptd. of Banking wires the Board that the McFadden bill is absolutely inconsistent with the agreement entered into between himself and a committee of the Board, - a month ago in Washington, - James, Miller and Dawes.  
Feb. 21, 1924. 34

Votes against giving authority to F.R. Bank of San Francisco to approve the taking over and operation of the Valley Bank of Fresno by the Bank of Italy and Pac. S.W. Co.

Suptd. Johnson said if not done the whole banking situation in the San Joachin Valley would be imperilled.  
Feb. 25, 1924. 47

Says Herson will shortly report that a simultaneous examination by the Federal authorities of all state member banks with branches is practicable, and the expense not unreasonable. Favors such examination.  
Feb. 25, 1924. 48, 49.

U.S.H. tells Board that if it lays down the policy of not examining state banks by F.R. banks and of exclusion from F.R. system of all state banks with branches where the state does not have simultaneous examinations, he may apply to the courts for a mandatory injunction.

Feb. 23, 1924. 53

Interlocking directors. Clayton Anti-Trust Act. Hearing before Board. Old Colony Trust Co. and National Union Bank. Mar. 20, 1924. 58

International Peace. 1923, 1924. See - Carnegie Endowment.

Italy. See - Cassani. Finance.

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James, George R. Votes in favor of C.S.H. motion to consult the Sec. of State as to detailing Asst. F.R. Agent Brock to help Robinson on Dawes Commission. Jan. 3, 1924. 5

Wife Herson to hold back his report on simultaneous examination of state banks and branches until he could ascertain whether the capital of the parent bank was sufficient. Feb. 18, 1924. 58

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James, George R. (Cont.)

Moves to lay on table C.S.H.'s motion that an immediate simultaneous examination be ordered of all state member banks with branches not now being examined simultaneously by the state authorities, and that Herson's report be accepted.

Motion tabled.

Feb. 28, 1924. 54

Votes to substitute a general indorsement of the McFadden bill in place of Miller's motion that it be stated in annual report that either state banks should be limited as to branches to powers now permitted to national banks, or that national banks should be granted all powers now exercised by member banks, - the latter being recommended.

Feb. 29, 1924. 59

Votes against accepting and printing the final draft of the annual report.

Mar. 7, 1924. 65

Says he will not file a dissenting report.

Mar. 7, 1924. 66

James said the giving separate reserves for deposits and notes was all he objected to in the annual report and this was stricken out. His action in voting against the report is, therefore, extraordinary, to speak mildly.

Mar. 7, 1924. 66

James said the California bank suptd. said to his committee at the last conference that he does examine simultaneously all but the 4 banks having the largest number of branches.

Mar. 7, 1924. 67

Gets into a row with Miller as to the condition that the Board will grant applications only in place of location and contiguous territory as defined by the Board.

Mar. 7, 1924. 68

Says he favors cutting down the branch powers of state member banks to those exercised by national banks.

Mar. 7, 1924. 69

C.S.H. asks James to move this as the policy of the Board, as he would like to vote on it, as the motion to increase the power of national banks had been voted down, but James would not make the motion.

Mar. 7, 1924. 69, 70.

James, George R. (Cont.)  
Motion to lay on table C.S.H.'s motion that an immediate simultaneous examination be ordered of all state member banks with branches now being examined simultaneously by the state authorities and that Herson's report be accepted.

Mar. 7, 1924. 84

Votes to substitute a general endorsement of the McPhaden bill in place of Miller's motion that it be stated in annual report that either state banks should be limited as to branches or powers now permitted to national banks, or that national banks should be granted all powers now exercised by member banks, the latter being recommended.

Mar. 7, 1924. 85

Votes against accepting and printing the final draft of the annual report.

Mar. 7, 1924. 86

Says he will not file a dissenting report.

Mar. 7, 1924. 88

James said the giving separate reserves for deposits and notes was all he objected to in the annual report and this was stricken out. His action in voting against the report is therefore extraordinary, to speak mildly.

Mar. 7, 1924. 88

James said the California bank said to his committee at the last conference that he does examine simultaneously all but the 4 banks having the largest number of branches.

Mar. 7, 1924. 87

Gets into a row with Miller as to the condition that the Board will grant applications only in place of local and contiguous territory as defined by the Board.

Mar. 7, 1924. 88

Says he favors cutting down the branch powers of state member banks to those exercised by national banks.

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C.S.H. asks James to move this as the policy of the Board, as he would like to vote on it, as the motion to increase the power of national banks had been voted down, but James would not make the motion.

Mar. 7, 1924. 89

James, George R. (Cont.)

Wants Board to say merely that it was rejected.

James, George R. (Cont.)

Moves that application of a bank in Elizabeth City, South Carolina, to take over a branch, be postponed for a full meeting of the Board.

Mar. 7, 1924. 74

Votes in favor of amending Miller's motion to substitute Sec. Herson's James should not have done this as the motion called merely for an inquiry and report.

C.S.H. believes James is not to be thought of as Governor.

Mar. 12, 1924. 76

Says it is absolutely necessary to have a full vote on all applications for branches, as otherwise the country would think the appointive members had been "fixed."

This was bitterly resented as a thinly disguised charge of corruption against the minority.

Mar. 12, 1924. 78

Gov. C. was very bitter against James for the above statement and said he had written it down.

Mar. 14, 1924. 78

Reports against application of Pacific S. West Co. to merge a national bank at Torrance, 15 miles from Los Angeles and within the territory defined by the Board.

Mar. 18, 1924. 79

Votes against C.S.H. motion that above application be postponed pending a simultaneous examination by the Federal Reserve bank of the Pacific S. West Co. and branches.

Mar. 18, 1924. 80

Votes against C.S.H. motion ordering a simultaneous examination by Herson of all state member banks with branches, not examined simultaneously by state authorities.

Mar. 18, 1924. 80

Votes in favor of Miller's motion that the application be rejected on ground that the Pacific S.W. Co. is not being examined simultaneously by the state authorities.

Mar. 18, 1924. 81

Moves to accept proposed new regulations as to branch banks.

Mar. 18, 1924. 82

Objects to Board statement that Torrance bank application was rejected because Pacific S.W. Co. was not being examined simultaneously by state superintendent.

April 21, 1924. 119

James, George R. (Cont.)  
 Wants Board to say merely that it was rejected.  
 Board voted to give real reason.  
 Mar. 25, 1924. 83, 84.  
 Votes in favor of amending Miller's motion to substitute Sec. Mellon's draft changing proposed regulations, as moved by Dawes, by adding:-  
 "Said territory having been defined in the Resolution of Nov. 7, 1923, and the amendment passed in January 1924."  
 Motion lost.  
 Mar. 26, 1924. 87  
 Votes against main motion of Miller  
 Mar. 26, 1924. 87  
 Votes against C.S.H.'s first compromise motion.  
 Mar. 26, 1924. 88  
 Votes against final motion to adopt the regulations as amended.  
 Mar. 26, 1924. 88  
 C.S.H. offers a compromise branch bank regulation. James rushes out of Board room and soon returns with Sec. Mellon.  
 James votes for C.S.H. motion.  
 Mar. 26, 1924. 92, 93.  
 James objected to minutes stating that the vote of the Board on the German trade bills was unanimous, saying he voted against it. The other members reminded him that he voted for it, and C.S.H. remembers perfectly that he did. James, however, denied it.  
 April 8, 1924. 111  
 Reports in favor of Board telling a member bank of Charlotte, North Carolina, wishing to buy a state bank with 3 branches, that it would be useless to apply because of the new regulations.  
 Platt and C.S.H. pointed out that the bank had never agreed to apply to Board for branches.  
 James insisted the regulations applied whether agreed to or not.  
 Voted against sending draft of C.S.H. that consent of Board did not apply to this bank. C.S.H. draft accepted.  
 April 16, 1924. 117  
 James marries his stenographer and secretary. Never told any of the Board or invited them. Herson acted as best man.  
 April 21, 1924. 119

James, George R. (Cont.)

Wants Board to say merely that it was rejected.

Board voted to give real reason.

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Japan Society  
Votes against main motion of Miller

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James, George R. (Cont.)  
 Board voted to give real reason.  
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 "Said territory having been defined in the Resolution of Nov. 7, 1923, and the amendment passed in January 1924."  
 Motion lost.  
 Mar. 28, 1924. 87

Votes against main motion of Miller  
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 April 18, 1924. 117

James makes his stenographer and secretary. Never told any of the Board or invited them. Hanson acted as best man.  
 April 31, 1924. 119

Johnson, California Superintendent of Banking (Cont.)  
 James, George R. (Cont.)  
 Sec. Mellon told C.S.H. he did not know of James marriage until C.S.H. told him.  
 April 23, 1924. 121

James, away, wires Gov. C. he wishes to be recorded unqualifiedly on being in favor of the McFadden bill.  
 May 26, 1924. 162

Opposes the differential between six and nine months paper in proposed Philadelphia rate schedule.  
 June 17, 1924. 196

Japan Society  
 C.S.H. speaks at dinner of, in honor of Hanihara.  
 Mar. 10, 1924. 71, 72

Japanese Ambassador  
 See - Hanihara

Jay, Pierre  
 C.S.H. confers with Jay at Federal Reserve Bank of New York.  
 Mar. 10, 1924. 71

Jay confers with Board as to eligibility for purchase by Federal Reserve Bank of New York. of German trade bills (not bankers acceptances) indorsed by the new German bank, payable in U.S. in dollars, and indorsed by a member bank. Board rules they are eligible.  
 April 5, 1924. 105 to 111

Johnson, California Superintendent of Banking  
 Bitterly protests against the McFadden bill, saying it violates agreement between him and a committee of the Board.  
 Feb. 21, 1924. 34, 35.

Strongly urges favorable action as to Valley Bank of Fresno. Says if refused will imperil banking situation in San Joachin Valley.  
 Feb. 25, 1924. 46, 47

Tells committee of Board he is examining simultaneously all except the 4 banks having largest number of branches.  
 Mar. 7, 1924. 67

Says he is examining the smaller banks simultaneously, but not practicable for large banks, but could examine the Security Trust Co. and Mercantile Trust Co.  
 Mar. 20, 1924. 82

James, George R. (Cont.)  
Sec. Mellon told C.S.H. he did not know of James marriage until  
C.S.H. told him.

April 23, 1924. ISI

James, away, wires Gov. C. he wishes to be recorded unapologetically  
on being in favor of the McWhorter bill.  
May 28, 1924. ISB

Oppose the differential between six and nine months paper in  
proposed Philadelphia rate schedule.  
June 17, 1924. ISB

Japan Society  
C.S.H. speaks at dinner of, in honor of Hamilton.  
Mar. 10, 1924. VI 73

Japanese Ambassador  
See - Hamilton

Jay, Pierre  
C.S.H. confers with Jay at Federal Reserve Bank of New York.  
Mar. 10, 1924. VI

Jay confers with Board as to eligibility for purchase by Federal  
Reserve Bank of New York of German trade bills (not bankers  
acceptance) endorsed by the new German bank, payable in U.S.  
dollars, and endorsed by a member bank. Board raises they  
are eligible.

April 2, 1924. IOS to III

Johnson, California Department of Banking  
Bitterly protests against the McWhorter bill, saying it violates  
agreement between him and a committee of the Board.  
Feb. 21, 1924. 34, 35

Strongly urges favorable action as to Valley Bank of Fresno. Says  
it would be a pity to permit banking situation in San Joaquin Valley.  
Feb. 25, 1924. 45, 47

Tells committee of Board he is examining simultaneously all except  
the 4 banks having largest number of branches.  
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Says he is examining the smaller banks simultaneously, but not  
practicable for large banks, but could examine the Security  
Trust Co. and Mercantile Trust Co.  
Mar. 20, 1924. 83

Johnson, California Suptd. of Banking (Cont.)

Perrin sends C.S.H. a letter dated March 28, from Johnson stating  
that since his agreement with the Board, he had granted no  
branch permits either for member or non-member banks outside  
of area defined as contiguous territory around San Francisco  
and Los Angeles by the Board, except in one case of great  
emergency. - the Valley Bank of Fresno, which the Board  
finally ratified.

After Kennedy, Kennedy, to showing that neither individuals or  
nations can live in April 4, 1924. 97 had met them  
dependent one upon the other, and that the principle of the  
Confers with Board together with Oliver, his counsel.

Is prepared to examine all banks simultaneously as he now has 30  
examiners as compared with only 8 in Dodge's time.

Dr. Kennedy was unable to secure a ticket authorizing him to be present  
Board asked him to confer with Herson who will report whether his  
plan is satisfactory.

Said he could do this without help from Federal Reserve examiners  
but he would prefer to have their help and would pay entire  
expense.

Said he thought the banks would agree to one simultaneous examination  
by the state and one by the Federal Reserve authorities, and he  
would ascertain this and report to the Board.

April 22, 1924. 119, 120.

Jugoslavia Prof.

Price Caetani says that under a treaty between Italy and Jugoslavia,  
Fiume was given to Italy, while Jugoslavia was given a post  
four or five miles from Fiume; that Hungary was more entitled to  
Fiume than was Jugoslavia.

Feb. 25, 1924. 52

Kennedy, Dr. Studdert

Lunched with us Saturday, Feb. 2, 1924.

On Sunday, Feb. 3, while President Wilson was dying, he preached  
a sermon at St. Johns Church on Faith, and paid a tribute to  
President Wilson, which for pathos and eloquence surpassed  
anything I ever before heard.

He said President Wilson went to his cross verily as did Jesus  
Christ for the peace of the world, and that those misguided persons  
who opposed him were in reality fighting God, Himself.

Johnson, California (Cont.)  
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April 4, 1924. 97

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would ascertain this and report to the Board.  
April 22, 1924. 119, 120.

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Price General says that under a treaty between Italy and Jugoslavians  
Ruma was given to Italy, while Jugoslavians was given a part  
four or five miles from Ruma; that Hungary was more entitled to  
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- Christ for the peace of the world, and that those misguided persons  
who opposed him were in reality fighting God, Himself.

Kennedy, Dr. Studdert (Cont.)

After the service I thanked him and asked for a copy of the sermon  
LaFollette as I wanted to print it.

His sermon was devoted to showing that neither individuals or  
nations can live in isolation, that God had made them  
dependent one upon the other, and that the principle of the  
League of Nations was the principle of God.

I had the sermon printed for distribution. (See scrap book.) 139-157

Dr. Kennedy was unable to secure a ticket authorizing him to be present  
at the Cathedral at the funeral services of President Wilson,  
and he went into one of the boys' rooms in the Boys School  
where he could see the procession and the Bethlehem Chapel  
where the services were held, and knelt down and prayed  
during the whole service.

I spoke about this later to Mrs. Wilson and she asked me to tell  
Dr. Kennedy how terribly she felt about this, and to say if  
she only had known about it she would have so gladly arranged  
to have him present.

Feb. 3, 1924. 12, 13.

Kemmerer, Prof.  
Tells C.S.H. he drew the currency part of the Dawes Commission  
Report as it was originally framed; that the introductory  
part as to the impossibility of redeeming the new currency in  
gold, for at least a short time, was a compromise; that the  
intention was to establish the new German bank on a sterling  
and not on a gold basis; that as he originally drew it it  
specified the dollar and not the sterling standard; that  
France bitterly objected to having Germany on the dollar  
standard while she was on a depreciated standard; that France  
feared Germany might later offer to help her to go on the  
dollar standard; that Gov. Norman came before the Commission  
and positively demanded and insisted that the new bank be  
established on the sterling and not on the dollar basis; that  
it will certainly be established on the sterling basis unless  
the American bankers decline to help unless the dollar  
standard is accepted; that the American bankers were "sounded"  
and said they would help on the dollar basis provided the  
British bankers would join with them!

He said Schacht also strongly favored the sterling basis.  
June 9, 1924. 187, 188

Kennedy, Dr. (Cont.)  
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as I wanted to print it.

His sermon was devoted to showing that neither individuals or  
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He said Schacht also strongly favored the sterling basis.  
June 3, 1924. 137.

League of Nations  
Not a word said in Carnegie Foundation meeting about the L. of N.

LaFollette  
Daniels has prepared a letter to LaFollette on the oil scandals.  
Feb. 5, 1924. 16

Lamont, Thomas  
Attends dinner to Hanihara and congratulates C.S.H. on his address.  
Mar. 10, 1924. 72

Lane, Secretary  
Baker and Redfield tell C.S.H. that some years ago Sec. Lane had  
before him a patent granted by the Land Board covering land  
reserved by the Govt. containing oil (not, however, land  
controlled by the Navy); that if Lane approved it the title  
would be infeasible, there being no right of appeal to the  
courts; that the matter had been discussed in the cabinet; that  
Lane insisted on approving the patent against the protest of  
Daniels, Baker, and other members of the Cabinet; that Daniels  
went to the Attorney General, Gregory, who strongly advised  
against it; that Lane still persisted; that finally Daniels and  
Gregory appealed to President Wilson who wrote Lane not to  
approve the patent until he had consulted with him; that the  
matter then rested for about 5 years; that Daniels heard that  
Lane was going to approve it just before leaving office; that  
again they went to President Wilson who again wrote Lane to do  
nothing until he had consulted with him; that 10 days after  
Lane resigned Sec. Payne disapproved the patent.  
Feb. 5, 1924. 17

They also said Daniels told them that Lane had repeatedly urged  
him to lease the Teapot Dome Reserve after Congress had put it  
under the care of the Navy; that Daniels said that if the  
committee summoned him and asked him about it, he should tell  
the whole truth.  
Feb. 5, 1924. 17

Anna says Sinclair or Doheny employed Lane's son, before Lane resigned.  
Feb. 5, 1924. 17

Lansing, Robert  
Locked disconcerted when C.S.H. at the Carnegie Endowment meeting  
moved and had passed a resolution on the death of President Wilson.  
April 23, 1924. 123

Glass said advice told him it would be bad politics to press the League  
in the campaign.  
May 31, 1924. 174

League of Nations  
Not a word said in Carnegie Foundation meeting about the L. of N.

New York Times prints abstract of Nicholas Murray Butler report to the Carnegie Foundation as Chairman of Committee on Intercourse and Education.

This report was presented but not read at the meeting of the trustees.

Butler, however, in presenting it, gave a resume, speaking for half an hour, but never referred to the League of Nations.

The report in the Times, however, printed in full what Butler had put in the report about the League of Nations, and barely alluded to anything else.

The report, as printed in the Times, was evidently prepared for publication by Butler and was a clever piece of propaganda against the League.  
April 28, 1924. 125, 126.

Gov. Montague confirms C.S.H.'s recollection that Butler never mentioned the League in his remarks before the Board on his report.  
April 28, 1924. 127

Gov. Montague said most of the trustees were opposed to the League and that James Brown Scott was not only opposed to the League but also to the World Court, although he claimed to favor a world court.  
April 28, 1924. 127

C.S.H. and H.P.H. had Mr. and Mrs. Sweetser at supper, - attached to the League of Nations at Geneva.  
May 25, 1924. 161

Glass criticizes McAdoo for not squarely coming out for the League of Nations; says McAdoo favors a referendum on the League to be held apart from the elections.

C.S.H. points out that such a plank in the platform would amount to an abandonment of the League and of the principles and ideals of President Wilson; that the election should be the only referendum.  
May 31, 1924. 174

Glass said that President Wilson, just before he died, wanted to come out publicly against McAdoo because of his avoidance of the League, and that it was with the greatest difficulty that he and others persuaded him to postpone this.  
May 31, 1924. 174

Glass said McAdoo told him it would be bad politics to press the League in the campaign.  
May 31, 1924. 174

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James Secretary  
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Anna says Sinclair or Doherty employed Lane's son, before Lane resigned.  
Feb. 5, 1924. 17

Checked discovered when C.S.H. at the Carnegie Foundation meeting moved and had passed a resolution on the death of President Wilson.  
April 28, 1924. 123

**Leaks in Federal Reserve Board.**

Cunningham complains of leaks in the Board as to action on branch banks.

Evidently aimed at Platt who had talked with a New York Journal of Comm. representative.

Mar. 27, 1924. 94

See - Miller  
Platt

**Leffingwell**

Deposited 50 millions in silver in F.R. Bank of New York in 1920.

**Legal tender notes**

Sen. Reed favors payment of bonus in each by issue of legal tender notes.

April 12, 1924. 114, 115

Smead, Stuart, and C.S.H. prepare a memorandum in criticism.

April 16, 1924. 118

**Littlefield, Martin**

Retained by Doheny to act as counsel before oil investigating committee after Davis declined to serve.

Feb. 24, 1924. 40

**Lodge, Senator**

Mrs. Wilson tells C.S.H. and H.P.H. that when she saw in the papers that the Senate was to appoint a committee to attend President Wilson's funeral, she asked Sen. Swanson to object to Lodge being put upon the committee; that Swanson begged her not to insist on this as it would infringe on the prerogatives of the Senate; that she told him she had great respect for individual senators but very little respect for the Senate; that later he telephoned her that Lodge had been put upon the committee; that thereupon she wrote Sen. Lodge that she felt sure he would appreciate her feeling that he should not be present at the funeral; that Lodge acknowledged her letter stating that he had not realized that it was to be a private funeral!

Feb. 28, 1924. 56, 57

Sen. Weeks tells Bertie there is a revolution against Lodge in Mass. because of his vote to pass the pension bill and bonus bill over the President's veto; that one Republican advised Lodge not to go to Mass. for fear of personal insult, and, perhaps, even assault; that there had not been such feeling since Webster's 7th of March speech; that President Coolidge, when assaulted, always turned the other cheek; that Coolidge asked him the other day with the innocence of a child, - "Why does Lodge act in this way!"

May 26, 1924. 166, 167

(So did Asst. Sec. Weeks).

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C.S.H. points out that such a plank in the platform would amount to an abandonment of the League and of the principles and ideals of President Wilson; that the election should be the only referendum

May 21, 1924. 174

Glass said that President Wilson, just before he died, wanted to come out publicly against McAdoo because of his avoidance of the League and that it was with the greatest difficulty that he and others persuaded him to postpone this

May 21, 1924. 174

Glass said McAdoo told him it would be bad politics to press the League in the campaign

May 21, 1924. 174

Bank in Federal Reserve Board  
 Chairman's resignation of Lodge in the Board as to action on branch  
 banks

Evidence aimed at Platt who had talked with a New York Journal of  
 Commerce representative

Mar. 27, 1924 94

Platt - Miller  
 Platt

Deposited 30 millions in silver in N.Y. Bank of New York in 1920. 103

Legal tender notes  
 Sen. Reed favors payment of bonds in each by issue of legal tender  
 notes  
 April 13, 1924 114 115

Smith, Street, and C.S.H. prepare a memorandum in criticism  
 April 13, 1924 114

Retained by Doherty to act as counsel before all investigating  
 committee after Davis declined to serve  
 Feb. 24, 1924 40

Lodge, Senator  
 Mrs. Wilson tells C.S.H. and H.P.H. that when she saw in the papers  
 that the Senate was to appoint a committee to attend President  
 Wilson's funeral, she asked Sen. Swanson to object to Lodge  
 being put upon the committee; that Swanson begged her not to  
 insist on this as it would injure on the progressive of the  
 Senate; that she told him she had great respect for individual  
 senators but very little respect for the Senate; that later he  
 telephoned her that Lodge had been put upon the committee; that  
 thereupon she wrote Sen. Lodge that she felt sure he would  
 appreciate her feeling that he should not be present at the  
 funeral; that Lodge acknowledged her letter stating that he had  
 not realized that it was to be a private funeral!

Feb. 28, 1924 36 37

Sen. Weeks tells Bertie there is a revolution against Lodge in  
 Mass. because of his vote to pass the bond on bill and because  
 bill over the President's veto; that one Republican advised Lodge  
 not to go to Mass. for fear of personal insult, and perhaps  
 even assault; that there had not been such feeling since Webster's  
 7th of March speech; that President Coolidge, when assaulted,  
 always turned the other cheek; that Coolidge asked him the other  
 day why the knowledge of a bill - "Why does Lodge act in this  
 way?"

May 26, 1924 186 187

Lodge, Senator (Cont.)  
 The Boston Herald publishes letters pro and con Lodge's course.  
 Two thousand were received and they condemned Lodge in the  
 ratio of over 10 to 1.  
 May 26, 1924. 167

Mrs. Chandler Hale spoke very deprecatingly about Lodge and his course.  
 June 1, 1924. 176

Love, Asst. Secretary  
 Thought McAdoo should withdraw his candidacy following the disclosure  
 of the Doheny retainer.  
 Feb. 5, 1924. 18

Law, Sir Maurice  
 Attends our supper to Egyptian Minister.  
 May 25, 1924. 161

Lyon, Tracy (Mrs. Brewster)  
 Says she has known Hawkes for years in St. Paul; that he was always  
 falling in love, and she warned Margaret against him.  
 Jan. 28, 1924. 9

-M-

MacVeagh  
 We dine with Mr. and Mrs.  
 Feb. 16, 1924. 26

Mandatory injunction  
 C.S.H. says if Board refuses to examine state member banks and  
 refuses admission of state banks with branches unless examined  
 by the state simultaneously, he may apply to the courts for a.  
 Feb. 25, 1924. 50

McAdoo, William G.  
 Sec. Baker tells C.S.H. that President Wilson utterly despised  
 McAdoo for resigning when he did, - just before he started for  
 Paris, and that he told him McAdoo should have remained at  
 his post.  
 Feb. 5, 1924. 16

Much criticism of McAdoo because of the Doheny fees - \$150,000  
 and an annual retainer of \$15,000. McAdoo's backers are in  
 despair. Roper and Love thought he should withdraw, as  
 did also Bob Wooley.  
 Feb. 5, 1924. 18

(So did Asst. Sec. Moyle).

McAdoo, William G. (Cont.)

McAdoo made a good appearance before the Congressional Committee.

The New York Times and World say he is absolutely out of the race.

C.S.H. is inclined to think that if oil is to be a great issue, the people will not want a man formerly, however honorably, under retainer from the oil interests.

Feb. 5, 1924.

Glover attacks McAdoo, at Sen. Bruce's dinner, for his conspiracy with Williams against the Riggs bank.

Feb. 20, 1924. 30

See - Glover

Mrs. Wilson tells us that while the McAdoos were with her at the funeral of President Wilson, the house was absolutely jammed with political visitors to see Mr. McAdoo, press representatives, etc.; that Mr. McAdoo was almost wild with excitement, saying one thing to one group and another to another; that his supporters were entirely demoralized because of the Doheny retainer.

Feb. 28, 1924. 57

Col. House tells C.S.H. that he had been one of the managers of McAdoo's campaign, but that, in view of the oil scandal, his nomination was absolutely impossible; that the Party could not afford to nominate anyone whose record had to be explained.

Mar. 10, 1924. 70, 71

C.S.H. tells Mrs. Wilson of McAdoo's row with Glover over the Riggs bank; that both Glover and McAdoo were dominant men; that Glover really started the row and that there were undoubtedly irregular things done by the Riggs bank but which could have been easily corrected without the bitter, sensational row; that McAdoo was in such an uncontrollable rage with Glover that he and Williams did all they could to ruin the bank; also told her of my interview with President Wilson.

May 4, 1924. 128

Mrs. Funk tells Bertie that McAdoo is to attend the National Convention in New York.

May 8, 1924. 133

Mrs. Funk says C.S.H. is McAdoo's choice for Vice President and hopes he will be nominated.

May 8, 1924. 133

Elliott writes asking C.S.H. for a contribution for McAdoo's campaign.

I will not answer, but will tell Elliott when I see him that I have not contributed since I joined the F.R. Board.

May 13, 1924. 140

George May  
Norman E. Davis  
F. I. Kent  
George Franklin

Price  
Bank of Cuba  
Bankers Trust Co.  
Spencer and Cotton

May 29, 1924. 173

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May 28, 1924. 181

Byron Tracy (Mrs. Brewster). Says she has known Barker for years in St. Paul; that he was always falling in love, and she warned Margaret against him.

Jan. 28, 1924. 2

McAdoo's inflection. We dine with Mr. and Mrs. McAdoo.

Feb. 16, 1924. 28

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Feb. 22, 1924. 30

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Much criticism of McAdoo because of the Doheny fees - \$100,000 and an annual retainer of \$15,000. McAdoo's backers are in despair. Roger and Love thought he should withdraw, as did also Bob Woolley.

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(So did Asst. Sec. Wolfe)



McAdoo, William G. (Cont.)

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C.S.H. is inclined to think that it is to be a great issue. The people will not want a man formerly, however honorably, under restraint from the oil interests.

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May 13, 1924. 140

McAdoo, William G. (Cont.)

Mrs. Funk dined with us last week. She is trying to raise money for McAdoo. I explained why I could not contribute and she said it was a proper attitude to take.

McAdoo, Wm. G. (Cont.)

May 13, 1924. 140

Glass criticizes McAdoo for not coming out squarely for any great

Glass fears McAdoo will attack the Federal Reserve Bank of Cleveland for leasing rooms to the Rep. National Committee, if he hears of it.

the election to get the May 22, 1924. 151

he believed was overwhelmingly in favor of the League.

Gov. Strong is very bitter over McAdoo's statement that he will remove the grip of Wall Street from the Federal Reserve Board; said such language was unworthy of a man who wished to be President; that no Sec. of the Treasury ever availed himself of Wall Street help as did McAdoo; that he gathered in the Treasury at least 16 men closely identified with Wall Street.

(For a list of Wall St. men, see p. 171)

McAdoo, Mrs. W. G.

May 22, 1924. 155

Mrs. McAdoo was in constant tears saying that if Mr. McAdoo withdrew

Strong also said that after McAdoo formed a partnership with Cotton, he asked him to release to him for his law offices some rooms in the upper story of the Equitable Building leased by the Federal Reserve Bank; that he explained it was not possible as the Bank was now scattered in 7 or 8 different buildings; that McAdoo was insistent and finally asked him not to forget that he called a special meeting of the Federal Reserve Board and secured an increase of his salary as Governor to \$50,000 per year!

Federal Reserve Board; the May 22, 1924. 156

Parker Gilbert said that Cotton, McAdoo's former partner, was conspicuously identified with Wall Street interests.

McAdoo, Wm. G. (Cont.)

May 25, 1924. 161

Gov. Strong gives C.S.H. a list of the 16 Wall Street men McAdoo brought into the Treasury:-

- Paul M. Warburg, Kuhn, Loeb & Co.
- Albert Strauss Seligman & Co.
- R.C. Leffingwell Cravath, Henderson and DeGersdorf.
- Oscar T. Crosby J. G. White & Co.
- F. A. Vanderlip National City Bank
- Louis Franklin Guaranty Trust Co.
- Allan B. Forbes Harris, Forbes & Co.
- Albert Rathbone Joline, Larkin, and Rathbone
- Eugene Meyer Eugene Meyer & Co.
- S. Parker Gilbert Cravath, Henderson and deGersdorf
- Clarkson Potter Farley & Co. (N.Y. & St. Louis)
- Nicholas Kelley Joline, Larkin and Rathbone
- George May Price, Waterhouse & Co.
- Norman H. Davis Bank of Cuba
- F. I. Kent Bakers Trust Co.
- George Franklin Spooner and Cotton

May 29, 1924. 172

McAdoo, William G. (Cont.)  
Mrs. Frank said with us last week. She is trying to raise money for  
McAdoo. I explained why I could not contribute and she said it  
was a proper attitude to take.

May 18, 1924. 140

Glass fears McAdoo will attack the Federal Reserve Bank of Cleveland  
for issuing some sort of National Committee. If he does of 17.  
May 23, 1924. 141

Gov. Strong is very bitter over McAdoo's statement that he will remove  
the grip of Wall Street from the Federal Reserve Board; said such  
language was unworthy of a man who wished to be President; that  
no Sec. of the Treasury ever availed himself of Wall Street help  
as did McAdoo; that he appeared in the Treasury at least 18 months  
closely identified with Wall Street.

(For a list of Wall St. men, see p. 171)

May 23, 1924. 142

Strong also said that after McAdoo formed a partnership with Cotton  
he asked him to release to him for his law office some rooms in  
the upper story of the Equitable Building leased by the Federal  
Reserve Bank; that he explained it was not possible as the Bank  
was now located in 7 or 8 different buildings; that McAdoo was  
insistent and finally asked him not to forget that he called a  
special meeting of the Federal Reserve Board and secured an increase  
of his salary as Governor to \$50,000 per year!  
May 23, 1924. 143

Parker Gilbert said that Cotton, McAdoo's former partner, was  
conspicuously identified with Wall Street interests.  
May 23, 1924. 144

Gov. Strong gives C.S.H. a list of the 13 Wall Street men McAdoo  
brought into the Treasury:-

- |                   |  |
|-------------------|--|
| Paul M. Warburg   | John L. Loeb & Co.                     |
| Albert Sprague    | Seligman & Co.                         |
| E.C. Helffingwell | Cravath, Henderson and DeGersart       |
| Garret T. Groody  | J. G. White & Co.                      |
| W. A. Vanderlip   | National City Bank                     |
| Louis Franklin    | Bankers Trust Co.                      |
| Allan B. Forbes   | Barth, Forbes & Co.                    |
| Albert Rathbone   | Johann, Larkin, and Rathbone           |
| Eugene Meyer      | Eugene Meyer & Co.                     |
| S. Parker Gilbert | Cravath, Henderson and DeGersart       |
| Charles Foster    | Barth, Forbes & Co. (N.Y. & St. Louis) |
| Nicholas Kallay   | Johann, Larkin and Rathbone            |
| George May        | Price, Waterhouse & Co.                |
| Norman H. Davis   | Bank of Commerce                       |
| F. I. Kent        | Bankers Trust Co.                      |
| George Franklin   | Spencer and Cotton                     |
- May 23, 1924. 145

McAdoo, Wm. G. (Cont.)

Glass criticizes McAdoo for not coming out squarely for any great  
issue, especially the League of Nations. He said McAdoo  
favored a referendum on the League, to be held apart from  
the election to get the opinion of the people which he said  
he believed was overwhelmingly in favor of the League.

May 31, 1924. 174

Glass said that President Wilson, just before he died, wanted to  
come out publicly against McAdoo for his course in avoiding  
the League of Nations and his attitude towards the bonus  
bill and that it was only with the greatest difficulty that  
he and others persuaded him to postpone this.

May 31, 1924. 174

McAdoo, Mrs. W. G.

Mrs. McAdoo was in constant tears saying that if Mr. McAdoo withdrew  
as a candidate it would kill him.

Feb. 28, 1924. 57

McClintock, Mr.

Mrs. Chandler Hale told C.S.H. that Mr. McClintock was calling on  
her one day when they saw me pass by, and Mr. McClintock  
said, - "There goes Charles Hamlin. I am sure he is ironing  
out some differences between Republicans and Democrats in the  
Federal Reserve Board; that is his forte."

June 1, 1924. 176

McCord, Federal Reserve Agent

Confers with Board as to Citizens First National Bank, Albany, Georgia

May 16, 1924. 143

McCormick, Vance

Gertrude Myer says she heard Mrs. West (Mrs. Miller's friend) say,  
some time ago, that she went with Vance McCormick and Mrs. Wilson  
to the Cathedral to make arrangements for interring President  
Wilson's body there.

She told this to Mrs. Chandler Hale and later she asked McCormick  
why he had not come to see her when he was in Washington  
(McCormick is her cousin). He said he was there only a few  
hours. Mrs. Hale said: "You had time enough to take Mrs. West  
to Mrs. Wilson and go with them to the Cathedral."

McCormick, in amazement, said he had not seen Mrs. West and she did  
not go to Mrs. Wilson or to the Cathedral with him.

June 3, 1924. 177, 178.

McCormick, Vance (Cont.)  
Glasgow criticizes McCormick for not coming out openly for any great  
issues, especially the League of Nations. He said McCormick  
favored a referendum on the League, to be held apart from  
the election to get the opinion of the people which he said  
he believed was overwhelmingly in favor of the League.  
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come out publicly against McCormick for his course in avoiding  
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he and others persuaded him to postpone this.  
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as a candidate it would kill him.  
Feb. 28, 1924. 173

McCormick, Mr.  
Mrs. Chandler Hale said C.S.H. that Mr. McCormick was calling on  
her one day when they saw Mr. McCormick and Mr. McCormick  
said - "There goes Charles Hale. I am sure he is trying  
out some differences between Republicans and Democrats in the  
Federal Reserve Board; that is his forte."  
June 1, 1924. 178

McCord, Federal Reserve Agent  
Governor of the Board as to Citizens First National Bank, Albany, Georgia  
May 18, 1924. 143

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some time ago, that she went with Vance McCormick and Mrs. Wilson  
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to Mrs. Wilson and go with them to the Cathedral."

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not go to Mrs. Wilson or to the Cathedral with him.  
June 3, 1924. 177, 178

McCormick, Vance (Cont.)  
(later the House Committee struck out "after the passage of this Act"  
making the act much more stringent. The Senate committee finally

C.S.H. asks Mrs. Hale for the facts as to what Gertrude Myer said  
about Mrs. West. Mrs. Hale said Mrs. West told her she had  
seen Vance McCormick on the occasion of his visit to Mrs. Wilson  
to talk over the permanent burial place of Mr. Wilson; that  
Mrs. West evidently did not know McCormick was her cousin.

Mrs. Hale said later she saw Mr. McCormick who told her he had not  
seen Mrs. West or any women in Washington for a year!

We were dining at Gertrude Myer's when this occurred and I said to  
Gertrude, "You told me that Mrs. West said she had gone to the  
Cathedral with McCormick and Mrs. Wilson." To Washington, the  
Board Committee, being Miller, Jones and Jones. He asks the Board

Gertrude at once said, "Yes, I said that and it was not true, but  
what Mrs. West said anyway was a lie and what I added made no  
difference!

Gertrude is a dangerous malingerer!  
June 12, 1924. 193

McCoy, Judge  
Dines with us and with Mrs. McCoy to meet Hanihara.  
May 24, 1924. 157

McDougal, Gov.  
Discusses discount rates at Governors' Conference.  
May 7, 1924. 130

Says purchases of Govt. securities should be made by Federal Reserve  
banks only when rates are high and we wish to soften conditions;  
that when rates are low we should sell them.  
May 29, 1924. 170

McFadden, Branch bank bill  
The Federal Advisory Council qualifiedly indorses the McFadden branch  
bank bill. (H.R. 6855, Feb. 11, 1924.)

Sec. 6 B allows branches of national banks in the city of location  
of the parent bank in states which permit branches.

Sec. 7 amends Sec. 9 of the Federal Reserve Act so that after the  
passage of the Act, no state bank can be admitted to the  
Federal Reserve System except on relinquishing any branches it  
may have established beyond the limits of the city of its  
location, and, after the passage of the Act, no member bank can  
establish a branch outside of the city of its location.

McFadden, Branch bank bill (Cont.)  
 (Later the House Committee struck out "after the passage of this Act" making the Act much more stringent. The Senate committee finally restored this.)

Mr. Warburg said the council was unanimous as to city branches, divided as to county branches, and scarcely considered state-wide banking.

He said the Council was willing to swallow Sec. 7 to get Section 6 B.

(See scrap book for notes as to the debate.)  
 Feb. 18, 1924. 29

Bank Suptd. of California wires Board protesting against McFadden bill saying it violates an agreement made between the Board committee and himself, on his recent visit to Washington, the Board Committee being Miller, James and Dawes. He asks the Board to define itself on the McFadden bill.  
 Feb. 21, 1924. 34

Dawes moves to substitute for Miller's motion a general indorsement of the McFadden bill. Vote:  
 Aye: James, Dawes  
 No: C.S.H., Gov. C., Platt, Miller

(Even if Sec. Mellon and Cunningham vote Aye, the motion was lost for it would merely make a tie.)  
 Feb. 29, 1924. 59

Miller's main motion was that the annual report should say that state banks should be limited as to branches to same degree as national banks, or that national banks should be given all power now exercised by member banks, - the latter being the preference of the Board.

Vote:  
 Aye - Gov. C., C.S.H., Platt and Miller  
 No: Dawes, James

If Sec. Mellon and Cunningham are recorded No, it will make a tie and the motion will be lost.  
 Feb. 29, 1924. 60

Sec. Mellon records himself Aye on Dawes motion and No on Miller's motion.

The Dawes motion was therefore lost, but the Miller motion stands unless Cunningham records his vote as No.  
 Feb. 29, 1924. 60

McFadden, Branch bank bill (Cont.)  
 (Later the House Committee struck out "after the passage of this Act" making the Act much more stringent. The Senate committee finally restored this.)

Mr. Warburg said the council was unanimous as to city branches, divided as to county branches, and scarcely considered state-wide banking.

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McFadden branch bank bill (Cont.)  
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(See recap back for notes as to the debate.)  
Feb. 18, 1924. 39

Bank report of California-wise Board protesting against McFadden bill saying it violates an agreement made between the Board and himself on his recent visit to Washington, the Board Committee being Miller, James and Dawes. He asks the Board to define itself on the McFadden bill.  
Feb. 21, 1924. 34

Dawes moves to substitute for Miller's motion a general interment of the McFadden bill.  
Vote:

Aye: James, Dawes  
No: C.S.H., Gov. C., Platt, Miller

(Even if Sec. Miller and Cunningham vote Aye, the motion was lost for it would merely make a tie.)  
Feb. 29, 1924. 38

Miller's main motion was that the annual report should say that state banks should be limited as to branches to same degree as national banks, or that national banks should be given all power now exercised by member banks - the latter being the preference of the Board.

Vote:  
Aye - Gov. C., C.S.H., Platt and Miller  
No: Dawes, James

If Sec. Miller and Cunningham are recorded No, it will make a tie and the motion will be lost.  
Feb. 29, 1924. 30

Sec. Miller records himself Aye on Dawes motion and No on Miller's motion.

The Dawes motion was therefore lost, but the Miller motion stands unless Cunningham records his vote as No.  
Feb. 29, 1924. 30

McFadden branch bank bill (Cont.)  
Tells C.S.H. a bill merely giving national banks the right to have parent bank would have no effect.

Assuming Cunningham to vote No, we have the appointive members favoring giving national banks all power exercised by state banks as to branches by a vote of 4 to 2, but the ex-officio members by voting No tie the vote and prevent the appointive members expressing their views in their report to Congress. An extraordinary situation.  
reported the bill, asks: Mar. 4, 1924. 61, 77, 78.

Cunningham records his vote as Aye on the Dawes motion and No on the Miller motion. The latter therefore is tied and lost.  
bill through the Board by Mar. 6, 1924. 64

Cunningham in the debate said he knew nothing of any motion as to telling Congress what Board felt as to the McFadden bill, yet only yesterday he recorded his vote against it!  
Mar. 6, 1924. 66

Warburg tells Board that the Federal Advisory Council had asked him to write the Congressional Committee urging that a rule be granted on the McFadden bill.  
Mar. 23, 1924. 132

C.S.H. said if the Council did this, some members of the Board would try to have the Board oppose such a rule.  
the Board is unanimous in favor of the bill, but is divided as to lower given to national banks under the bill, but is divided (Warburg did not send the letter.)  
May 13, 1924. 138

Warburg asks what the attitude of the Board is on the McFadden bill.  
Dawes bill.

C.S.H. said all members favored extension of powers of national banks; that 4 out of 6 of the appointive members opposed cutting down branch powers of state member banks; that the 2 ex-officio members voted so as to make a tie and prevent the majority of the appointive members thus expressing themselves to Congress.  
informing Congress that 4 of the appointive members were in favor of the bill and 2 were against it.  
May 13, 1924. 138

Warburg says Council will reconsider its request that Warburg ask for a rule.  
McFadden said ably, "This is a very important question."  
May 13, 1924. 138

The Council voted not to ask for a rule.  
abolishing the Council or putting it under the Board, as the Council voted not to ask for a rule.  
May 13, 1924. 139

McFadden calls on C.S.H. and said he had not called on the Board for a report on the McFadden bill because he knew the Board was divided on it; that he would send the Board later this morning a request for a categorical answer to certain questions; that the Board was to meet this afternoon (C.S.H. had not heard of this meeting.)  
May 26, 1924. 161

McFadden branch bank bill (Cont.)  
 Assuming Cunningham to vote No, we have the appointive members favoring giving national banks all power exercised by state banks as to branches by a vote of 4 to 2, but the ex-officio members by voting No the vote and prevent the appointive members expressing their views in their report to Congress. An extraordinary situation!  
 Mar. 4, 1924. 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

McFadden branch bank bill (Cont.)

Tells C.S.H. a bill merely giving national banks the right to have branches in city of location of parent bank would have no chance of passage.

May 26, 1924. 162

C.S.H. believes McFadden knows Glass will attack him for not having asked the opinion of the Board on this bill and, therefore, at this late date, and after his committee has reported the bill, asks the Board for its opinion.

May 26, 1924. 162

C.S.H. believes the scheme is to force an indorsement of the McFadden bill through the Board by a majority vote.

May 26, 1924. 162

James wires from the West his desire to be recorded as unqualifiedly in favor of the McFadden bill.

May 26, 1924. 162

T. P. Beal, President of Second National Bank, Boston, wires C.S.H. favoring the McFadden bill.

May 26, 1924. 162

Mr. Adams, of National Shawmut Bank, Boston, calls up C.S.H. on telephone and indorses the McFadden bill; C.S.H. explains that the Board is unanimous in favoring the general increase of power given to national banks under the bill, but is divided on the part relating to state bank branches.

May 26, 1924. 162

Dawes is evidently making a campaign among the national banks.

May 26, 1924. 162

C.S.H. explained to McFadden how Dawes in his annual report and in a subsequent letter to the committee, reported that not only the national banking system, but also the Federal Reserve System will be injured unless the powers of state member banks are cut down, and then joined Sec. Mellon and voted in the Board against informing Congress that 4 out of the 6 appointive members did not agree with him as to any injury to the Federal Reserve system.

May 26, 1924. 163

McFadden said smilingly, "This certainly is an argument in favor of abolishing the Comptroller or putting him under the Board, as the committee originally favored."

May 26, 1924. 163

At the meeting this p.m. a letter from McFadden to Gov. C. was read asking for a vote of the Board on the McFadden bill, and adding that any qualification in the vote would be regarded as a vote against the bill!

May 26, 1924. 163

McFadden branch bank bill (Cont.)

C.S.H. pointed out that the original bill permitted state banks to come in with all branches established before the passage of the bill, while the bill as reported required the relinquishment of all branches outside of the parent city, not matter when established,

Dawes at first denied this but finally admitted it was true.

Cunningham then read a resolution, - evidently written by Dawes, - that the Board favors the passage of the McFadden bill.

Sec. Mellon said the amendments to Sec. 9 of the Federal Reserve Act, contained in the bill, were not in all respects good, but that the Senate could amend it.

C.S.H. and Platt said the bill would change the Federal Reserve system from a national system into a purely national bank system; that it would cause an exodus of state banks from the system, thus crippling it severely.

Dawes said many national banks would leave the Federal Reserve system if it were not passed.

Cunningham resolution was then voted on:-

- Aye: Sec. Mellon, Gov. C., Cunningham, Dawes
- No: C.S.H., Platt, Miller

Gov. C. said he did not approve of the amendments to Sec. 9 of the Federal Reserve Act, but to help the national banks he voted for the resolution!

All the members, including Sec. Mellon, deplored the change in the committee's report pointed out by C.S.H., and Dawes agreed it should and must be changed, but no one suggested changing his vote.

Gov. C. in his testimony before the Congressional committee absolutely agreed with Platt's views, but now votes contra!

C.S.H. said the bill as reported did not interfere with any established branches of present member banks, and permitted non-member banks to enter the system with similar branches, no matter when established; that this gave an unjustifiable monopoly to the Bank of Italy, Pacific S.W. Co., the Mercantile Trust Co. and other large state member banks which have now many branches.

Someone said Gionini of the Bank of Italy, favored this bill.

C.S.H. said he might well favor it.

Ball agrees absolutely. Mar. 30, 1924. 97

McFadden branch bank bill (Cont.)  
Tells C.S.H. a bill merely giving national banks the right to have branches in city of location of parent bank would have no change of passage.

May 28, 1924. 183

C.S.H. believes McFadden knows Glass will attack his for not having asked the opinion of the Board on this bill and therefore, at this late date, and after his committee has reported the bill, asks the Board for its opinion.

May 28, 1924. 183

C.S.H. believes the scheme is to force an endorsement of the McFadden bill through the Board by a majority vote.

May 28, 1924. 183

Just as from the West his desire to be recorded as unqualifiedly in favor of the McFadden bill.

May 28, 1924. 183

T. P. Beal, President of Second National Bank, Boston, writes C.S.H. favoring the McFadden bill.

May 28, 1924. 183

Mr. Adams, of National Exchange Bank, Boston, calls up C.S.H. on telephone and inquires the McFadden bill. C.S.H. explains that the Board is unanimous in favoring the general increase of power given to national banks under the bill, but is divided on the part relating to state bank branches.

May 28, 1924. 183

Dawes is evidently leading a campaign among the national banks.

May 28, 1924. 183

C.S.H. explained to McFadden how Dawes in his annual report and in a subsequent letter to the committee, reported that not only the national banking system, but also the Federal Reserve System will be injured unless the powers of state member banks are cut down, and then joined Sec. Mellon and voted in the Board against informing Congress that 4 out of the 8 appointive members did not agree with him as to any injury to the Federal Reserve system.

May 28, 1924. 183

McFadden said smilingly, "This certainly is an argument in favor of abolishing the Controller, or putting him under the Board, as the committee originally favored."

May 28, 1924. 183

At the meeting this p.m. a letter from McFadden to Gov. C. was read asking for a vote of the Board on the McFadden bill, and adding that any modification in the bill would be regarded as a vote against the bill.

May 28, 1924. 183

McFadden branch bank bill (Cont.)

Considering the monopoly it gave him; that one banker told him (C.S.H.) it was equivalent to a gift of 10 million dollars. May 26, 1924. 163, 164, 165, 166

Sec. Glass's secretary told C.S.H. over the telephone that the Senate committee had reported favorably the McFadden bill the other day while Glass was in Philadelphia making an address, in spite of a gentlemen's agreement that no action would be taken while Glass was away; that Glass was very indignant and would fight the bill in the Senate and would defeat it. May 28, 1924. 167

The Senate committee reported the bill changing the House bill as reported so that state banks may enter keeping all branches established before the passage of the Act.

This restores the provision in the original draft of the House bill. May 29, 1924. 168

Glass says the Senate committee justified its action in reporting the bill in his absence by changing the House bill as reported so that state banks could come in with all branches established prior to the passage of the bill.

Glass still bitterly opposes the bill and said it was an attempt to legalize the illegal Board resolution of Nov. 7, 1923.

Glass says he is uncertain whether merely to fight and vote against it on its merits, or to arrange for "extended debate" to defeat it. May 31, 1924. 175

Congress adjourned without passing the McFadden bill. June 7, 1924. 181

McFadden, Congressman

Telephones C.S.H. urging that the Board bring pressure upon the Federal Reserve Bank of Atlanta to accept the proposals made in connection with the Citizens First National Bank of Albany, Georgia. As this is a purely banking matter, it was highly improper for the chairman of the Banking and Currency committee to attempt thus to influence the Board. May 16, 1924. 145, 146

McGarrah, Gates

Aided Sec. McAdoo during war. 155

McKellar

C.S.H. tells Cordell Hull that the resolution of Sen. McKellar claiming that Sec. Mellon is holding office illegally because of ownership of bank and business stock, is foolish and should be killed.

Hull agrees absolutely. Mar. 30, 1924. 97

McFadden branch bank bill (Cont.) C.S.H. pointed out that the original bill permitted state banks to come into all branches established before the passage of the bill while the bill as reported required the withdrawal of all branches outside of the parent city, not later than established.

Dawes at first denied this but finally admitted it was true. Cunningham then read a resolution - evidently written by Dawes - that the Board favors the passage of the McFadden bill.

Sec. Mellon said the amendments to Sec. 9 of the Federal Reserve Act contained in the bill were not in all respects good but that the Senate could amend it.

C.S.H. and Platt said the bill would change the Federal Reserve system from a national system into a purely national bank system; that it would cause an excess of state banks from the system, thus crippling it severely.

Dawes said many national banks would leave the Federal Reserve system if it were not passed.

Cunningham resolution was then voted on:

Aye: Sec. Mellon, Gov. C. Cunningham, Dawes  
No: C.S.H., Platt, Miller

Gov. C. said he did not approve of the amendments to Sec. 9 of the Federal Reserve Act, but to help the national banks he voted for the resolution.

All the members, including Sec. Mellon, declared the change in the committee's report pointed out by C.S.H. and Dawes agreed it should and must be changed, but no one suggested changing the vote.

Gov. C. in his testimony before the Congressional committee absolutely agreed with Platt's view, but now votes against it.

C.S.H. said the bill as reported did not interfere with any established branches of present member banks, and permitted non-member banks to enter the system with similar branches no matter when established; that this gave an unjustifiable monopoly to the Bank of Italy, Pacific S.W. Co., the Mercantile Trust Co. and other large state member banks which have now many branches.

Someone said Chairman of the Bank of Italy favored this bill.

C.S.H. said he might well favor it.



McFadden branch bank bill (Cont.)  
 Considering the monopoly it gave him that one banker told him  
 (C.S.H.) it was equivalent to a gift of 10 million dollars.  
 May 28, 1924, 188, 189, 190, 191, 192, 193

Sec. Glass's secretary told C.S.H. over the telephone that the  
 Senate committee had reported favorably the McFadden bill the  
 other day while Glass was in Philadelphia making an address, in  
 spite of a gentleman's argument that no action would be taken  
 while Glass was away; that Glass was very indignant and would  
 fight the bill in the Senate and would defeat it.  
 May 28, 1924, 187

The Senate committee reported the bill changing the House bill as  
 reported so that state banks may enter keeping all branches  
 established before the passage of the act.  
 This restores the provision in the original draft of the House  
 bill.  
 May 28, 1924, 188

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 the bill in his absence by changing the House bill as reported  
 so that state banks could come in with all branches established  
 prior to the passage of the bill.  
 Glass still bitterly opposes the bill and said it was an attempt  
 to legalize the illegal Board resolution of Nov. 7, 1923.  
 Glass says he is uncertain whether merely to fight and vote against  
 it on its merits or to arrange for "extended debate" to  
 delay it.  
 May 21, 1924, 178

Congress adjourned without passing the McFadden bill.  
 June 7, 1924, 181

McFadden Congressman  
 Telephone C.S.H. urging that the Board bring pressure upon the  
 Federal Reserve Bank of Atlanta to accept the proposals made  
 in connection with the Citizens First National Bank of Albany,  
 Georgia. As this is a purely banking matter, it was highly  
 improper for the chairman of the Banking and Currency  
 committee to attempt this to influence the Board.  
 May 18, 1924, 185, 186

McFadden  
 Aided Sec. McAdoo during war.  
 189

C.S.H. tells Cordell Hull that the resolution of Sec. McFadden  
 claiming that Sec. Mellon is holding office illegally  
 because of ownership of bank and business stock, is foolish  
 and should be killed.  
 Hull agrees emphatically.  
 Mar. 30, 1924, 97

**Mellon, Secretary**  
 Opposes sending Asst. Federal Reserve Agent Breck abroad to help  
 Robinson on Dawes Commission.  
 Jan. 2, 1924. 1

Miller says Sec. Mellon's opinion is a "curb stone" opinion.  
 Jan. 3, 1924. 3

Opposes sending Gov. Strong to help Young on Dawes Commission.  
 Feb. 23, 1924. 43

Records his vote, - Aye, on Dawes motion to approve McFadden bill.  
 Feb. 29, 1924. 60

Records his vote, - No, on Dr. Miller's motion on branch banks.  
 Feb. 29, 1924. 60

Sec. Mellon and Dawes, ex-officio members, with James and  
 Cunningham tie the vote of the Board, preventing the appointive  
 members from presenting their opposition to the McFadden  
 bill to Congress in the annual report.  
 Mar. 4, 1924. 60, 61

Gov. C. rules that Sec. Mellon can only vote by attending meeting  
 of Board.  
 Mar. 5, 1924. 63

C.S.H. and H.P.H. dine with Sec. Mellon.

C.S.H. tells him of the dissensions in the Board. Seemed surprised.  
 Mar. 12, 1924. 76

C.S.H. believes any member, including Sec. Mellon, has a right to  
 have his vote recorded, when absent, but that he should find  
 both sides of any question before he records his vote.  
 Mar. 12, 1924. 77

C.S.H. believes that if Sec. Mellon realized that his vote was  
 being used to legislate against state banks under the guise  
 of conditions he would hesitate to record it without hearing  
 all the evidence.  
 Mar. 12, 1924. 77

The practice of recording a vote, as Sec. Mellon has done, without  
 hearing the other side, is invisible Government in the worst  
 sense.  
 Mar. 12, 1924. 77

"Said territory having been...  
 Nov. 7, 1923, and the agreement dated Jan. 1924."

Mellon, Secretary (Cont.)  
Dawes moved to insert above.

Mellon, Secretary (Cont.)

Sec. Mellon's adverse vote on the Miller motion, added to Dawes, James and Cunningham, prevented the appointive members putting in the annual report a statement opposed to the McFadden bill, altho the appointive members, by a vote of 4 to 2 favored such a statement. It left Dawes statement in his annual report and his subsequent letter to the Congressional committee, - that the Federal Reserve System would be injured unless state banks power to come in with branches were cut down, - unchallenged.  
Mar. 12, 1924. 77, 78

James and Dawes have been talking with Sec. Mellon all the afternoon on the proposed new regulations on branches.  
Mar. 25, 1924. 85

The committee told the Board they were not certain just what clause Sec. Mellon wanted inserted in place of the first clause as to "contiguous territory."

Miller went in and conferred with Sec. Mellon, and came back saying he desired to be recorded in favor of the following clause:-

"The Federal Reserve Board will restrict the establishment by branches, agencies, or additional offices by such banks or trust companies to the city of location of the parent bank and the territorial area within the state territory to and connected with the city of location of the parent bank in usual banking relations, excepting in instances where the situation is such that peculiar and substantial conditions exist making departure from the rule necessary and desirable."

Miller moved to substitute Sec. Mellon's draft.

Dawes insisted that Sec. Mellon come in and vote.

Gov. C. and Platt objected as Sec. Mellon had asked to be recorded in favor of this his own draft.

Dawes rushed out of the room saying he should see Sec. Mellon and would not ask the consent of the Board either.

Dawes soon returned saying that he could see Sec. Mellon only for a moment but that he had intimated he might possibly agree to the insertion after the word "relations" of the following:

"Said territory having been defined in the resolution of Nov. 7, 1923, and the amendment passed in Jan. 1924."

Mellon, Secretary  
Opposes sending Asst. Federal Reserve Agent Brock abroad to help Robinson on Dawes Commission.  
Jan. 8, 1924. 1

Miller says Sec. Mellon's opinion is a "curp stone" opinion.  
Jan. 8, 1924. 3

Opposes sending Gov. Strong to help Young on Dawes Commission.  
Feb. 23, 1924. 43

Records his vote - Aye, on Dawes motion to approve McFadden bill.  
Feb. 26, 1924. 50

Records his vote - No, on Dr. Miller's motion on branch banks.  
Feb. 26, 1924. 50

Sec. Mellon and Dawes, ex-officio members, with James and Cunningham tie the vote of the Board, preventing the appointive members from presenting their opposition to the McFadden bill to Congress in the annual report.  
Mar. 4, 1924. 60, 61

Gov. C. notes that Sec. Mellon can only vote by attending meeting of Board.  
Mar. 6, 1924. 63

C. B. H. and E. P. H. dine with Sec. Mellon.

C. B. H. tells him of the discussions in the Board. Seemed surprised.  
Mar. 12, 1924. 76

C. B. H. believes any member, including Sec. Mellon, has a right to have his vote recorded, when absent, but that he should find both sides of any question before he records his vote.  
Mar. 13, 1924. 77

C. B. H. believes that if Sec. Mellon realized that his vote was being used to legislate against state banks under the guise of conditions he would hesitate to record it without hearing all the evidence.  
Mar. 13, 1924. 77

The practice of recording a vote, as Sec. Mellon has done, without hearing the other side, is invisible Government in the worst sense.  
Mar. 13, 1924. 77

Mellon, Secretary (Cont.)

Dawes moved to insert above.

Lost, 4 to 3, Sec. Mellon to have the right to be recorded.

Miller's motion was carried, 4 to 3, but Sec. Mellon to have right to be recorded.

Mar. 26, 1924. 85, 86, 87

On motion to accept the regulations as amended, it was passed, 4 to 3, Sec. Mellon to have the right to record his vote.

Mar. 26, 1924. 88

C.S.H. feels Sec. Mellon's draft was, on the whole, not very objectionable, as it really gave the Board the right to permit state-wide branches, if it saw fit.

A vote by Sec. Mellon against the regulations would defeat them by causing a tie, but C.S.H. does not see how he could record himself against his own draft.

Mar. 26, 1924. 89

The spectacle of Dawes, an ex-officio member, rushing out of the meeting to persuade Sec. Mellon to change the vote he had just asked to be recorded, is positive evidence that the Federal Reserve Board is dominated by the ex-officio members, both political appointees.

Mar. 26, 1924. 90

Gov. C. tells C.S.H. that Dawes, with Pole, his chief examiner, had a long conference with Sec. Mellon this afternoon taking with him the minutes of today's meeting. Gov. C. said he had no right to do this and was bitterly incensed.

Mar. 26, 1924. 90

Dawes tells C.S.H. that Sec. Mellon will vote so as to make a tie on the two above motions and begged me to accept his amendment which had been voted down. C.S.H. said he would consider it but did not believe he could change his mind.

Mar. 26, 1924. 90

Dawes, Gov. C. and Platt come into my office. I said I could not accept Dawes amendment but would try to draft some compromise I could accept.

I thereupon drafted the following, which only slightly differs from Dawes addition to Sec. Mellon's draft:-

"The Federal Reserve Board will as a general principle restrict the establishment of branches, agencies, or additional offices, by such banks or trust companies, to the city of location of the parent bank and the territorial

Mellon Secretary (Cont.)  
Dawes moved to insert above.  
Lost, 4 to 3, Sec. Mellon to have the right to be recorded.  
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Mar. 26, 1924. 85, 86, 87  
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"State territory having been defined in the resolution of Nov. 7, 1913, and the amendment passed in Jan. 1924."

Mellon, Sec. (Cont.)

Dawes moved to insert above.

Post 4 to 5, Sec. Mellon to have the right to be recorded.

Miller's motion was carried, 4 to 3, but Sec. Mellon to have right to be recorded.

Mar. 28, 1924. 88, 89, 90

Of motion to accept the regulations as amended, it was passed, 4 to 3, Sec. Mellon to have the right to record his vote.

Mar. 28, 1924. 88

O.S.H. feels Sec. Mellon's draft was, on the whole, not very objectionable, as it really gave the Board the right to permit state-wide branches, if it saw fit.

A vote by Sec. Mellon against the regulations would defeat them by carrying a tie, but O.S.H. does not see how he could record himself against his own draft.

Mar. 28, 1924. 88

The spectacle of Dawes, an ex-officio member, walking out of the meeting to persuade Sec. Mellon to change the vote he had just asked to be recorded, is positive evidence that the Federal Reserve Board is dominated by the ex-officio members, both political appointees.

Mar. 28, 1924. 90

Gov. C. said that Dawes, with Fols, his chief examiner, had a long conference with Sec. Mellon this afternoon talking with him the minutes of today's meeting. Gov. C. said he had no right to do this and was bitterly indignant.

Mar. 28, 1924. 90

Dawes calls O.S.H. that Sec. Mellon will vote so as to make a tie on the two above motions and begged me to accept his amendment which had been voted down. O.S.H. said he would consider it but did not believe he could change his mind.

Mar. 28, 1924. 90

Dawes Gov. C. and Platt come into my office. I said I could not accept Dawes' amendment but would try to draft some compromise I could accept.

I therefore drafted the following, which only slightly differs from Dawes' addition to Sec. Mellon's draft:

"The Federal Reserve Board will as a general principle restrict the establishment of branches, agencies or additional offices, by such banks or trust companies to the city of location of the parent bank and the territorial

Mellon, Sec. (Cont.)

Mellon, Sec. (Cont.)

area within the state tributary to and connected with the city of location of the parent bank in usual banking relations, as said territory has been defined in the Board's resolution of Nov. 7, 1923, excepting in instances where the state banking authorities have certified and the Board finds that public necessity and advantage renders a departure from the principle necessary or desirable."

At the meeting, C.S.H. read this to the Board, not agreeing in advance to accept it, but saying he might accept it as a compromise.

C.S.H. said he omitted all reference to the amendment of Jan. 1924 (As to additional territory around San Francisco and Los Angeles), as this would remain as an exception to the general principle of his compromise regulation.

James, after hearing it read, rushed out of the room and shortly returned with Sec. Mellon, who took the chair and strongly advocated C.S.H.'s compromise.

Miller attacked it saying it left the matter wide open.

Sec. Mellon said this might be true as a matter of voting, but that the principle and exceptions were fair.

Miller then moved substituting "contiguous thereto" instead of "tributary to and connected with the city of location of the parent bank in usual banking relations."

C.S.H., assuming Miller would vote for the compromise if this were done, finally accepted Miller's amendment.

Vote:

Aye: Sec. Mellon, C.S.H., James, Cunningham, Dawes  
No: Gov. C., Platt, Miller

Sec. Mellon showed plainly his disgust at Miller for so voting.

To complete the parliamentary record Sec. Mellon then voted against Miller's and James' motions, so as to make a tie and defeat each.

A formal motion was made by James to adopt the regulations and the vote was the same as in C.S.H.'s motion.

Mar. 27, 1924. 91, 92, 93, 94.

C.S.H. summary of above, as to Sec. Mellon. 95, 96.

C.S.H. explains reasons for his vote for the regulations. 96

Mellon, Sec. (Cont.)

Warburg said Sec. Mellon favored the authority of Federal Reserve banks to purchase the German trade bills, provided they were negotiable commercial bills, and said he would ask the State Department if there was any international reason for refusing our consent.

April 7, 1924. 110

Sec. Mellon tells Board he did not deem it necessary to consult the State Department as to the German trade bills as the question was purely a banking one.

April 8, 1924. 111

Platt says Sec. Mellon sent Under Secretary Winston to him to say that he agreed to much of what Platt believed, and that the Board should make some recommendations to save for country banks, at least, the right to have branches.

April 16, 1924. 117, 118.

Federal Reserve Agent Wills tells C.S.H. he has talked with Sec. Mellon in behalf of Dr. Miller's reappointment; that he told Sec. Mellon he hoped he would not be prejudiced because Miller voted against C.S.H.'s compromise branch bank regulation. He said Sec. Mellon said Miller had explained this to him and that he was favorable to his reappointment.

April 23, 1924. 121

C.S.H. meets Sec. Mellon at Sen. Pepper's reception at Rauschers; he did not know, until C.S.H. told him, of James' marriage.

April 23, 1924. 121

Sec. Mellon at first opposed the reduction in the Federal Reserve Bank of New York discount rate from 4 1/2% to 4%, but finally acquiesced.

April 28, 1924. 124

Miller says Sec. Mellon told him at the Wallace wedding, a few days ago, that President Coolidge told him his appointment was settled.

May 19, 1924. 147

Gov. Strong says Sec. Mellon was greatly disturbed at the action of the Federal Reserve Bank of Cleveland in leasing rooms to the Rep. Natl. Committee.

May 24, 1924. 157

Sec. Mellon attends meeting of the Board to consider the McFadden bill. Says he thought the amendment of Sec. 9 of the Federal Reserve Act was not in all respects good, but that the Senate could amend it.

May 26, 1924. 164, 165

Mellon (Cont.)  
area within the state territory to and connected with the  
city of location of the bank in usual banking relations  
of the Board's action in the Board's action  
of Nov. 7, 1923, in instances where the state  
banking authorities have certified and the Board finds that  
public necessity and advantage require a departure from the  
principle necessary or desirable.

At the meeting of the Board, C.S.H. read this to the Board, not expressing in  
advance to accept it, but saying he might accept it as a  
compromise.

C.S.H. said he omitted all reference to the amendment of Jan. 1924  
(As to additional territory around San Francisco and Los  
Angeles), as this would remain as an exception to the general  
principle of his compromise regulation.

James, after hearing it read, rushed out of the room and shortly  
returned with Sec. Mellon, who took the chair and strongly  
advocated C.S.H.'s compromise.

Miller attacked it saying it left the matter wide open.

Sec. Mellon said this might be true as a matter of voting, but that  
the principle and exceptions were fair.

Miller then moved substituting "contiguous territory" instead of  
"territory to and connected with the city of location of the  
parent bank in usual banking relations."

C.S.H., assuming Miller would vote for the compromise if this were  
done, finally accepted Miller's amendment.

Vote:  
Aye: Sec. Mellon, C.S.H., James, Cunningham, Bowen  
No: Gov. O. Platt, Miller

Sec. Mellon showed plainly his disgust at Miller for so voting.

To complete the parliamentary record Sec. Mellon then voted against  
Miller's and James' motions, so as to make a tie and  
delay each.

A formal motion was made by James to adopt the regulations and  
the vote was the same as in C.S.H.'s motion.  
Nov. 27, 1924. 91, 92, 93, 94.

C.S.H. summary of above, as to Sec. Mellon, 95, 96.

C.S.H. explains reasons for his vote for the regulations. 96.

Mellon, Sec. (Cont.)

Warburg said Sec. Mellon favored the authority of Federal Reserve banks to purchase the German trade bills, provided they were negotiable commercial bills, and said he would ask the State Department if there was any international reason for refusing our consent.

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Sec. Mellon tells Board he did not deem it necessary to consult the State Department as to the German trade bills as the question was purely a banking one.

April 8, 1924. 111

Platt says Sec. Mellon sent Under Secretary Wharton to him to say that he agreed to much of what Platt believed, and that the Board should make some recommendations to have for country banks, at least, the right to have branches.

April 15, 1924. 112

Federal Reserve Agent Willis tells C.S.H. he has talked with Sec. Mellon in behalf of Mr. Miller's resignation; that he could not be reappointed because Sec. Mellon had hoped he would not be reappointed because Miller voted against C.S.H.'s compromise branch bank legislation. He said Sec. Mellon said Miller had explained this to him and that he was favorable to his resignation.

April 23, 1924. 121

C.S.H. asks Sec. Mellon at C.S.H. Pepper's reception at Harborside; he did not know until C.S.H. told him of James' marriage.

April 23, 1924. 121

Sec. Mellon at first opposed the reduction in the Federal Reserve Bank of New York discount rate from 4% to 3% but finally acquiesced.

April 28, 1924. 124

Miller says Sec. Mellon told him at the Wallace wedding, a few days ago, that President Coolidge told him his appointment was settled.

May 19, 1924. 127

Gov. Strong says Sec. Mellon was greatly disturbed at the action of the Federal Reserve Bank of Cleveland in leasing rooms to the Rep. Natl. Committee.

May 24, 1924. 127

Sec. Mellon attends meeting of the Board to consider the McFadden bill. Says he thought the amendment of Sec. 9 of the Federal Reserve Act was not in all respects good, but that the Senate could amend it.

May 28, 1924. 128

Mellon, Sec. (Cont.)

Sec. Mellon deplored the change made by the H.R. Committee in reporting the bill, providing that state banks entering the system must relinquish all branches outside the city of location, no matter whether acquired before or after the passage of the bill.

May 26, 1924. 165

Mrs. Chandler Hale tells C.S.H. she admired Sec. Mellon greatly, and C.S.H. explained to her his plan for income tax reduction which the Republicans in Congress had unceremoniously thrown down.

June 1, 1924. 176, 177

Sec. Mellon asks Board to take no action as to appointment of Federal Reserve Agent at Minneapolis until he could confer with the Board. At our request he came into the meeting and we told him what we had done. He asked for delay until a week from next Tuesday, to which we agreed.

June 6, 1924. 180

Sec. Mellon discusses with the Board the suggested appointment of John Mitchell as Federal Reserve Agent at Minneapolis. He was not unfavorable but we decided to wait a few weeks before final action.

June 17, 1924. 194, 195, 196

C.S.H. asks Sec. Mellon whether he was not sworn in by a Notary as Sec. Of the Treasury after being sworn in by Chief Justice White. Sec. Mellon said No.

I looked my diary and found that I had told Houston that the Chief Justice, not being a Notary, could not administer the oath of office, and that Houston told me later that he had told this to Sec. Mellon and that the oath had been later administered to him by a Notary.

He finally said he had a vague recollection that what I said might be true, and that he would look the matter up.

June 17, 1924. 196, 198

Melting of silver dollars. 98 to 105

See - Pittman Act  
Thomas

Member banks

Gov. Case deprecates the competition with member banks caused by Federal Reserve bank purchases of Govt. securities and acceptances, and thinks it will interfere with Treasury operations.

May 7, 1924. 132, 133

Mellon (Cont.)

Sec. Mellon reported the change made by the F.R. Committee in reporting the bill, providing that state banks entering the system must register all branches outside the city of location, no matter whether opened before or after the passage of the bill.

May 28, 1924

Mrs. Chandler Hale O.S.H. she advised Sec. Mellon that she had explained to her his plan for income tax reduction which the Republicans in Congress had unceremoniously thrown down.

June 1, 1924

Sec. Mellon asks Board to take no action as to appointment of Federal Reserve Agent at Minneapolis until the could confer with the Board. At our request he came into the meeting and we told him what we had done. He asked for delay until a week from next Tuesday, to which we agreed.

June 8, 1924

Sec. Mellon discusses with the Board the suggested appointment of John Mitchell as Federal Reserve Agent at Minneapolis. He was not unfavorable but we decided to wait a few weeks before final action.

June 17, 1924

O.S.H. asks Sec. Mellon whether he was not sworn in by a Notary as Sec. of the Treasury after being sworn in by Chief Justice White. Sec. Mellon said No.

I looked my diary and found that I had told Houston that the Chief Justice, not being a Notary, could not administer the oath of office, and that Houston told me later that he had told this to Sec. Mellon and that the oath had been administered to him by a Notary.

He finally said he had a vague recollection that what I said might be true, and that he would look the matter up.

June 17, 1924

Weight of silver dollars 98 to 108  
See - Pittman Act  
Thomas

Member banks  
Gov. Case denounces the competition with member banks caused by Federal Reserve bank purchase of Govt. securities and accumulation, and thinks it will interfere with Treasury operations.

May 7, 1924

Memorandum of C.S.H.

On Federal Reserve note issues, combating Miller's claim that they should be reduced by the F. R. Board.

Feb. 14, 1924. 19, 20, 21

Mercantile Trust Co., San Francisco

California Suptd. of Banking says he can examine simultaneously the branches of.

Mar. 20, 1924. 82

Meyer, Eugene

Mr. and Mrs. Meyer dine with us to meet the Egyptian Minister. May 25, 1924. 161

Strong says, is one of the Wall Street men brought to the Treasury by McAdoo. May 29, 1924. 172

Miller, Adolph

Asks Board to give Asst. F.R. Agent Breck of F.R. Bank of San Francisco leave of absence with full pay to go with Robinson of the Dawes Commission.

C.S.H. objected:

- (a) No authority in Board
- (b) Violates Senate reservation to Treaty between U.S. and Germany, forbidding sending any commission abroad without direct authority of Congress.

Miller said we could send Breck assigning some other nominal reason!

Gov. C. said Sec. Mellon and the Cabinet did not approve.

Robinson then came in.

Miller again said there was no reason why Breck could not be sent, in spite of what Sec. Mellon said.

Miller evidently was "performing" before Robinson.

C.S.H. reads Senate reservation to Treaty between U.S. and Germany. (42 sts. at Large, p. 1945)

Miller contended for over an hour that a Board resolution could be passed which would be unobjectionable.

C.S.H. and James said in form but not in truth.

C.S.H. moved Perrin be instructed that the Board had no authority to make this assignment.

Miller still wrangled.

Miller, Adolph (Cont.)

C.S.H. said the Comptroller General would disallow any payment of salary to Breck for any such purpose.

Miller said in such event he would tell the Comptroller to go to hell!

Miller said Mellon's disapproval was a "curbstone opinion."

Miller said C.S.H. acted like a scared school girl.

Miller then moved as a substitute for C.S.H.'s motion that the Governor consult the Secretary of State.

C.S.H. said this would be discourteous to Sec. Mellon.

C.S.H.'s motion was carried.

Miller voted No.

C.S.H. thinks Miller has some relations with Robinson, perhaps financial relations, which made him so insistent. It may be that Robinson helped him put up the 600,000 for the Globe Milling Company.

Jan. 2, 1924. 1,2,3,4.

Miller votes No on C.S.H. motion that the time within which blanket authority will be given for plans for branches be extended from Feb. 1, 1924 to April 1, 1924.

Jan. 7, 1924. 4

Miller said he was in sympathy with Cunningham resolution that the committee on salaries and expenditures report on the number of officers, salaries, etc. with a view to effecting economies, and then proceeded bitterly to assail it.

Miller said he approved a similar resolution offered by C.S.H. years ago.

On the vote, Miller declined to vote.

Jan. 14, 1924. 5, 6.

Miller bitterly opposes C.S.H.'s motion to discharge the economy and efficiency committee from the duty of making recommendations based on its research work and to transfer this function to the salaries and expenditures committee.

C.S.H. cited the vote of the Board months ago directing Miller's economy and efficiency committee to report on the F.R. Agents monthly reports, which lay sleeping in Miller's committee.

Miller said the committee had not reported and would not.



Miller, Adolph (Cont.)  
C.S.H. said the Comptroller General would disallow any payment of salary to Brock for any such purpose.

Miller said in such event he would call the Comptroller to go to Miller

Miller said Miller's disapproval was a "constructive opinion."

Miller said C.S.H. acted like a court school girl.

Miller then moved as a substitute for C.S.H.'s motion that the Governor consent the Secretary of State.

C.S.H. said this would be disastrous to the State.

C.S.H.'s motion was carried.

Miller voted No.

C.S.H. thinks Miller has some relations with Robinson, perhaps financial relations, which made him so insistent. It may be that Robinson helped him put up the \$50,000 for the Globe Printing Company.

Jan. 3, 1924. 1, 2, 3, 4.

Miller votes No on C.S.H. motion that the time within which plans authority will be given for plans for branches be extended from Feb. 1, 1924 to April 1, 1924.  
Jan. 7, 1924. 4

Miller said he was in sympathy with Cunningham resolution that the committee on salaries and expenditures report on the number of officers, salaries, etc. with a view to effecting economies, and then proceeded bitterly to assail it.

Miller said he approved a similar resolution offered by C.S.H. years ago.

On the vote, Miller declined to vote.

Jan. 14, 1924. B. 3.

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C.S.H. cited the vote of the Board months ago directing Miller's economy and efficiency committee to report on the F.R. Agency monthly reports, which lay sleeping in Miller's committee.

Miller said the committee had not reported and would not

Miller, Adolph (Cont.)

C.S.H. said that was the reason for his motion.

C.S.H. finally suspended his motion and moved to reconsider the adverse vote on Cunningham's resolution.

Miller said he thoroughly approved the resolution if the committee should be directed instead of authorized.

The Board finally voted to reconsider.

Miller alone voted No!

Jan. 17, 1924. 6, 7.

Miller presents a memorandum containing suggestions for the annual report.

His article favored limiting of future F.R. note issues by the Board.

It stated that F.R. note issues had been the cause of past inflation; that member banks rediscounted for the purpose of obtaining F.R. notes; that the F.R. banks were originally created primarily as note issuing banks.

C.S.H.'s memorandum stated that every F.R. note issue, - except those issued dollar for dollar against gold, - grew out of an antecedent rediscount of commercial paper, and that the Board could effectually regulate F.R. note issues by controlling these antecedent credits.

(See, scrap book.)

Miller was very ugly and said my memorandum was "muddleheaded," as he was prepared to show.

C.S.H. told Miller to put his memorandum in the annual report and he would file a minority report.

Feb. 14, 1924. 19, 20.

C.S.H. addresses Board as a matter of personal privilege, saying that one reason for preparing his memorandum was as follows:-

1. Miller, in May, 1923, attacked F.R. note issues as the cause of inflation, past and present.
2. Miller bitterly attacked the other members of the Board for gross negligence in surrendering to the F.R. banks the power over F.R. note issues, leaving their issue to the uncontrolled power of the ignorant directors to flood the country with paper issues, thus causing the speculation and inflation which followed.

Miller, Adolph (Cont.)

C.S.H. said that was the reason for his motion.

C.S.H. finally suspended his motion and moved to reconsider the adverse vote on Committee's resolution.

Miller said he thoroughly approved the resolution if the committee should be directed instead of authorized.

The Board finally voted to reconsider.

Miller again voted No!

Jan. 14, 1924. 27

Miller presents a memorandum containing suggestions for the annual report.

His article favored limiting of future F.R. note issues by the Board.

It stated that F.R. note issues had been the cause of past inflation; that member banks relinquished for the purpose of obtaining F.R. notes; that the F.R. banks were originally created primarily as note issuing banks.

C.S.H.'s memorandum stated that every F.R. note issue - except those issued dollar for dollar against gold - grew out of an unbalanced reduction of commercial paper, and that the Board could effectively regulate F.R. note issues by controlling these antecedent credits.

(See scrap book.)

Miller was very ugly and said my memorandum was "unintended," as he was prepared to show.

C.S.H. told Miller to put his memorandum in the annual report and he would file a minority report.

Feb. 14, 1924. 19, 20.

C.S.H. addressed Board as a matter of personal privilege, saying that one reason for preparing his memorandum was as follows:-

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Miller, Adolph (Cont.)

C.S.H. said this was an unjust and untrue attack upon members not now on the Board; that the Board gave more study to the question of F.R. note issues than to any other question before it; that the Board's policy at that time was unanimous, including Miller.

C.S.H. quoted Miller as favoring the Board's policy.

Miller denied this, and C.S.H. said he had quoted his exact words, and that unless yes meant no, he did favor it.

(See scrap book).

C.S.H. said he did not question Miller's right to change his mind, as he had frequently done before.

C.S.H., as an instance of Miller's change of mind, reminded him that he was probably the original "deflationist" of the country, quoting his article in the annals of Political and Social Science.

(See scrap book.)

Miller made no reply to this.

C.S.H. referred to Miller's statement that C.S.H.'s statement was "muddle headed," at which Miller began to apologize, but C.S.H. said no apology was necessary, as the phrase implied no opprobrium but was the one usually used by economists to indicate disagreement with the views of their brother economists, and I felt flattered at being treated as if I were an economist, for Miller elevated me to that grade by the use of this phrase.

At this, the whole Board was convulsed with laughter!

Miller finally agreed to strike out all reference to the necessity for Board regulation of note issues, and to the statement that F.R. banks were created primarily as note issuing banks, and the episode ended.

Feb. 15, 1924. 21, 22.

Bank Superintendent Johnson wires Board that the McFadden bill is absolutely inconsistent with the agreement entered into by him with the Board's committee, - Miller, James and Dawes, when last in Washington.

Feb. 21, 1924. 34

Gov. C. says he will try to induce Miller to put through the Board and insert in the annual report his resolution that national banks should be given all branch powers now exercised by member banks.

Feb. 21, 1924. 34, 35.

Twohey, of Federal Advisory Council asks C.S.H. if he does not think Miller should be reappointed. C.S.H. said he had differed with Miller more than with any other member, but that he recognized that he was an economist and believed there should always be one economist on the Board, and that he thought it wise to reappoint him.

Miller, Adolph (Cont.)

C.S.H. said this was an unjust and unfair attack upon members not now on the Board; that the Board gave more study to the question of F.R. notes than to any other question before it; that the Board's policy at that time was unwise, including Miller's policy.

C.S.H. stated Miller as favoring the Board's policy.

Miller stated this, and C.S.H. said he had quoted his exact words, and that unless you meant no, he did favor it. (See survey book)

C.S.H. said he did not question Miller's right to change his mind, as he had frequently done before.

C.S.H., as an instance of Miller's change of mind, reminded him that he was probably the original "deflationist" of the country, quoting his article in the Journal of Political and Social Science. (See survey book)

Miller made no reply to this.

C.S.H. referred to Miller's statement that C.S.H.'s statement was "mildly headed," at which Miller began to apologize, but C.S.H. said no apology was necessary, as the phrase implied no opposition but was the one usually used by economists to indicate disagreement with the views of their brother economists, and I felt flattered at being treated as if I were an economist for Miller elevated me to that grade by the use of this phrase.

At this the whole Board was convulsed with laughter!

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Feb. 18, 1924. 33

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Miller, Adolph (Cont.)

It was very difficult to say this in view of Miller's personal idiosyncracies, but I leaned backward to avoid any suspicion of personal prejudice.

Miller is lazy and hates to work, but on the whole has done some good work.

In disputing with him I have got at the gist of many serious problems.

Miller's normal tendency is to say No to every question; he has no idea of practical administration; he always wants to decide every question without hearing the evidence pro and con, in fact, evidence seems to annoy him.

If he were not reappointed, however, doubtless some politician would be given the place.

On the whole, therefore, I attach more importance to his economic fitness than to his personal unfitness, and I know I can always watch him. Feb. 23, 1924. 41, 42.

Miller says that when Perrin asked authority to detail Breck to Robinson, a friend of Robinson saw Sec. Hughes who said it would be most inadvisable to detail Breck.

Miller said he did not tell the Board of this at the time for it had already declined to detail Breck. Feb. 23, 1924. 43

Miller favors granting the petition to take over the Valley Bank of Fresno, and so votes. Feb. 25, 1924. 47

Miller moved to approve the application of the Eastern Banking and Trust Company at Newburn, North Carolina, on condition that the state was giving a satisfactory, simultaneous examination, and that the condition of the parent bank and branch was sound.

Platt offered an amendment conditioned upon the parent bank and branch were found sound on examination by the state or by the F.R. bank.

Platt's amendment was carried.

Gov. C. and Miller alone voted for Miller's motion.

Miller said if his policy were not accepted we might as well throw up our hands in California.

C.S.H. told Miller the Board had no such power, apart from new legislation by Congress.

Feb. 25, 1924. 49, 50.

Miller accepts C.S.H.'s motion to separate reserves for notes and deposits from the annual report.

Miller, Adolph (Cont.)

Miller bitterly objects to C.S.H.'s motion ordering a simultaneous examination by the F.R. bank of all state member banks and branches where the state was not giving a satisfactory simultaneous examination, and votes against it. Lost in a tie.

Feb. 28, 1924. 53, 54.

Miller says he is to introduce a resolution to effect that the Board shall hereafter admit no state banks with branches unless the state is examining them simultaneously and satisfactorily.

C.S.H. points out this is in violation of Section 9, F.R. Act, which requires a F.R. examination if the state examination is unsatisfactory.

Miller was furious and said we were all cowards.

Miller also said that President Coolidge ought to be informed as to conditions in the Board so he could "clean it out."

Miller is clearly trying to devise some way of keeping out branches of state member banks and this seems to him a specious way of doing it.

Feb. 28, 1924. 54, 55

Miller offers a draft of regulation that the Board will refuse to receive any application for a branch from a state member bank in a state which did not provide for adequate, simultaneous examination of the state bank or trust company with its branches, whether a member or non-member bank.

C.S.H. and Platt pointed out its illegality, but all to no avail.

Passed, Miller voting for it.

Feb. 29, 1924. 58

Miller offers a draft for annual report that either state banks should be limited to branch powers enjoyed by national banks, or that national banks be given all branch powers now enjoyed by state member banks, - the latter being recommended by the Board.

Agreed that Sec. Mellon and Cunningham could record their votes.

Dawes moved to substitute a general indorsement of the McFadden bill.

Miller voted against this.

Feb. 29, 1924. 59

Miller voted for his main motion, which was passed, subject to failure as a tie, if Sec. Mellon and Cunningham recorded their votes against it.

Feb. 29, 1924. 60

Miller accepts C.S.H.'s motion to strike out all reference to separate reserves for notes and deposits from the annual report.

Miller, Adolph (Cont.)

It was very difficult to say this in view of Miller's personal identification, but I leaned backward to avoid any suggestion of personal prejudice.

Miller is fairly and justly entitled to his own opinion, but on the whole has done some good work.

In discussing with him I have got at the root of many serious problems.

Miller's normal tendency is to say "No" to every question; he has no idea of practical administration; he always wants to handle every question without hearing the evidence pro and con, in fact, evidence seems to annoy him.

If he were not repulsed, however, doubtless some political world would give him the place.

On the whole, therefore, I attach more importance to his economic fitness than to his personal unfitness, and I know I can always watch him.

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Miller says that when Board asked authority to detail Brock to Robinson, a friend of Robinson's, James who said it would be most inadvisable to detail Brock.

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Platt offered an amendment conditioned upon the parent bank and branch were found sound on examination by the state or by the F.R. bank.

Platt's amendment was carried.

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C.S.H. said Miller the Board had no such power, apart from new legislation by Congress.

Feb. 28, 1924. 48, 50.

Miller, Adolph (Cont.)

Miller's motion ordering a simultaneous examination by the F.R.B. of all state member banks and branches where the state has not given a satisfactory examination and votes against it. Lost in a tie. Feb. 28, 1924. 54

Miller says he is to introduce a resolution to effect that the Board shall hereafter admit no state banks with branches unless the state is examining them simultaneously and satisfactorily.

C.S.H. points out this is in violation of Section 9, F.R.B. Act, which requires a F.R. examination if the state examination is unsatisfactory.

Miller was furious and said we were all cowards.

Miller also said that President Coolidge ought to be informed as to conditions in the Board so he could "clean it out."

Miller is clearly trying to devise some way of keeping out branches of state member banks and this seems to him a specious way of doing it. Feb. 28, 1924. 55

Miller offers a draft of regulation that the Board will refuse to receive any application for a branch from a state member bank in a state which did not provide for adequate examinations of the state bank or trust company with its branches, whether a member or non-member bank.

C.S.H. and Platt pointed out the illegality, but all to no avail.

Passed, Miller voting for it. Feb. 28, 1924. 58

Miller offers a draft for annual report that either state banks should be limited to branch powers enjoyed by national banks, or that national banks be given all branch powers now enjoyed by state member banks, the latter being recommended by the Board.

Agreed that Sec. Mellon and Cunningham could record their votes.

Dawes moved to substitute a general endorsement of the McWhorter bill.

Miller voted against this. Feb. 28, 1924. 59

Miller voted for his main motion, which was passed, subject to failure as it is. If Sec. Mellon and Cunningham recorded their votes against it. Feb. 28, 1924. 60

Miller accepts C.S.H.'s motion to strike out all reference to separate reserves for notes and deposits from the annual report.

Miller, Adolph (Cont.)

C.S.H. accepts amendment of Miller to insert a short sentence saying that the existing reserve statement does not accurately show reserve conditions.

After long discussion C.S.H.'s motion was lost, Miller and all members except C.S.H. and Cunningham, including Miller, voting against it.

Miller was very ugly and finally moved that the minority view of C.S.H. and Cunningham be adopted, and C.S.H. thinks this motion prevailed.

Miller said this was the last time he should vote on split reserves and perhaps the last time he should vote on any question.

Miller bitterly attacked the members saying that they were dominated by the minority; that the minority had imposed Soviet Govt. on the Board.

March 5, 1924. 62

Miller said that the fact that all of the Governors opposed splitting the reserves was an absolutely conclusive reason to him for insisting upon splitting them!

March 5, 1924. 63

Miller attacks Cunningham for saying he would not vote for the annual report as it did not give a full report of the Board's operations, saying, in a most reproving way, that 6 weeks ago Cunningham was asked to present a draft on agricultural problems for the annual report, and yet he had done nothing about it.

Miller added, - "If you don't approve of the report, why don't you file a minority report?"

This seemed to shame Cunningham who admitted he had forgotten all about it.

On the motion to adopt the annual report it was carried, 3 to 2, but Miller refused to vote.

C.S.H. told Miller he ought to vote one way or another, as by refusing to vote he really alligned himself with Cunningham and James, who voted No, and that we ought not to send a 3 to 2 report to Congress. Miller then voted Aye.

Mar. 7, 1924. 64, 65, 66.

The special committee, - Miller, James and Platt, presented the draft of new regulations.

Mar. 7, 1924. 67

C.S.H. moved postponement pending a simultaneous examination by the Federal Reserve Bank.

Miller, Adolph (Cont.)

C.S.H. says amendment of Miller to insert a short sentence saying that the existing reserve statement does not adequately show reserve conditions.

After long discussion C.S.H.'s motion was lost. Miller and all members except C.S.H. and Cunningham, including Miller, voting against it.

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March 8, 1924. 63

Miller said that the fact that all of the Governor's opposed splitting the reserves was an absolutely conclusive reason to him for insisting upon splitting them!

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Miller attacked Cunningham for saying he would not vote for the annual report as it did not give a full report of the Board's operations saying in a most reproving way that 8 weeks ago Cunningham was asked to present a draft on agricultural problems for the annual report, and yet he had done nothing about it.

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Mar. 7, 1924. 64, 65, 66.

The special committee - Miller, James and Platt, presented the draft of new regulations.

Mar. 7, 1924. 67

Miller, Adolph (Cont.)

Miller and James said Johnson told them that he was examining simultaneously all but the 4 banks having the largest number of branches.

Mar. 7, 1924. 67

Miller pointed out that the draft reported said the Board would not entertain an application unless such bank was being examined simultaneously, i.e., in California, it applied only to the 4 largest state banks.

Mar. 7, 1924. 67, 68

Miller and James got in a row as to the condition that the Board will grant an application only in the place of location and contiguous territory as defined by the Board.

Miller wanted inserted a clause covering territory tributary in a banking sense to the parent bank.

C.S.H. said although he did not favor the area defined in the resolution of Nov. 7, 1923, it was at least clear and specific while Miller's was hopelessly vague.

Mar. 7, 1924. 68, 69.

Miller gave notice he would move to amend by inserting his economic and banking zone draft.

Mar. 7, 1924. 70

Miller moves that the application of a bank in Elizabeth City, South Carolina, to take over a bank 40 miles away and run it as a branch, be referred to the Federal Reserve Agent to report whether desirable on banking grounds, wholly apart from the Nov. 7, 1923, resolution.

Mar. 12, 1924. 72

Miller votes against postponing this for a meeting of the full Board.

Mar. 12, 1924. 74

C.S.H. feels Miller could not possibly be designated as Governor.

Mar. 7, 1924. 76

Miller opposes application of Pacif. S. W. Co. to merge a national bank at Torrance, 15 miles from Los Angeles, and within the territory defined by the Jan. 1924 amendment to the resolution of Nov. 7, 1923.

Miller says the Pacif. S. W. Co. has reached the limit of safety as to branches and has really gone beyond the limit.

Miller moved to reject the application because the state was not examining the bank and branches simultaneously.

C.S.H. moved postponement pending a simultaneous examination by the Federal Reserve Bank.

Mar. 26, 1924. 85, 86, 87.

Miller, Adolph (Cont.)

Miller and James said Johnson told them that he was examining  
simultaneously all but the 4 banks having the largest number  
of branches.

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Miller votes against postponing this for a meeting of the full Board.  
Mar. 12, 1924. 74

C.S.H. says Miller could not possibly be designated as Governor.  
Mar. 7, 1924. 78

Miller opposes application of Pacif. S. W. Co. to merge a national  
bank at Terrence, 18 miles from Los Angeles, and within the  
territory defined by the Jan. 1924 amendment to the resolution  
of Nov. 7, 1923.

Miller says the Pacif. S. W. Co. has reached the limit of safety as  
to branches and has really gone beyond the limit.

Miller moved to reject the application because the state was not  
examining the bank and branches simultaneously.

C.S.H. moved postponement pending a simultaneous examination by the  
Federal Reserve Bank.

Miller, Adolph (Cont.)

Miller votes No. Lost on the vote.

Miller votes No on C.S.H.'s motion that a simultaneous examination  
be held by Herson of all California state member banks and  
branches, which are not now being so examined by the state  
vote passed. Mar. 18, 1924. 79, 80

In debate on Miller's main motion he denied saying the Pacif. S.W.  
Co. had gone beyond the limit of safety, saying he was  
referring only to the banking situation, adding that he had  
not the slightest doubt but that a simultaneous examination  
would show that the Pacif. S.W. Co. was in fine condition.

Miller objects to C.S.H. request that this statement be put in the  
minutes.

C.S.H. insisted and said Miller's remark showed he was merely  
seeking an excuse for rejecting the application, by putting it  
on the ground of failure to examine simultaneously, while  
averring that such an examination would reveal that the bank  
was in sound condition.

Miller's motion was passed 5 to 3.

Mar. 18, 1924. 81

Miller moves to strike out of draft of regulations, "contiguous  
territory" etc. and substitute "banking area tributary to  
the parent bank, etc."

Miller admits this would repeal the resolution of Nov. 7, 1923.

Set down for special assignment.

Mar. 18, 1924. 82

Miller says the simultaneous examination under C.S.H.'s motion which  
was passed will precipitate a banking crisis in California!

Miller is evidently seeking an excuse for prohibiting further branches.  
Mar. 20, 1924. 83

Miller consults Sec. Mellon and returns bearing a draft as to branches  
which Mellon asks to be recorded for.

Miller moves to substitute Sec. Mellon's draft.

Dawes rushes into Sec. Mellon's office and returns saying may  
possibly agree to his motion to insert a reference to the  
Nov. 7, 1923 resolution and amendment of Jan. 1924.

Miller votes against Dawes motion to substitute this. Lost

Miller votes for his own motion to substitute Sec. Mellon's draft.  
Carried 4 to 3 but Sec. M. to have right to record vote.  
Mar. 26, 1924. 85, 86, 87.

Miller, Adolph (Cont.)

Miller votes No. Lost on the vote.

Miller votes No on C.S.H.'s motion that a simultaneous examination be held by the Board of all California state member banks and branches, which are not now being so examined by the state.

In debate on Miller's main motion he denied saying the Pacific S.W. Co. had gone beyond the limit of safety, saying he was referring only to the banking situation, adding that he had not the slightest doubt but that a simultaneous examination would show that the Pacific S.W. Co. was in this condition.

Miller objects to C.S.H.'s proposal that this statement be put in the minutes.

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Miller moves to substitute Sec. Mellon's draft.

Dawes takes into Sec. Mellon's office and returns saying may possibly agree to his motion to insert a reference to the Nov. 7, 1923 resolution and amendment of Jan. 1924.

Miller votes against Dawes motion to substitute this. Lost.

Miller votes for his own motion to substitute Sec. Mellon's draft. Carried 4 to 3 but Sec. M. to have right to record vote. Mar. 26, 1924. 88, 88, 87.

Miller, Adolph (Cont.)

Miller votes against C.S.H.'s proposed draft requiring simultaneous examination by the state or F.R. authorities. Lost

Miller's vote to adopt the regulations as amended. Mar. 26, 1924. 88

Miller attacks C.S.H.'s compromise draft of regulations as to branches, saying it leaves the whole matter wide open. Mar. 27, 1924. 92

Miller suggests striking out from C.S.H.'s draft the clause "tributary to and connected with the city of location of the parent bank in usual banking relations" and substituting the words "contiguous thereto."

(Yet on Mar. 18 he moved to strike out of the original draft the words "contiguous territory" and substitute "banking area tributary to the parent bank!" (see p. 82).)

C.S.H. accepted with reluctance Miller's suggestion, assuming Miller would vote for the draft with his amendment in it.

On C.S.H.'s motion to accept his compromise draft with Miller's amendment, the vote was in favor, 5 to 3.

Miller, however, much to Sec. Mellon's disgust, voted No. Mar. 27, 1924. 93

Miller bitterly attacks Dawes because of his letter to McFadden stating that the Federal Reserve Act was in danger unless the McFadden bill was passed, charging that he wrote as if this was the opinion of the Board, whereas 4 out of the 6 appointive members were of a different opinion.

Miller said Dawes should have first submitted the question to the Board.

Dawes said he was merely expressing his personal opinion. Mar. 27, 1924. 94

Miller says Smead's memorandum on the views of Sen. Reed on the bonus bill is good, but might well be condensed.

Miller agrees to sending any memorandum O.K.'d by Stuart. April 17, 1924. 118

Federal Reserve Agent Wills tells C.S.H. he has had a talk with Sec. Mellon as to Miller's reappointment on the F.R. Board; that he told Mellon he hoped he would not be prejudiced against Miller because he voted against C.S.H.'s compromise



Miller, Adolph (Cont.)

regulation on branch banks; that Mellon said Miller had explained this to him and that he was favorable to his reappointment. C.S.H. explained why he favored it.

April 23, 1924. 121

Favors lowering N. Y. discount rate from 4 1/2 to 4%.

April 26, 1924. 124

In discussing discount rates Miller said the Federal Reserve System should lead, downward as well as upward; that lower discount rates would mean lower cost of manufacture; that prices had declined 15% in six months and that this interfered with carrying large inventories and made for uncertainty.

May 7, 1924. 131

Agrees with C.S.H. that the principal banks should reduce rates.

May 7, 1924. 131

Miller says now is the time for Federal Reserve banks to invest in the open market in order to acquire a weapon to use later if speculative conditions should arise.

May 7, 1924. 132

Eddy tells C.S.H. that the Federal Advisory Council voted informally in favor of the reappointment of Miller on the F.R. Board.

May 13, 1924. 142

President Coolidge renominates Miller for the F.R. Board.

May 17, 1924 (Saturday). 147

C.S.H. goes into Miller's office and congratulates him.

Miller said Sec. Mellon told him at the Wallace wedding, a few days ago, that President Coolidge told him it was settled.

Miller said Giocini, of the Bank of Italy, had wired congratulations and had even sent him flowers.

May 19, 1924. 147

Miller tells Cunningham the Board was criticized for not having sooner controlled credit by putting up discount rates.

May 21, 1924. 150

Miller said he had had a two-hour's talk with Under Secretary Winston yesterday to persuade him that the F.R. banks should increase their earning assets by open market purchases of Govt. securities; that he thought Winston's objection was rather for tactical reasons, and that he was prepared to see us do it if we could present a carefully drawn-up plan

Miller is appointed with Cunningham to meet John Mitchell in New York and talk over with him his possible appointment as F.R. Agent at Minneapolis. June 3, 1924. 179

Miller, Adolph (Cont.)

Miller's voice against C.S.H.'s proposed draft regarding simultaneous examination by the state or F.R. authorities. Last

Miller's vote to adopt the regulations as amended. Mar. 28, 1924. 88

Miller attacks C.S.H.'s compromise draft of regulations as to branches, saying it leaves the whole matter with open

Miller suggests striking out from C.S.H.'s draft the clause "territory to and connected with the city of location of the parent bank in usual banking relations" and substituting the words "contiguous territory".

On Mar. 18 he moved to strike out of the original draft the words "contiguous territory" and substitute "banking area territory to the parent bank" (see p. 88).

C.S.H. accepted with reluctance Miller's suggestion, assuming Miller would vote for the draft with his amendment in it.

On C.S.H.'s motion to accept his compromise draft with Miller's amendment, the vote was in favor. 88 & 89

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Miller says Board's memorandum on the views of Sen. Reed on the Dawes bill is good, but might well be condensed.

Miller agrees to sending my memorandum C.S.H.'s by Stewart. April 17, 1924. 118

Federal Reserve Agent Willie Wells C.S.H. he has had a talk with Sec. Mellon as to Miller's reappointment on the F.R. Board; that he told Mellon he hoped he would not be prejudiced against Miller because he voted against C.S.H.'s compromise

Miller, Adolph (Cont.)  
Miller says the Treasury should agree to ask Congress to reimburse

Miller, Adolph (Cont.)  
showing clearly the necessity; that he was absolutely indifferent as to the question of deficient earnings, and thought this of absolutely no importance.

C.S.H. feels this shows domination by the Treasury.  
May 21, 1924. 150

Sec. Glass calls on C.S.H. but never once referred to Miller's nomination for the F.R. Board.  
May 22, 1924. 152

Miller takes issue with Gov. Strong's opinion that the debt owed us by the Allies should be readjusted, saying that full payment was necessary to protect the sacredness of an international obligation.  
May 22, 1924. 153

Miller votes with C.S.H. and Platt against Cunningham's resolution favoring the McFadden bill.  
May 26, 1924. 165

Miller disagrees with Gov. Strong that the F.R. Bank of New York should be permitted to meet a speculative situation in New York if one should arise, by selling Govt. securities without first getting the consent of the Open Market Committee, saying that no one bank should be allowed thus to control the stock market unless it were the consensus of opinion of the other F.R. banks, the open market committee, and the Federal Reserve Board.  
May 29, 1924. 169

Miller says if there is any doubt as to the power of the Board to forbid the purchase or sale of Govt. securities by F.R. Banks, we should ask Congress to give us that power.  
May 29, 1924. 170

Senator Glass says Miller's nomination was O.K.'d by the members of the committee without a meeting, and that there was no opposition in the Senate.  
May 31, 1924. 175

C.S.H. feels there is a mystery about Miller's nomination. It was sent in late one Saturday afternoon, just a week ago, and was confirmed the next Friday. C.S.H. saw no mention of it in the papers until after he was confirmed, although others said it was mentioned.  
May 31, 1924. 175, 176

Miller is appointed with Cunningham to meet John Mitchell in New York and talk over with him his possible appointment as F.R. Agent at Minneapolis. June 5, 1924. 179

Miller, Adolph (Cont.)  
regulation on branch banks; that Miller said Miller had explained this to him and that he was favorable to his reappointment. C.S.H. explained why he favored it.  
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Favors lowering N.Y. discount rate from 4% to 3%.  
April 28, 1924. 154

In discussing discount rates Miller said the Federal Reserve System should be lowered as well as upward; that lower discount rates would mean lower cost of manufacture; that prices had declined 10% in six months and that this increase with carrying large inventories and made for uncertainty.  
May 7, 1924. 151

Agrees with C.S.H. that the principal banks should reduce rates.  
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Miller says now is the time for Federal Reserve banks to lower in the open market in order to acquire a weapon to use later if speculative conditions should arise.  
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Miller says C.S.H. that the Federal Advisory Council voted informally in favor of the reappointment of Miller on the F.R. Board.  
May 12, 1924. 152

President Coolidge renominates Miller for the F.R. Board.  
May 17, 1924 (Saturday). 157

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Miller said Sec. Mellon told him at the Wallace wedding a few days ago, that President Coolidge told him it was settled.

Miller said Glenard of the Bank of Italy had wired congratulations and had even sent him flowers.  
May 19, 1924. 157

Miller tells Cunningham the Board was criticized for not having sooner controlled credit by putting up discount rates.  
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Miller, Adolph (Cont.)

Miller says the Treasury should agree to ask Congress to reimburse the F.R. banks if they assumed until July 1st the expense of shipping and insuring unfit currency.

June 12, 1924. 189

Miller's committee reports all facts as to Mitchell's losses and recommended his appointment as Federal Reserve Agent.

June 17, 1924. 194, 195

Miller takes oath of office for new term as a member of the Federal Reserve Board.

June 17, 1924. 196

(He also took another oath at the beginning of his new term, - Aug. 10, 1924, being advised to do this by C.S.H. and Wyatt).

Miller defends proposed differential by Philadelphia, in favor of 6 months paper and 9 months paper, saying the longer maturity should carry a higher rate.

June 17, 1924. 196, 197

Miller, Mrs. Adolph

Mrs. Chandler Hale tells C.S.H. she has seen something of Mrs. Miller at Mah Jong parties, and that every once in a while she would say something which made her feel she was not quite a lady; that she called every one "Deary" etc.

June 3, 1924. 178

Minority

Miller says the minority governs the Board and that President Coolidge ought to be informed so he could "clean it out."

February 28, 1924. 54, 55.

Minority report

Cunningham and James say they will not file a, on annual report of Board.

Mar. 7, 1924. 66

Mitchell, John

Mr. Prince, of F.A. Council, says Mitchell is wiped out financially.

May 13, 1924. 141

Mr. Prince says Mitchell did not want to be made Federal Reserve Agent, and seemed to be opposed to our offering him the place.

June 5, 1924. 178

Board appoints Miller and Cunningham to see Mitchell and report on his affairs with a recommendation.

June 5, 1924. 179

Platt tells us of Mitchell's embarrassment. June 5, 1924. 179

Miller (Cont.) showing clearly the necessity; that he was absolutely indifferent as to the question of deficient earnings, and thought this of absolutely no importance.

C.S.H. feels this shows domination by the Treasury. May 31, 1924. 190

Gov. Glass calls on C.S.H. but never once refers to Miller's nomination for the F.R. Board. May 22, 1924. 188

Miller takes issue with Gov. Strong's opinion that the debt owed us by the Allies should be repaid, saying that full payment was necessary to protect the soundness of an international obligation.

May 22, 1924. 188

Miller votes with C.S.H. and Platt against Cunningham's resolution favoring the Sherman Bill. May 26, 1924. 188

Miller disagrees with Gov. Strong that the F.R. Bank of New York should be permitted to meet a speculative situation in New York if one should arise, by selling Govt. securities without first getting the consent of the Open Market Committee, saying that no one bank should be allowed to control the stock market unless it were the consensus of opinion of the other F.R. banks, the open market committee, and the Federal Reserve Board.

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C.S.H. feels there is a mystery about Miller's nomination. It was sent in late one Saturday afternoon, just a week ago, and was confirmed the next Friday. C.S.H. saw no mention of it in the papers until after he was confirmed, although others said it was mentioned. May 31, 1924. 176

Miller is appointed with Cunningham to meet John Mitchell in New York and talk over with him his possible appointment as F.R. Agent at Minneapolis. June 2, 1924. 178

Mitchell, John (Cont.)

Committee reports as to Mitchell's financial troubles and recommends his appointment.

June 17, 1924. 194, 195, 196.

Montague, Gov.

C.S.H. asks, to dinner to talk over the L. of N. and Carnegie Foundation in connection therewith.

April 28, 1924. 126

Says Butler did not mention League in his synopsis of his report delivered to the Foundation.

Says the trustees are opposed to the League, especially James Brown Scott, who also is opposed to the World Court, although favoring a World Court.

April 30, 1924. 127

Morgan, J. P.

Davis tells C.S.H. he is not the personal counsel of, but that his firm handles much of their banking and financial questions.

Feb. 24, 1924. 38

Col. House says the fact that John W. Davis was of counsel of, eliminates him from the Presidential nomination.

Mar. 10, 1924. 71

Mr. Laont of firm of, congratulates C.S.H. on his speech at the Hamihara dinner.

Mar. 10, 1924. 72

Morgan, Mrs. J. P.

Bertie spends week-end with, at Highland Falls, N. Y.

June 7, 1924. 181

Myer, Gertrude

Wants C.S.H. to be an executor under a new will she is making, with Mrs. Chandler Hale, an executor under her old will.

C.S.H. declines to act, it be inconsistent with his duties under F.R. Board.

C.S.H. advises her to appoint a trust company with some other friend.

Mrs. Hale tells C.S.H. she does not want to act as her executor.

C.S.H. advises her, if she does act, to insist on a trust company also to be appointed.

C.S.H. said he sympathized with her disinclination.

Miller, Adolph (Cont.)  
Miller says the Treasury should agree to ask Congress to reimburse the F.R. Board if they assume until July the expense of shipping and insuring war's currency.  
June 18, 1924. 189

Miller's committee reports all facts as to Mitchell's losses and recommended his appointment as Federal Reserve Agent.  
June 17, 1924. 184, 185

Miller takes oath of office for new term as a member of the Federal Reserve Board.  
June 17, 1924. 186

(He also took another oath at the beginning of his new term - Aug. 10, 1924, being advised to do this by C.S.H. and Wynn.)

Miller defends proposed differential of Philadelphia, in favor of 8 months paper and 9 months paper, saying the longer maturity should carry a higher rate.  
June 17, 1924. 186, 187

Miller, Mrs. Adolph  
Mrs. Chandler Hale tells C.S.H. she has seen something of Mrs. Miller at Man Long parties, and that every once in a while she would say something which made her feel she was not quite a lady; that she called every one "Daisy" etc.  
June 3, 1924. 178

Minority  
Miller says the majority governs the Board and that President Coolidge ought to be informed so he could "clean it out".  
February 28, 1924. 84, 85

Minority report  
Cunningham and James say they will not file a, on annual report of Board.  
Mar. 7, 1924. 88

Mitchell, John  
Mr. Prince of F.A. Council, says Mitchell is wiped out financially.  
May 18, 1924. 141

Mr. Prince says Mitchell did not want to be made Federal Reserve Agent, and seemed to be opposed to our offering him the place.  
June 3, 1924. 178

Board appoints Miller and Cunningham to see Mitchell and report on his affairs with a recommendation.  
June 3, 1924. 178

First tells us of Mitchell's embarrassment. June 3, 1924. 178

Mitchell, John (Cont.)  
Committee reports to Mitchell's financial troubles and payments  
his appointment.

June 17, 1924. 180

Montague, Gov.  
E.S.H. takes to dinner to talk over the L. of W. and Carnegie  
Foundation in connection therewith.

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Mar. 10, 1924. 187

Mr. Lamont of firm of congressmen C.S.H. on his speech at the  
Banquet dinner.

Mar. 10, 1924. 188

Morgan, Mrs. J. P.  
Berle speaks week-end with at Highland Falls, N. Y.

June 7, 1924. 189

Myer, Gertrude  
Wants C.S.H. to be an executor under a new will she is making  
with Mrs. Chandler Hale, an executor under her old will.

C.S.H. declines to act, if he is instrumental with his duties under  
Y.N. Board.

C.S.H. advises her to appoint a trust company with some other friend.

Mrs. Hale tells C.S.H. she does not want to act as her executor.

C.S.H. advises her, if she does not, to insist on a trust company  
also to be appointed.

C.S.H. said he suggested with her distinction.

Myer, Gertrude (Cont.)

She said her sister, Mrs. Rogers, would probably insist upon her not  
doing so.

She said she feared trouble with the nephew, if she served, and  
C.S.H. fears so too.

Feb. 16, 1924. 26, 27.

Mrs. Hale says Gertrude spent 2 or 3 hours with her the other day  
complaining of her brother Walden; said that he was very  
irritable and provoking towards her; that one day he told her  
she acted like an old hog; that she no longer feared his  
becoming a Roman Catholic.

June 1, 1924. 176

Tells C.S.H. at dinner that Mrs. Hale said that Mrs. West told her  
(Mrs. Hale) that she had gone with Mrs. Wilson and Vance  
McCormick to the Cathedral to make arrangements for interring  
the body of President Wilson there.

(The above is changed from what my diary says being corrected by  
a subsequent talk with Mrs. Hale.)

June 3, 1924. 177

C.S.H. dines with Gertrude Myer; Mrs. Chandler Hale was also there.

C.S.H. asked as to the facts about Mrs. West and Mrs. Hale said that  
Mrs. West told her that she had seen Vance McCormick on the  
occasion of his visit to Mrs. Wilson to talk over the permanent  
burial place of President Wilson; that she evidently did not  
know that Mr. McCormick was her cousin; that later she saw him  
and asked why he had not come to see her when in Washington;  
that he had had time to go and see Mrs. West; that he said  
he had not seen Mrs. West or any woman in Washington for a year!

C.S.H. said to Gertrude that as he remembered it she told him  
Mrs. West had said she had gone out to the Cathedral with Mrs.  
Wilson and Mrs. McCormick.

Gertrude at once said that she did say that, and that it was not true,  
but that what Mrs. West said anyway was a lie and what she -  
Gertrude - added made no difference!

June 12, 1924. 193

See also - Hale, Mrs. Chandler

National Union Bank  
Hearing on interlocking directorate between the Old Colony Trust Co.  
and the.

Mar. 20, 1924. 82

New York Journal of Commerce and Commercial Bulletin  
Cunningham complains of Platt's talks on branches with a representa-  
tive of the.

Mar. 27, 1924. 94

Mrs. Gertrude (Cont.)  
She said her sister, Mrs. Rogers, would probably insist upon her not  
being so.

She said she feared trouble with the nephew, if she survived, and  
C.S.H. fears so too.

Feb. 18, 1924. 28, 27.

Mrs. Hale says Gertrude spent 2 or 3 hours with her the other day  
complaining of her brother Wilson; said that he was very  
irritable and provoking towards her; that one day he told her  
she acted like an old hag; that she no longer feared his  
becoming a Roman Catholic.

June 1, 1924. 176

Tellie C.S.H. at dinner that Mrs. Hale said that Mrs. West told her  
(Mrs. Hale) that she had gone with Mrs. Wilson and Vance  
McCorlock to the Cathedral to make arrangements for interring  
the body of President Wilson there.

(The above is changed from what my diary says being corrected by  
a subsequent talk with Mrs. Hale.)  
June 8, 1924. 177

C.S.H. dines with Gertrude; Mrs. Chandler Hale was also there.

C.S.H. asked as to the facts about Mrs. West and Mrs. Hale said that  
Mrs. West told her that she had seen Vance McCorlock on the  
occasion of his visit to Mrs. Wilson to talk over the permanent  
burial place of President Wilson; that she evidently did not  
know that Mr. McCorlock was her cousin; that later she saw him  
and asked why he had not come to see her when in Washington;  
that he had had time to go and see Mrs. West; that he said  
he had not seen Mrs. West or any woman in Washington for a year!

C.S.H. said to Gertrude that as he remembered it she told him  
Mrs. West had said she had gone out to the Cathedral with Mrs.  
Wilson and Mrs. McCorlock.

Gertrude at once said that she did say that, and that it was not true,  
but that what Mrs. West said anyway was a lie and what she  
Gertrude - added made in difference!  
June 12, 1924. 183

See also - Hale, Mrs. Chandler

New York Stock Exchange

Gov. Strong says business recovery will be preceded by activity

-N-

in the stock market which may attain proportions of a  
violent speculative activity, and that the New York F.R. Bank  
should be allowed to meet such a situation by selling  
Govt. securities without the preliminary consent of the open  
market committee.

**National Bank Act**

Herson says should be amended so as to require only one  
examination each year and as many more as the Comptroller might  
order; that one was ample for banks known to be in good  
condition; that 2 examinations took much time from the  
examination of banks suspected to be unsound.

Feb. 18, 1924. 28

**National Bank Examiners reports.**

Dawes tells Governors he is to raise price for furnishing, from  
\$5 to \$10 per copy, Most of the Governors were willing.  
The Board took the ground that this was for the Comptroller  
and the F.R. banks to determine, and that it would not  
disapprove such payments made by any F.R. bank.

May 13, 1924. 140

Gov. Harding protests, saying the F.R. banks originally agreed to  
pay \$5 to help out Crissinger when he was Comptroller; that  
it was not fair to state member banks upon whom the Board  
assesses the cost of Federal Reserve examination, while the  
Comptroller under the National Bank Act must and should assess  
the cost of examinations against the national banks examined.

May 13, 1924. 140, 141

Gov. Harding writes Dawes that the banks counsel had advised that  
he could not pay \$10 for copies of the examiners reports and  
encloses copy of a vote of his directors refusing to pay  
more than the actual cost of making copies of the reports.

May 14, 1924. 142

See also - Dawes

National banks. 34, 59, 69

See - Branch banks

**National Shawmut bank**

Mr. Adams, President of, calls up C.S.H. to indorse the McFadden  
bill. C.S.H. explains the situation to him.

May 26, 1924. 162

**National Union Bank**

Hearing on interlockutory director between the Old Colony Trust Co.  
and the.

Mar. 20 1924. 82

**New York Journal of Commerce and Commercial Bulletin**

Cunningham complains of Platt's talks on branches with a representa-  
tive of the.

Mar. 27, 1924. 94

New York Stock Exchange

Gov. Strong says business recovery will be preceded by activity in the stock market which may attain proportions of a violent speculative activity, and that the New York F.R. Bank should be allowed to meet such a situation by selling Govt. securities without the preliminary consent of the open market committee.

Miller took issue saying no one F.R. bank should be allowed to thus control the stock market.

C.S.H. was shocked at Gov. Strong's evident desire to control the N. Y. stock market, and said he assumed that such control should only arise incidentally with or from the control of commercial credits.

May 29, 1924. 169

Gov. Strong tells C.S.H. that the regulation of the stock market by the Money Committee after the armistice was not a F.R. System matter but solely done by or through the F.R. Bank of New York with Sec. Glass's approval.

May 29, 1924. 171

New York Times

Says Doheny retainer puts McAdoo out of the race for the nomination. Feb. 5, 1924. 18

Prints analysis of Butler's report to Carnegie Foundation, attacking the League of Nations.

April 28, 1924. 125, 126

New York World

Says Doheny retainer puts McAdoo out of the race. Feb. 5, 1924. 18

Demands that Coolidge veto the immigration bill and that Sec. Hughes resign if he does not.

April 15, 1924. 114

New Year's reception

Over 300 attend our reception.

After it was over, Justices Van de Venter, Sanford, and Butler called and we opened a bottle of Madeira and had a delightful half hour together.

Jan. 1, 1924. 4

Nineteen Twenty-three, Resolution of Nov. 7

4, 69, 74, 79, 82, 84, 87, 92, 95, 175.

See -Branch banks

-H-

National Bank Act

Person says should be amended so as to require only one examination each year and as early as the Controller might order; that one was made for banks known to be in good condition; that 3 examinations took much time from the examination of banks expected to be un sound.

Feb. 18, 1924. 38

National Bank Examiners reports

Dawes tells Governor he is to raise price for furnishing from \$5 to \$10 per copy. Most of the Governors were willing. The Board took the ground that this was for the Controller and the F.R. banks to determine, and that it would not disapprove such payments made by any F.R. bank.

May 13, 1924. 140

Gov.

Harding protests, saying the F.R. banks originally agreed to pay \$5 to help out Controller when he was Controller; that it was not fair to state member banks upon whom the Board assesses the cost of Federal Reserve examination, while the Controller under the National Bank Act must and should assess the cost of examinations against the national banks examined.

May 13, 1924. 140, 141

Gov.

Harding writes Dawes that the banks counsel had advised that he could not pay \$10 for copies of the examiner's reports and enclose copy of a vote of his directors refusing to pay more than the actual cost of making copies of the reports.

May 14, 1924. 142

See also - Dawes

National banks

See - Branch banks

National Bank

Mr. Adams, President of C.S.H. to inform the McAdoo bill. C.S.H. explains the situation to him.

May 28, 1924. 182

National Union Bank

Hearing on interlocking director between the Old Colony Trust Co. and the.

Mar. 20, 1924. 82

New York Journal of Commerce and Commercial Bulletin

Comptroller complains of Platt's talks on branches with a representative of the.

Mar. 27, 1924. 94

New York Stock Exchange  
 Gov. Strong says business recovery will be preceded by activity  
 in the stock market which may mean a return to normalcy of a  
 violent speculative activity, and that the New York F.R. Bank  
 should be allowed to meet such a situation by selling  
 Gov. securities without the preliminary consent of the open  
 market committee.

Miller took leave saying no one F.R. Bank should be allowed to limit  
 control the stock market.

C.S.H. was shocked at Gov. Strong's evident desire to control the  
 N. Y. stock market, and said he assumed that such control  
 should only arise incidentally with or from the control  
 of commercial credits.

Gov. Strong tells C.S.H. that the regulation of the stock market  
 by the Money Committee after the committee was not a F.R.  
 System matter but solely done by or through the F.R. Bank of  
 New York with Sec. Glass's approval.

New York Times  
 Says Doherty retained puts McKee out of the race for the nomination  
 Feb. 8, 1924. 18

Prints analysis of Holt's report to Carnegie Foundation, attacking  
 the League of Nations  
 April 28, 1924. 128, 129

New York World  
 Says Doherty retained puts McKee out of the race  
 Feb. 8, 1924. 18

Demands that Coolidge veto the immigration bill and that Sec. Hughes  
 resign if he does not.  
 April 15, 1924. 116

New York's reception  
 Over 300 attend our reception

After it was over, Justice Van de Venst, Cantor, and Butler called  
 and we opened a bottle of Madeira and had a delightful half  
 hour together.  
 Jan. 1, 1924. 4

Nineteen twenty-three, Resolution of Nov. 7  
 4, 69, 74, 78, 83, 84, 87, 92, 93, 125

See - Branch banks

Nineteen twenty-four, Feb. 1  
 C.S.H. tries to extend time for receiving branch applications from  
 Feb. 1, 1924 to April 1, 1924. Lost.  
 Davis  
 Jan. 7, 1924. 4, 5.

Norman, Sir Montague  
 Gov. Harding says Gov. Strong is ill at Gov. Norman's house in  
 London; that Gov. Norman wants inflation in U.S. to put  
 Great Britain on an exchange parity.  
 May 5, 1924. 129

Old Colony Trust Co.  
 Kemmerer tells C.S.H. that Gov. Norman came before the Dawes Commission  
 and positively insisted that the new German bank be established  
 on the sterling and not on the dollar basis.  
 June 9, 1924. 187

Oliver  
 Counsel for Bank Supdt. of Calif.  
 April 22, 1924. 119

Norris, Gov.  
 Objects to F.R. banks buying Govt. securities now as a violation of  
 Reserve bank policy  
 May 7, 1924. 132

Tells C.S.H. that Winston strongly objected to the recent increase of  
 50 millions of Govt. securities purchased by the F.R. banks.  
 May 8, 1924. 133

Jay  
 Operated on for removal of his prostate gland.  
 June 17, 1924. 198

Noyes  
 Mr. Noyes, financial editor of N. Y. Times, lunches with C.S.H.  
 June 9, 1924. 187

Oath of office  
 Miller takes oath of office for new term on the F.R. Board.  
 June 17, 1924. 196

(On Aug. 10, he took another oath on advice of C.S.H. and Wyatt)

C.S.H. talks with Sec. Mellon as to whether he was not sworn in by  
 a Notary after the oath was administered by Chief Justice White.  
 June 17, 1924. 196, 198

Gov. Norris said it would be a violation of policy to put money into  
 the market now.

C.S.H. said if we had say 500 million of Govt. securities we might  
 talk of reserve policy, but that at the present time we can



Oil lease scandal. 16, 23, 39, 71

- See - Baker
- Daniels
- Davis
- Denby
- Doheny
- House
- Roosevelt

Old Colony Trust Co.  
 Hearing an application for an interlocutory director between  
 National Union Bank and. Mar. 9, 1924. 82

Oliver  
 Counsel for Bank Suptd. of California appears before Board.  
 April 22, 1924. 119

Open market  
 Hearing on purchase of German trade bills by F.R. banks in.  
 April 5, 1924. 105

See - F.R. Bank, New York  
 German trade bills  
 Jay

Open Market Committee  
 See - Open Market Purchases, etc.

Open market purchases and operations  
 Gov. Case says 300 million more of earning assets is needed to  
 enable all the F.R. banks to earn expenses and a 6% dividend;  
 that such an increase be secured for the purchase money  
 going into the market will be used by the banks to pay off  
 dividends; that to pour say 50 millions at once into the  
 market by the purchase of Govt. securities or acceptances  
 would put the F.R. banks in competition with the member banks  
 and would interfere with Treasury operations.

Gov. McDougal said the F.R. banks ought to go into the open market  
 for the sake of earnings.

Miller said now is the time to buy to obtain a weapon to check  
 speculation if it should arise later; that our purchases would  
 not be supplying money causing inflation at the present time,  
 pointing out that present gold imports were not being used  
 for speculative loans.

Gov. Norris said it would violate reserve policies to pour money into  
 the market now.

C.S.H. said if we had say 600 millions of Govt. securities we might  
 talk of reserve policy, but that at the present time we can

Nineteen twenty-four, Feb. 1  
 C.S.H. tries to extend time for receiving branch applications from  
 Feb. 1, 1924 to April 1, 1924. Lost.  
 Jan. 7, 1924. 4, 8.

Norman, Sir Montagu  
 Gov. Harding says Gov. Strong is ill at Gov. Norman's house in  
 London; that Gov. Norman wants inflation in U.S. to put  
 Great Britain on an exchange parity.  
 May 5, 1924. 129

Kammerer tells C.S.H. that Gov. Norman came before the Dawes Commission  
 and positively insisted that the new German bank be established  
 on the sterling and not on the dollar base.  
 June 9, 1924. 137

Horris, Gov.  
 Objects to F.R. banks buying Govt. securities now as a violation of  
 Reserve bank policy  
 May 7, 1924. 133

Tells C.S.H. that Winston strongly objected to the recent increase of  
 30 millions of Govt. securities purchased by the F.R. banks.  
 May 8, 1924. 135

Operated on for removal of his prostate gland.  
 June 17, 1924. 138

Mr. Hayes, financial advisor of W. Y. Times, lunches with C.S.H.  
 June 9, 1924. 137

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Oath of office  
 Miller takes oath of office for new term on the F.R. Board.  
 June 17, 1924. 138

(On Aug. 10, he took another oath on advice of C.S.H. and Watts)  
 C.S.H. talks with Sec. Mellon as to whether he was not sworn in by  
 a Notary after the oath was administered by Chief Justice White  
 June 17, 1924. 138, 139

110 issues issued 18, 23, 28, 31

See - Baker  
Darius  
Davy  
Dobson  
Horne  
Hoskins

Old Colony Trust Co.  
Hearing an application for an interlocking director between  
National Union Bank and Mar. 9, 1924. 82

Oliver  
Council for Bank Regs. of California appears before Board  
April 22, 1924. 119

Open market  
Hearing on purchase of German trade bills by F.R. banks in  
April 8, 1924. 108

See - F.R. Bank, New York  
German trade bills  
Jay

Open Market Committee  
See - Open Market Purchases, etc.

Open market purchases and operations  
Gov. Case says 300 million more of earning assets is needed to  
enable all the F.R. banks to earn expenses and a 5% dividend  
that such an increase be secured for the purchase money  
going into the market will be used by the banks to pay off  
liabilities; that to pour any 50 million at once into the  
market by the purchase of Govt. securities or acceptances  
would put the F.R. banks in competition with the member banks  
and would interfere with Treasury operations.

Gov. McDonald said the F.R. banks ought to go into the open market  
for the sake of earnings.

Miller said now is the time to try to obtain a weapon to check  
speculation if it should arise later; that our purchases would  
not be applying money causing inflation at the present time,  
pointing out that present gold imports were not being used  
for speculative loans.

Gov. Norris said it would violate reserve policies to pour money into  
the market now.

C.S.H. said if we had say 600 million of Govt. securities we might  
talk of reserve policy, but that at the present time we can

Open market purchases and operations (Cont.)

buy little by little so we can later control speculative activity; that  
such buying would not necessarily cause further inflation.

C.S.H. believes Gov. Case's objections are founded upon an aversion  
to any competition with member banks, upon fear of the effect  
on the stock market, and to a desire not to hinder the  
Treasury in placing its securities.

May 7, 1924. 130, 131, 132, 133.

Gov. Norris tells C.S.H. that Winston strongly objected to the  
recent increase of 50 millions of Gov. securities by  
F.R. banks.

May 8, 1924. 133

Warburg, at Federal Advisory Council meeting, tries to define the  
proper scope of open market operations, saying that the  
F.R. System should always have about one billion of earning  
assets, or at least 900 millions as a minimum; that more Govt.  
securities should be purchased and that such purchases would  
not cause inflation.

C.S.H. deplored the Treasury attitude of objecting to purchases of  
Govt. securities, saying that during the war and post war  
period we subordinated our discount policy in the interest of  
the Treasury, rightly or wrongly, and that he opposed having  
the Treasury dictate our open market policy as it was trying to  
do; that the Treasury should approach the market as it finds it,  
subject to all the influences which regulate it, including  
the influences of the F.R. System in its open market operations,  
which influences were and were intended to be a factor in the  
market.

Warburg agreed with this but said F.R. banks would cooperate with  
the Treasury as far as was practicable in making these  
purchases; that he did not see how the Treasury could object  
if our open market purchases enabled it to place its  
certificates at a more advantageous rate to the Govt.

May 12, 1924. 134, 135

The Federal Advisory Council makes a very ambiguous recommendation as  
to open market purchases, saying that, in normal times the  
Federal Reserve banks should have a sufficient volume of  
investments to stabilize the market, when necessary, etc;  
that under present conditions the system should preserve an  
aggregate investment of substantially its present volume  
(835 millions: - discounts 440; bills 87; Govt. bonds and  
notes 250; U.S. certificates 60.), with a tendency somewhat  
to increase these investments if possible without unduly  
affecting the market.

Open market purchases and operations (Cont.)  
but little by little we can take control of speculative activity; that  
such buying would not necessarily cause further inflation.

C.S.H. believes Gov. Case's objection are founded upon an aversion  
to any connection with member banks, upon fear of the effect  
on the stock market, and to a desire not to hinder the  
Treasury in placing its securities.

May 7, 1924. 130, 131, 132, 133

Gov. Norris tells C.S.H. that Winston strongly objected to the  
recent increase of 50 millions of Gov. securities by  
F.R. banks. May 8, 1924. 133

Warburg, at Federal Advisory Council meeting, tries to define the  
proper scope of open market operations, saying that the  
F.R. System should always have about one billion of earning  
assets, or at least 800 million as a minimum; that more Gov.  
securities should be purchased and that such purchases would  
not cause inflation.

C.S.H. believed the Treasury attitude of objecting to purchase of  
Gov. securities during the war and post war  
period was shortsighted and discount policy in the interest of  
the Treasury, right or wrong, and that he opposed having  
the Treasury dictate our open market policy as it was trying to  
do; that the Treasury should approach the market as it finds it,  
subject to all the influences which regulate it, including  
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which influences were and were intended to be a factor in the  
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Warburg agreed with this but said F.R. banks would cooperate with  
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certificates at a more advantageous rate to the Gov.  
May 12, 1924. 134, 135

The Federal Advisory Council makes a very ambiguous recommendation as  
to open market purchases, saying that, in normal times the  
Federal Reserve banks should have a sufficient volume of  
investments to stabilize the market, when necessary, etc.;  
that under present conditions the system should preserve an  
aggregate investment of approximately its present volume  
(838 millions - discounts 440; bills 87; Gov. bonds and  
notes 310; U.S. certificates 80.), with a tendency somewhat  
to increase these investments if possible without unduly  
affecting the market.

Open market purchases and operations (Cont.)

The Council also declared that the F.R. banks should not make  
investments for the sole purpose of earnings.

The Council also was unanimously of the opinion that dividends  
should be paid as long as the amount of surplus justifies,  
even though not earned.

C.S.H. feels the council has thus stricken out one of the two  
methods (discounts and open market purchases) of making earnings,  
and has substituted dipping into the surplus.

C.S.H. pointed out to the Council that Congress intended that open  
market powers should be used to make earnings in case discounts  
fell off.

Warburg replied ambiguously that open market purchases, justified  
for other reasons, would usually incidentally produce sufficient  
earnings.

C.S.H. asked Warburg if he (C.S.H.) correctly interpreted the statement  
of the Council to mean that open market purchases should never  
be used to secure earnings unless justified on other grounds.

Warburg said yes.

This is absolutely opposed to the views of Board in the Annual Report  
for 1914, and to Mr. Forgan's views of 1916. Quoted.  
May 13, 1924. 135, 136, 137.

C.S.H. tells the Board the F.R. System is almost literally bleeding  
to death; that its earning assets are dwindling and that some,  
at least, of the F.R. banks cannot earn their dividend; that its  
open market operations, while increasing slightly, are not  
increasing in the proportion of the falling off in discounts;  
that he felt that the Open Market Committee was being interfered  
with by the Treasury and prevented from increasing its investments  
in Gov. securities; that the system should hold at least 500  
millions of Gov. securities to enable it properly to regulate  
credit in case of future speculative activity.

Miller read the recommendation of the Federal Advisory Council feebly  
favoring some increase, and introduced a resolution favoring an  
increase.

Gov. C. and Platt denied that F.R. banks were under any obligation to  
make earnings through open market investments if such pouring  
out of money would disturb the market.

Open market purchases and operations (Cont.)  
 The Council also was unanimously of the opinion that dividends should be paid as long as the amount of surplus justifies, even though not earned.

C.S.H. feels the Council has thus stricken out one of the two methods (discounts and open market purchases) of making earnings and has substituted dipping into the surplus.

C.S.H. pointed out to the Council that Congress intended that open market powers should be used to make earnings in case discounts fell off.

Warburg replied emphatically that open market purchases, justified for other reasons, would normally incidentally produce sufficient earnings.

C.S.H. asked Warburg if he (C.S.H.) correctly interpreted the statement of the Council to mean that open market purchases should never be used to secure earnings unless justified on other grounds.

Warburg said yes.

This is absolutely opposed to the views of Board in the Annual Report for 1914, and to Mr. Morgan's views of 1916. Quoted. May 18, 1924. 138, 139, 137.

C.S.H. tells the Board the F.R. System is almost literally bleeding to death; that its earning assets are dwindling and that some at least of the F.R. banks cannot earn their dividends; that open market operations, while increasing slightly, are not increasing in the proportion of the falling off in discounts; that he felt that the Open Market Committee was being interfered with by the Treasury and prevented from increasing its investments in Govt. securities; that the system should hold at least 500 millions of Govt. securities to enable it properly to regulate credit in case of future speculative activity.

Miller read the recommendation of the Federal Advisory Council favoring some increase, and introduced a resolution favoring no increase.

Gov. C. and Platt denied that F.R. banks were under any obligation to make earnings through open market investments if such pouring out of money would disturb the market.

Open market purchases and operations (Cont.)

They said that the fact that dividends are cumulative, proved this.

C.S.H. said our Board yielded to the Treasury during the war and post war period and that the Treasury now, by its pressure upon the open market committee was dominating just as then.  
 May 20, 1924. 148

C.S.H. offers a resolution reaffirming the declaration of the Board in its annual report of 1914 as to the necessity of making earnings; quoting also the Federal Advisory Council recommendation of May 13, 1924; that the present volume of earning assets should be the minimum, and should gradually be increased approximately to one billion of dollars; that such course would enable the F.R. banks to make effective future discount rates which might have to be put in to control speculative activity in the future, and would, incidentally furnish needed earnings; that such purchases should be made with discretion so as to bring about minimum changes in the money market; that the only justification for abstention from such purposes, thus abandoning the necessity for earnings, would be where such purchases would seriously disturb the money market by encouraging credit inflation; that it was the consensus of opinion of the Governors that increase in such investments would not cause inflation and speculative activity at the present time; that the objection offered by Gov. Case, - competition with member banks and incidental interference with Treasury issues of certificates, was no sufficient reason for the system not to strengthen itself so it can make future discount rates effective through the sale of Govt. securities.

Cunningham said it might make for criticism if the Board were to speak of control of future speculative activity.

C.S.H. and Miller replied that the Board was severely criticized for not having put up discount rates sooner in 1919 to control speculation.

Miller said he had had a two-hours' talk with Under Secretary Winston yesterday trying to persuade him the F.R. System should increase its earning assets; that he thought Winston objected, as he did object, for tactical reasons, but that he was prepared to have us do it if we could present a carefully drawn up plan showing clearly the necessity; that he thought the loss of earnings was absolutely of no importance.

Are we dominated by the Treasury or not?  
 May 21, 1924. 149, 150.

Open market purchases and operations (Cont.)  
 They said that the fact that dividends are cumulative, proved this.  
 C.S.H. said our Board yielded to the Treasury during the war and  
 post war period and that the Treasury now, by its pressure upon  
 the open market committee was dominating just as then.  
 May 30, 1934. 148

C.S.H. offers a resolution reaffirming the decision of the Board  
 in its annual report of 1914 as to the necessity of making  
 earnings; pointing also the Federal Reserve Board's recommendation  
 of May 13, 1934; that the present volume of earning assets should  
 be the minimum, and should gradually be increased approximately  
 to one billion of dollars; that such course would enable the  
 F.R. banks to make effective future discount rates which might  
 have to be put in to control speculative activity in the future,  
 and would, incidentally furnish needed earnings; that such  
 purchases should be made with discretion as to price about  
 minimum changes in the money market; that the only justification  
 for abstention from such purchases, thus abandoning the necessity  
 for earnings, would be where such purchases would not only  
 disturb the money market by encouraging credit inflation; that  
 it was the consensus of opinion of the Governors that increases  
 in such investments would not cause inflation and speculative  
 activity at the present time; that the objection offered by  
 Gov. Case - competition with member banks and incidental  
 interference with Treasury issues of certificates, was no  
 sufficient reason for the system not to strengthen itself so it  
 can make future discount rates effective through the sale of  
 Govt. securities.

Cunningham said it might make for criticism if the Board were to speak  
 of control of future speculative activity.

C.S.H. and Miller replied that the Board was severely criticized  
 for not having put up discount rates sooner in 1919 to control  
 speculation.

Miller said he had had a two-hour talk with Under Secretary  
 Winter yesterday trying to persuade him the F.R. System  
 should increase its earning assets; that he thought Winter  
 objected, as he did object for tactical reasons, but that he  
 was prepared to have us do it if we could present a carefully  
 drawn up plan showing clearly the necessity; that he thought  
 the loss of earnings was absolutely of no importance.

Are we dominated by the Treasury or not?  
 May 31, 1934. 149, 150

Open market purchases and operations (Cont.)

Sen. Glass is in absolute accord with C.S.H. that open market  
 purchases should be made purely for earning purposes, unless  
 such course would so disturb the market as to cause inflation  
 and speculative activity; that such was the clear intent of  
 Congress; that the Treasury should approach the market just  
 as it finds it, and should cease interfering with Federal  
 Reserve policy.

May 22, 1934. 151, 152

Gov. Strong tells the Board it is imperative that the F.R. System  
 increase its earning assets by means of purchases of Govt.  
 securities; that this could be done without injuriously  
 affecting the money market; that the Dawes Commission report  
 will probably be accepted; that the political situation will  
 soon cease to be a factor of uncertainty (meaning, I suppose,  
 that all will concede Coolidge's election); that this will be  
 followed by a broad uprising in business; that the F.R. System  
 must be in possession of ample earning assets to prevent this  
 movement from degenerating into a speculative, run-away  
 market; that, in his opinion, one billion should be the minimum.

May 22, 1934. 152, 153

Board votes to call a meeting of the open market investment  
 committee for next Thursday.

May 22, 1934. 153

Gov. Strong wanted to get the consent of the Open Market Committee  
 to having the F.R. Bank of N. Y. buy Govt. securities for  
 its own account, leaving untouched the present holdings of  
 the other F.R. Banks.

He also wanted an agreement that in future sales, N. Y. should be  
 allowed to sell first.

The Board agreed to the first and did not consider the second.

Gov. Strong predicted, not however, until after the elections  
 and perhaps not until long after, - a tremendous business  
 boom; that this would be preceded by activity in the stock  
 market, aided by low interest rates; that we should be pre-  
 pared for this by at once increasing our earning assets; that  
 Gates McGarragh, a most astute banker, thought 500 millions of  
 Govt. securities should be the minimum; that he took no stock  
 in Gov. Case's fear of competition with member banks or  
 incidental interference with Treasury operations in certificates.

May 22, 1934. 154, 155.

Gov. McFadden and Leachman said that purchases of Govt. securities  
 should be made only when rates are high and we wish to tighten

Open market purchases and operations (Cont.)  
 Gov. Strong is in absolute accord with the Board that open market purchases should be made purely for earning purposes, unless such course would be harmful to the market as to cause inflation and speculative activity; that such was the clear intent of Congress; that the Treasury should approach the market just as if it were a normal market and should cease interfering with Federal Reserve policy.  
 May 23, 1924. 168, 169

Gov. Strong calls the Board is in imperative that the F.R. System increase its earning assets by means of purchases of Govt. securities; that this could be done without injuriously affecting the money market; that the Board's position will be probably be accepted; that the political situation will soon cease to be a factor of uncertainty (meaning, I suppose, that all will concede Coolidge's election); that this will be followed by a broad uprising in business; that the F.R. System must be in possession of ample earning assets to prevent this movement from degenerating into a speculative run-away market; that, in his opinion, one billion should be the minimum.  
 May 23, 1924. 168, 169

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 May 23, 1924. 168, 169

Open market purchases and operations (Cont.)  
 Open market purchases and operations (Cont.)  
 Meeting of Open Market Committee: Gov. Strong, Fancher, Norris, McDougall and Harding.  
 All agreed that under normal conditions, but that at the present time it would be better to increase the amount of Govt. securities held by the F.R. banks, and that the amount should be increased in so far as they did not exceed the amount of the earning assets of the F.R. banks.  
 Gov. Strong also asked authority to use the bonds purchased through the Committee, as also N. Y.'s own purchases, to exchange temporarily with N. Y. banks having favorable credit balances at the clearing house, to tide over the situation which will arise on June 15, when dividend disbursements and other payments will have to be made by the Treasury, said bonds to be ultimately returned to the F.R. banks. Agreed to.  
 May 29, 1924. 168, 169.

Gov. Strong also said the F.R. Bank of New York should be empowered to meet any run away market by selling Govt. securities without first getting the consent of the Open Market Committee.

Miller objected saying no one F.R. bank should be permitted thus to control the stock market, unless with the concurrence of an opinion of the Open Market Committee and of the F.R. Board.

C.S.H. was shocked at this bold assertion of control over the stock market and said he believed such control could properly and should be exercised only incidentally in dealing with commercial credit conditions.

This was clearly not Gov. Strong's view.

No action was taken as to this.  
 May 29, 1924. 169

Gov. Strong and Harding denied that the Board had power to forbid purchases or sales of Govt. securities by a F.R. bank in the open market.

The only power directly given in the F.R. Act is in Sec. 13, and that is limited to acceptances purchased in the open market.

Miller said if there was any doubt as to this we should ask Congress to give us this power.  
 May 29, 1924. 169, 170

Gov. McDougall and Fancher said that purchases of Govt. securities should be made only when rates are high and we wish to soften

Open market purchases and operations (Cont.)  
Meeting of Open Market Committee: Gov. Strong, Fancher, Norris,  
McDougal and Harding

After long discussion it was voted to increase at once holdings of  
Govt. securities up to 150 millions and to appropriate the  
same in the ratio of the earnings necessities of the F.R. banks;  
the same appropriation to be made of acceptances purchased; that  
W. Y. could increase its holdings part from the Committee  
purchases, up to a reasonable amount, say 100 millions of Govt.  
securities.

Gov. Strong also asked authority to use the bank's purchase through  
the Committee, as also W. Y.'s own purchases, to exchange  
temporarily with W. Y. banks having favorable credit balances  
as the clearing house, to tide over the situation which will  
arise on June 15, when dividend disbursements and other payments  
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give us this power.

May 29, 1924. 170

Gov. McDougal and Fancher said that purchases of Govt. securities  
should be made only when rates are high and we wish to soften

Open market purchases and operations (Cont.)

rate conditions; that where rates are low, as now, we should be  
selling rather than buying.

Sends to Board application for Torrance bank.

All agreed this was true under normal conditions, but that at the  
present time discount rates were not of prime importance; that  
it was imperative to get into the market now to be able to  
exercise control later in case of threatened inflation and  
speculative conditions, which might come sooner than we now  
anticipated, especially in view of the large gold imports.

Gov. McDougal and Fancher finally accepted this view, and all agreed  
such purchases should be increased in so far as they did not  
unduly disturb the market.

May 29, 1924. 170

Gov. Strong tells C.S.H. that the regulation of the stock exchange by  
the Money Committee after the armistice was not a system trans-  
action, but was done entirely through the F.R. Bank of New York,  
with the approval of Sec. Glass.

May 29, 1924. 171

Pierce, Mrs.

C.S.H. takes out at White House dinner Mrs. Pierce, wife of  
President Coolidge's clergyman.

-P- April 23, 1924. 123

Pittman silver Act

Pacific Southwest Savings & Trust Co. all memoranda on its bills relating to  
Torrance application. 79, 81, 83, 84, 85  
McFadden bill gives valuable monopoly, etc. 166

See - Branch banks

Platt, Edward

Payne, Sec. C. says he will try to induce Platt, Miller and C.S.H. to put in  
Disapproves oil land patent. Sec. Lane wanted to approve but was  
forbidden by President Wilson.

Feb. 5, 1924. 17

Pepper, Senator

Attacks Hanihara's letter of protest on the immigration bill. Harding he  
may have a 3 weeks' leave of illness, if he  
applies for it.

April 15, 1924. 114

We attend reception of Sen. and Mrs. Pepper at Raucher's.

Favors application of Eastern  
Carolina to take over a branch.

April 23, 1924. 121

Mrs. Chandler Hale speaks deprecatingly of.

June 3, 1924. 177

Moves approval provided bank and branch are found sound on  
Perrin, Federal Reserve Agent state or by F.R. banks. Carried.  
Asks authority to detail Breck to help Robinson of Dawes Commission.

Jan. 3, 1924. 2

See - Breck.

at laying on table C.S.H. motion for a simultaneous  
examination by Sec. of all state member banks and branches not  
now being simultaneously examined by the state.

Failed by the vote.

Feb. 26, 1924. 54

Open market purchases and operations (Cont.)  
late conditions; that where rates are low, as now, we should be  
selling rather than buying.

All agreed this was true under normal conditions, but that at the  
present time discount rates were not of prime importance; that  
it was imperative to get into the market now to be able to  
exercise control later in case of threatened inflation and  
speculative conditions, which might come sooner than we now  
anticipated, especially in view of the large gold imports.

Gov. McAdoo and Fancher finally accepted this view, and all agreed  
such purchases should be increased in so far as they did not  
unduly disturb the market.

May 28, 1924. 170

Gov. Strong said C.S.H. that the regulation of the stock exchange by  
the Money Committee after the committee was not a system trans-  
action, but was done entirely through the F.R. Bank of New York  
with the approval of Sec. Glass.

May 28, 1924. 171

-P-

Pacific Southwest Savings & Trust Co.  
Torrance application. 79, 81, 83, 84, 85  
McAdoo bill gives valuable monopoly, etc. 188

See - Branch banks

Payne, Sec.  
Disapproves oil land patent. Sec. Lane wanted to approve but was  
forbidden by President Wilson.

Feb. 8, 1924. 17

Pepper, Senator  
Attacks Barkers' letter of protest on the immigration bill.

April 15, 1924. 114

We attend reception of Sen. and Mrs. Pepper at Barkers'.  
April 28, 1924. 131

Mrs. Chandler Hale speaks deprecatingly of.  
June 8, 1924. 177

Perrin, Federal Reserve Agent  
Asks authority to help Robinson of Dawes Commission.

Jan. 3, 1924. 3

See - Brack.

Perrin, Federal Reserve Agent (Cont.)

Sends to Board application for Torrance bank.

March 18, 1924. 79

Board's adverse decision not communicated to.

Mar. 20, 1924. 83

Reports Torrance bank in good condition.

Mar. 25, 1924. 84

Sends letter from Superintendent of California banks to Board, as to  
simultaneous examinations.

April 4, 1924. 97

Personal privilege

C.S.H. as a matter of, replies to Miller's attack on his memorandum  
on F.R. notes.

Feb. 15, 1924. 20

Pierce, Mrs.

C.S.H. takes out at White House dinner Mrs. Pierce, wife of  
President Coolidge's clergyman.

April 23, 1924. 123

Pittman silver Act

Sen. Thomas calls on Board for all memoranda on its bills relating to  
shipment of silver dollars to American banks in Orient in 1919 and  
1920.

April 5, 1924. 98 to 105, 128

Platt, Edmund

Gov. C. says he will try to induce Platt, Miller and C.S.H. to put in  
annual report a recommendation that national banks be given all  
branch privileges now exercised by member banks, leaving minority  
to file a dissenting report.

Feb. 21, 1924. 34, 35.

Platt, going to Boston, is directed by Board to tell Gov. Harding he  
may have a 6 weeks' leave of absence because of illness, if he  
applies for it.

Feb. 23, 1924. 44

Favors application of Eastern Banking and Trust Co. at Newburn, North  
Carolina to take over a branch.

Feb. 25, 1924. 47

Moves approval provided parent bank and branch are found sound on  
examination by state or by F.R. banks. Carried.

Feb. 25, 1924. 49, 50.

Voted against laying on table C.S.H. motion for a simultaneous  
examination by Herson of all state member banks and branches not  
now being simultaneously examined by the state.

Failed by the vote.

Feb. 28, 1924. 54



Platt, Edmund (Cont.)  
 Votes against postponing for a full Board meeting the application  
 of an Elizabeth City, North Carolina bank, for a branch.  
 Platt, Edmund (Cont.)  
 Points out illegality of Miller's motion that Board will decline to  
 receive application for branches where state is not examining  
 simultaneously.  
 Votes against Miller's motion. Carried.  
 Platt, however, allows Hastings to Feb. 29, 1924. 58  
 Put on a special committee to prepare draft of branch regulations,  
 Votes with James and Miller. Feb. 29, 1924. 58, 59  
 Offers resolution that national banks, under regulations of the  
 Comptroller, be given same branch powers as member banks are  
 now exercising. Feb. 29, 1924. 59  
 Miller extends Platt's resolution. Feb. 29, 1924. 59  
 Votes against Dawes motion to approve McFadden bill. Feb. 29, 1924. 59  
 Votes for Miller's motion. Feb. 29, 1924. 60  
 Moves to put in annual report a statement that reserves on  
 deposits and notes should be given separately. Mar. 5, 1924. 62  
 Votes against C.S.H. motion to strike out from annual report all  
 reference to split reserves. Mar. 5, 1924. 62  
 Cunningham reverses himself and favors Platt's motion. Mar. 5, 1924. 62  
 Votes in favor of printing annual report. Mar. 7, 1924. 65  
 Platt, Miller and James presents report of special committee  
 on branch bank regulations. Platt dissents. Mar. 7, 1924. 67  
 Says Board ought to repeal the resolution of Nov. 7, 1923. Mar. 7, 1924. 69  
 C.S.H. tells Dawes and Platt will draw a compromise branch regulation.  
 Raises point of order that no member can record his vote, and  
 that unless present he cannot vote. C.S.H. opposes this. Mar. 12, 1924. 72

Platt, Edmund (Cont.)  
 Votes against postponing for a full Board meeting the application  
 of an Elizabeth City, North Carolina bank, for a branch.  
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 Points out illegality of Miller's motion that Board will decline to  
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Platt, Edmund (Cont.)  
 Points out illegality of Miller's motion that Board will decline to receive application for branches where state is not examining simultaneously.  
 Feb. 28, 1924. 73

Miller's motion Carried.  
 Feb. 28, 1924. 73

Part on a special committee to prepare draft of branch regulations with James and Miller.  
 Feb. 28, 1924. 73

Offers resolution that national banks, under regulations of the Comptroller, be given same branch powers as member banks are now exercising.  
 Feb. 28, 1924. 73

Miller extends Platt's resolution.  
 Feb. 28, 1924. 73

Votes against Dawes motion to approve McWhorter bill.  
 Feb. 28, 1924. 73

Votes for Miller's motion.  
 Feb. 28, 1924. 73

Moves to put in annual report a statement that reserves on deposits and notes should be given separately.  
 Mar. 5, 1924. 73

Votes against C.S.H. motion to strike out from annual report all references to split reserves.  
 Mar. 5, 1924. 73

Cunningham reverses himself and favors Platt's motion.  
 Mar. 5, 1924. 73

Votes in favor of printing annual report.  
 Mar. 7, 1924. 73

Platt, Miller and James presents report of special committee on branch-bank regulations. Platt dissents.  
 Mar. 7, 1924. 73

Says Board ought to repeal the resolution of Nov. 7, 1923.  
 Mar. 7, 1924. 73

Raises point of order that no member can record his vote and that unless present he cannot vote. C.S.H. opposes this.  
 Mar. 18, 1924. 73

Platt, Edmund (Cont.)

Votes against postponing for a full Board meeting the application of an Elizabeth City, South Carolina bank, for a branch.  
 Mar. 12, 1924. 74

C.S.H. feels new members would not like to have Platt designated as Governor, although he would be fair and impartial.  
 Mar. 12, 1924. 75

Platt, however, allows meetings to drag out at great length.  
 Mar. 12, 1924. 76

Votes in favor of C.S.H. motion that Torrance bank application be postponed pending a simultaneous examination by Herson of the Pac. S.W. Co. amibranchs. Tie vote.  
 Mar. 18, 1924. 80

Votes in favor of C.S.H. motion that Herson make a simultaneous examination of all California state member banks with branches not now being examined simultaneously by the state authorities.  
 Carried.  
 Mar. 18, 1924. 80

Votes against Miller's motion to reject the Torrance application on ground that state was not examining simultaneously. Passed.  
 Mar. 18, 1924. 81.

Objects to Dawes request that Sec. Mellon be asked to come in and vote on the branch bank draft, as he had asked that his vote be recorded in favor of this, his own draft.  
 Mar. 26, 1924. 86

Votes against Dawes motion to add a reference to the resolution of Nov. 7, 1923.  
 Mar. 26, 1924. 87

Votes for Miller's motion to adopt Sec. Mellon's draft.  
 Mar. 26, 1924. 87

Votes for C.S.H. motion that Board, except in extraordinary emergencies, will grant no further applications for branches unless within one year of the application, a satisfactory simultaneous examination has been held by the Federal Reserve or by the state authorities, nor unless the condition of the parent bank and branch has been found satisfactory. Failed.  
 Mar. 26, 1924. 87, 88

Votes in favor of the regulations as amended.  
 Mar. 26, 1924. 88

C.S.H. tells Dawes and Platt he will draw a compromise branch regulation.  
 Mar. 27, 1924. 91

Platt, Edmund (Cont.)  
 Votes against postponing for a full Board meeting the application of an Elizabeth City, South Carolina bank, for a branch.  
 Mar. 18, 1924. 74

C.S.H. feels new members would not like to have Platt designated as Governor, although he would be fair and impartial.  
 Mar. 18, 1924. 75

Platt, however, allows meetings to drag out at great length.  
 Mar. 18, 1924. 76

Platt in favor of C.S.H. motion that Harrison bank application be postponed pending a simultaneous examination by Harrison of the Fed. S.W. Co. and branches. The vote.  
 Mar. 18, 1924. 80

Platt in favor of C.S.H. motion that Harrison make a simultaneous examination of all California state member banks with branches not now being examined simultaneously by the state authorities.  
 Mar. 18, 1924. 80

Platt in favor of C.S.H. motion to reject the Harrison application on ground that state was not examining simultaneously. Passed.  
 Mar. 18, 1924. 81

Platt objects to Dawes request that Sec. Mellon be asked to come in and vote on the branch draft, as he had asked that his vote be recorded in favor of this, his own draft.  
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 Mar. 26, 1924. 87, 88

Platt votes in favor of the regulations as amended.  
 Mar. 26, 1924. 88

C.S.H. tells Dawes and Platt he will draw a compromise branch regulation.  
 Mar. 27, 1924. 91

Platt, Edmund (Cont.)  
 Gives equivocal answer to statement of Gov. C. Miller, that the principal banks should refuse to accept C.S.H.'s compromise regulation, but it was carried.  
 Mar. 27, 1924. 93

Cummingham complains of leaks in the Board, evidently referring to Platt's talks on branches with the representative of the N.Y. Journal of Commerce.  
 Mar. 27, 1924. 94, 95.

Platt said he had written several letters to Congressmen et al and would continue to do so, as he saw fit.  
 Mar. 27, 1924. 95

Favors purchase of German trade bills by F.R. banks.  
 April 5, 1924. 106

Offers a proposed letter, in the matter of the application of a member bank at Charlotte, North Carolina, for permission to take over a bank as a branch, - that the only condition imposed on entrance was that as to changing the character of its assets, and that the F.R. Agent should merely report as to this. Says Wyatt says this is correct. Passed.  
 April 16, 1924. 116, 117.

Sends Sec. Mellon a strong letter on branches, criticizing Dawes for recommending in his annual report changes in the F.R. Act and later voting in the Board against our putting in the annual report a statement that we do not agree with his recommendations.  
 April 16, 1924. 117

Platt tells C.S.H. that Sec. Mellon had sent Winston to him to say that he agreed with much that Platt had said in the latter, and that the Board should make a recommendation to save for country banks, at least, the right to have branches.  
 April 16, 1924. 118

Sec. Mellon tells C.S.H. he agrees with Platt that it was not right that the appointive members should be prevented from addressing the Congressional Committee on the subject of suggested amendments of the F.R. Act, because of a tie caused by the votes of the ex-officio members.  
 April 23, 1924. 121, 122

Doubts advisability of lowering N. Y. discount rate from 4 1/2 to 4%.  
 April 26, 1924. 124

Finally votes to approve reduction.  
 April 26, 1924. 125

Platt, Edmund (Cont.)  
 Gives somewhat equivocal answer to statement of Gov. C., Miller, Cunningham, and C.S.H. that the principal banks should reduce rates. Board of Princes' talk with Platt.  
 May 7, 1924. 131

Suggests for consideration of the Federal Advisory Council whether the time has not come to make membership in the F.R. system voluntary for national as well as state member banks.  
 June 12, 1924. 132

The Council replied that a majority favored this ultimately but not at the present time.  
 June 12, 1924. 132

The opinion was expressed that none of the larger banks would leave but that many small banks might.  
 June 12, 1924. 132

It was also pointed out to Platt that all national banks which left would be subject to the old reserve requirements and to Sec. 5202 U.S. Rev. Statutes limiting liabilities to 100% of the capital.  
 June 12, 1924. 132

Dawes was very much disturbed at Platt's suggestion.  
 May 13, 1924. 139

Denies that F.R. banks are under obligation to make earnings by open market investments if thereby inflation will result.  
 May 20, 1924. 148

Says McFadden bill will change the F.R. System from a national system into a national bank system, and drive out state banks.  
 In Great Britain, the Board of Princes' talk with Platt.  
 May 26, 1924. 164, 165

Votes against resolution indorsing the McFadden bill.  
 Gov. Strong things  
 May 26, 1924. 165

Gov. C. after agreeing with Platt's testimony before the Congressional Committee against the McFadden bill, now votes in favor of it!  
 Tells Board of Princes' talk with Platt.  
 May 26, 1924. 165

Votes against that part of C.S.H.'s motion, condemning the lease of rooms in the Cleveland bank to the Rep. Natl. Committee which required notice to be sent to the other F.R. banks.  
 Tells Platt Mitchell must pay \$195,000 assessment on his bank stock.  
 May 29, 1924. 173

Votes for the main part of the motion.  
 C.S.H. tells Board of Princes' talk with Platt.  
 May 29, 1924. 173

Platt tells C.S.H. that Prince said Mitchell would have to pay an assessment of \$195,000 on his bank stock; also that the Chase National of New York and a Chicago bank held his notes to a large amount.  
 Propaganda  
 Of Murray  
 June 5, 1924. 179

Platt, Edmund (Cont.)  
 Gives somewhat equivocal answer to statement of Gov. C., Miller, Cunningham, and C.S.H. that the principal banks should reduce rates. Board of Princes' talk with Platt.  
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 Tells Board of Princes' talk with Platt.  
 May 26, 1924. 165

Votes against that part of C.S.H.'s motion, condemning the lease of rooms in the Cleveland bank to the Rep. Natl. Committee which required notice to be sent to the other F.R. banks.  
 Tells Platt Mitchell must pay \$195,000 assessment on his bank stock.  
 May 29, 1924. 173

Votes for the main part of the motion.  
 C.S.H. tells Board of Princes' talk with Platt.  
 May 29, 1924. 173

Platt tells C.S.H. that Prince said Mitchell would have to pay an assessment of \$195,000 on his bank stock; also that the Chase National of New York and a Chicago bank held his notes to a large amount.  
 Propaganda  
 Of Murray  
 June 5, 1924. 179

Platt, Edmund (Cont.)  
 Give somewhat equivocal answer to statement of Gov. O. Miller  
 Cunningham, and C.S.H. that the principal banks should reduce  
 rates.  
 May 2, 1924. 131

Suggests for consideration of the Federal Advisory Council whether  
 the time has not come to make membership in the F.R. system  
 voluntary for national as well as state member banks.  
 The Council replied that a majority favored this ultimately but not  
 at the present time.  
 The opinion was expressed that none of the larger banks would leave  
 but that many small banks might.  
 It was also pointed out to Platt that all national banks which left  
 would be subject to the old reserve requirements and to  
 Sec. 2503 U.S. Rev. Statutes limiting liabilities to 100% of  
 the capital.  
 Dawes was very much disturbed at Platt's suggestion.  
 May 13, 1924. 132

Denies that F.R. banks are under obligation to make earnings go open  
 market investments if thereby inflation will result.  
 May 30, 1924. 133

Says McRadden bill will change the F.R. System from a national system  
 into a national bank system and drive out state banks.  
 May 28, 1924. 134, 135

Votes against resolution endorsing the McRadden bill.  
 May 28, 1924. 135

Gov. C. after agreeing with Platt's testimony before the Congressional  
 Committee against the McRadden bill, now votes in favor of it.  
 May 28, 1924. 135

Votes against that part of C.S.H.'s motion, condemning the loss of  
 rooms in the Cleveland bank to the Natl. Committee which  
 required notice to be sent to the other F.R. banks.  
 May 29, 1924. 136

Votes for the main part of the motion.  
 May 29, 1924. 136

Platt tells C.S.H. that Prince said Mitchell would have to pay an  
 assessment of \$150,000 on his bank stock; also that the Chase  
 National of New York and a Chicago bank had his votes to a large  
 amount.  
 June 5, 1924. 137

Platt, Edmund (Cont.)  
 C.S.H. tells Board of Prince's talk with Platt.  
 June 6, 1924. 181

Winston tells Platt he has not yet discontinued the fiscal agency  
 functions of the F.R. banks as to exchanging unfit for fit  
 currency.  
 June 12, 1924. 188

**Politics**  
 C.S.H. feels Cunningham is at times dominated by political considerations.  
 Mar. 7, 1924. 66

The ex-officio members are dominating the Board, and they are political  
 appointments.  
 Mar. 26, 1924. 90

President Harding did his best to turn the F.R. Board into a political  
 machine.  
 Mar. 26, 1924. 90

Sen. Thomas says the Republicans will be glad, by passing his bill, to  
 show the silver mine owners that the administration was just  
 to them, but he hoped Sen. Pittman would get the credit.  
 April 5, 1924. 105

**Prices**  
 Gov. Strong thinks prices ultimately will rise again in U.S. and fall  
 in Great Britain, thus reaching a parity.  
 This is Cassel's view, but he would force inflation in U.S. while  
 Gov. Strong thinks it will come naturally.  
 May 22, 1924. 153

**Price, Federal Advisory Council**  
 Tells Board of Mitchell's financial collapse.  
 May 13, 1924. 141

Mildly deprecates Mitchell's appointment; says he does not want it.  
 June 5, 1924. 178

Tells Platt Mitchell must pay \$195,000 assessment on his bank stock.  
 June 5, 1924. 179

C.S.H. tells Board of Prince's talk with Platt.  
 June 6, 1924. 180

**Propaganda**  
 Of Nicholas Murray Butler against the League of Nations.  
 April 28, 1924. 125, 126

See - Butler

Platt, Edmund (Cont.)  
C.S.H. tells Board of Finance's talk with Platt  
June 8, 1924. 181

Minister tells Platt he has not yet discontinued the fiscal agency  
functions of the F.R. banks as to exchanging units for the  
currency.  
June 13, 1924. 188

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Price, Federal Advisory Council  
Tells Board of Finance's financial collapse.  
May 13, 1924. 141

Mildly deprecates Mitchell's appointment; says he does not want it.  
June 8, 1924. 178

Tells Platt Mitchell must pay \$125,000 assessment on his bank stock.  
June 8, 1924. 178

C.S.H. tells Board of Finance's talk with Platt.  
June 8, 1924. 180

Propaganda  
Dr. Nicholas Murray Butler against the League of Nations.  
April 28, 1924. 188

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Reidfield, William C.

Purchase of German trade bills. 105 to 111  
See - F.R. Bank of New York  
German trade bills  
Jax, Federal Reserve Agent

Guest of C.S.H. at dinner of President Wilson. 15

Has conference with Daniels at Hamilton Hotel.  
See Daniels. Feb. 1924. 16

Reed, Captain

Quorum, of F.R. Board. Reed, the daughter of Mrs. Swain dine with us  
C.S.H. tells Board that in spite of Wyatt's opinion, there is no  
provision for a quorum or for any fixed number of members at  
a meeting, except where the Act requires an affirmative vote  
of 5 members. When a quorum is prescribed the F. R. Agent <sup>Act</sup>  
so states specifically, e.g. for the Organization Committee and  
for the Federal Advisory Council. C.S.H. believes that at a duly  
called meeting any numbers present can act, no matter whether  
a majority or not. To rule otherwise would cripple the Board,  
as the individual members have very frequently to be away from  
Washington on official business.

C.S.H. believes however, that even assuming that members have no  
legal right to have their vote recorded when absent on official  
business, the by-laws should be amended so as to give them that  
right.

So also, if any member present asks postponement of any question so  
that absent members may be recorded, this request ought to be  
granted, whether there be a right to demand this or not.

So also, the Sec. of the Treasury should be given the privilege,  
whether as a matter of right or not, of recording his vote on any  
question. Otherwise he could not perform his joint duties as  
Secretary of the Treasury and Chairman of the F.R. Board.

C.S.H. believes, however, that the F.R. Act should be amended by taking  
away the right of ex-officio members to vote in the Board.  
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Rate differential, Philadelphia  
See - Discount rates

Ratio, separate. Deposits and F.R. notes. 20, 62  
See - Miller

Printing of report. 64, 65, 66  
Report of Dawes, Branch banks. 117

Purchase of German trade bills. 105 to 111  
See - F.R. Bank of New York  
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Rate differential, Philadelphia  
See - Discount rates

Ratio, separate. Deposits and F.R. notes. 30, 33  
See - Miller

Redfield, William C.

C.S.H. wires Redfield that ladies are not expected at President  
Wilson's funeral.

Feb. 4, 1924. 15

Guest of C.S.H. at funeral of President Wilson. 15

Has conference with Daniels at Hamilton Hotel.

See Haniels. Feb. 4, 1924. 16

Reed, Captain

Captain and Mrs. Reed, the daughter of Mrs. Swalm dine with us to  
meet Hanihara.

May 23, 1924. 157

Reed, Senator, Missouri

C.S.H. and Smead criticize suggestions of, for paying bonus by  
issue of legal tender notes etc.

April 12, 1924. 114, 115, 118

Reed, Senator, Pennsylvania

Votes for exclusion bill (Japanese) because of Hanihara's letter.

April 15, 1924. 114

Regulations, Branch banks. 58, 59, 67, 82, 84, 85, 86, 87, 95, 96, 121

See - Branch banks

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it to buy one half of the stock of the new German bank plus  
one share.

April 7, 1924. 109

Reparations

Gov. Strong says that if German reparations are fixed on the  
"ability to pay" basis, our claims vs. allies should be  
similarly adjusted. Miller opposed this.

May 22, 1924. 153

Reparations Commission. 1, 2, 4, 42, 43

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Strong, Gov.

Feb. 15, 1924. 20

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See same

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See - Miller

Printing of report. 64, 65, 66

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Reid, William C. 140, 142  
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 National bank examiners reports. 33, 34, 35.

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 F.R. Bank of Cleveland leases rooms to.  
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 May 20, 1924. 149, 151, 152

U.S. Senate, Denby.  
 Feb. 15, 1924. 25

See - Branch banks  
 Miller

Reyburn, Mrs.  
 Talks about Margaret Harding. 7, 51

Robinson  
 Perrin wants to detail Breck, Asst. F.R. Agent to help Robinson  
 on Dawes Committee.  
 Board declines.

Cabinet oppose. Jan. 2, 1924. 1, 2, 3, 4, 43

Roosevelt, Archie  
 Employed by Sinclair at request of Theodore Roosevelt, before he  
 became Asst. Sec. of Navy.  
 Feb. 15, 1924. 23

Wife had stock in Sinclair's oil companies which later she sold. 24

Sinclair gave valuable furs to Archie's wife. 25

Report of national bank examiners. 140, 142  
 See - Dawes  
 National bank examiners reports. 33, 34, 35.

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Roosevelt, Archie (Cont.)  
Particulars as to his testimony before Congressional Committee.  
23, 24, 25.

Davis says Archie did not go voluntarily before the Committee. 41

New word coined, "To Archie" 41

Admiral Staunton says Theodore induced Sinclair to appoint Archie  
at \$25,000 per year.  
Feb. 24, 1924. 44

(See scrap book. Sinclair's letter on Archie.)

Archie in 1921 was Vice President, Secretary, and Director of  
Roosevelt, S.S. Co.  
Feb. 26, 1924. 53

Roosevelt, Theodore  
Analysis of testimony of, before Committee.  
Feb. 15, 1924. 23, 24, 25.

Davis tells C.S.H. how Theodore and Archie were summoned by Committee  
Feb. 24, 1924. 41

Admiral Staunton tells C.S.H. Theodore was a director of one of  
Sinclair's oil companies, receiving \$30,000 per year.

(Probably wrong. T. swore he was not a director when appointed  
Gov. Asst. Sec. of Navy.)

The Directory of Directors says T. was a director of Sinclair Oil  
and Refining Co. in Nov. 1919. 51

Roper  
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Silver C.S.H. opposes it. Mar. 12, 1924. 72

C.S.H. believes it better to have votes defeated by recording votes  
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Davis says Archie did not go voluntarily before the Committee. At New York, "The Archie" 41

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Archie in 1921 was Vice President, Secretary, and Director of Roosevelt S.S. Co. Feb. 28, 1924. 88

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Analysis of testimony of before Committee. Feb. 13, 1924. 25, 24, 23.

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C.S.H. believes it better to have votes defeated by recording votes of absent members than to raise this privilege. Mar. 13, 1924. 73

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 National bank examiners reports

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 Calla on New Year's day Jan. 1, 1924

Schacht  
 Kammerer says, favors putting new German bank on sterling and not  
 on dollar basis.

(See also book for interview apparently correct)  
 June 9, 1924. 188

Scott, James Brown  
 Senate C.S.H. motion for resolution on President Wilson in Carnegie  
 Board April 28, 1924. 123

Is opposed to League of Nations and World Court.  
 April 30, 1924. 127

Gov. Gov.  
 Forwards application for a branch by a Charlotte, North Carolina  
 member bank. April 16, 1924. 118

Security Trust Co.  
 Superintendent of California banks says he can examine, simultaneously.  
 Mar. 20, 1924. 83

Senate, U.S.  
 See - U.S. Senate

Shawwell  
 President of Citizens First National, Albany, Georgia, presents plan  
 for assistance of Federal Reserve Bank of Atlanta.  
 May 15, 1924. 144

Silver dollars  
 See - Pittman Silver Act  
 Thomas

Simmons, Senator  
 Asks C.S.H. to go before Committee. Sen. Reeds wants to pay  
 bonus by issue of legal tender notes. C.S.H. and Senate  
 April 12, 1924. 114, 115, 118

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 50, 51, 53, 58, 59, 67, 79, 80, 81, 82,  
 83, 84, 119, 120.

See - Branch banks

Sinclair - Roosevelt, Theodore  
 Amra says, gave Sec. Lane's son a position before Sec. Lane resigned.  
 Feb. 5, 1924. 17

See - Dawes Commission  
 Employs Archie Roosevelt at request of Theodore.  
 Feb. 15, 1924. 24

Stewart  
 Archie's wife owned stock in one of Sinclair's oil companies, but  
 sold it. Feb. 15, 1924. 24

Stock  
 Gave valuable furs to Archie's wife.  
 Feb. 15, 1924. 25

Straw  
 Theodore was a director in Sinclair Oil Co. in Nov. 1919.  
 Feb. 25, 1924. 51

Smead  
 Criticizes Sen. Reed's proposition to pay bonus in legal tender notes.  
 April 12, 1924. 114, 115, 118

Tells C.S.H. of lease of rooms in Cleveland bank to Repub. Natl.  
 Committee. May 13, 1924. 142

Special Committees  
 Draft of branch regulations.  
 Platt, James, Miller.  
 Feb. 29, 1924. 59

Strong  
 Committee report. Mar. 7, 1924. 67

Sphere of influence. Branches  
 See - Zones

State Department  
 Opposes sending Breck to Assist Robinson on Dawes Commission.  
 Jan. 2, 1924. 1, 2, 3, 4, 43.

See - Hughes  
 Sec. Mellon said not necessary to consult, as to German trade bills  
 as the question is purely a banking one.  
 April 8, 1924. 111

Hughes and Hanihara.  
 April 11, 1924. 113  
 See - Hanihara

State member banks  
 See - Branch banks  
 Examinations  
 Johnson

Staunton, Admiral. 44  
 See - Roosevelt, Theodore

Sterling  
 See - Dawes Commission  
 Kemmerer

Stewart  
 Corrects Smead's memorandum criticizing Sen. Reed's views on bonus bill.  
 April 17, 1924. 118

Stock market 169, 170, 171  
 See - Open market purchases.

Strauss, Albert  
 Left many records as to silver dollars permitted to be shipped to American banks in the Orient.  
 May 3, 1924. 128

See - Pittman Silver Act  
 Thomas

Gov. Strong says Strauss was one of the Wall St. men McAdoo called on for assistance.  
 May 29, 1924. 172

Strong, Governor  
 Believes, in spite of Wyatt's opinion, that a bank can draw a bankers acceptance against another bank, secured by a trade bill drawn on the foreign purchaser, bought by the drawer bank, in connection with an import or export transaction.

Thinks it may be in many cases bad banking practice.  
 Feb. 23, 1924. 35

Tells Board that Young of the Dawes Commission cabled asking him to come over to help him.  
 Platt favored this.  
 May 29, 1924. 168, 169

C.S.H. opposed it.

Mellon and cabinet opposed it.

Board refused permission.  
 Feb. 23, 1924. 42, 43

State member banks  
 See - Branch banks  
 Examinations  
 Johnson

Staunton, Admiral. 44  
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Board refused permission.  
 Feb. 23, 1924. 42, 43

Strong, Governor (Cont.)

Strong, Governor (Cont.)

C.S.H. has interview with Gov. Strong in F.R. Bank of New York.  
Mar. 10, 1924. 71

Gov. Harding says Gov. Strong, now ill in London, at Gov. Norman's house, inspired the N. Y. directors to lower discount rates.  
May 5, 1924. 129

Purchase of Govt. securities to increase earning assets.  
May 22, 1924. 151, 152, 154  
See - Open market purchases

Predicts a broad business boom following acceptance of Dawes report, but probably not before elections.  
May 22, 1924. 152, 155

Says U.S. should readjust debt of Allies to us. Miller dissents.  
May 22, 1924. 153

Thinks prices in U.S. will soon rise again and fall in Great Britain, thus causing parity.  
May 22, 1924. 153

Attacks McAdoo for saying he will remove the grip of Wall Street from the Federal Reserve Board. Says McAdoo availed himself of help of Wall Street more than any other Secretary.

Gives list of 16 Wall Street men brought to the Treasury by McAdoo.  
May 22, 1924. 155, 172

Says McAdoo when he formed a partnership with Cotton asked him to release to him some rooms held by the F.R. Bank of New York in Equitable Building, for his firm; that he said he could not; that McAdoo then reminded him that he called a special meeting of the F.R. Board and had his salary increased to \$50,000!  
May 22, 1924. 156

Tells C.S.H. Sec. Mellon is greatly disturbed at the lease of rooms to the Repub. Natl. Committee by the Cleveland bank.  
May 24, 1924. 157

Remarks before open market committee on necessity of increasing earning assets.  
May 29, 1924. 168, 169  
See - Open market purchases

Wants F.R. Bank of New York to be allowed to sell Govt. securities to stop any speculative movement in future, without prior consent of open market committee. Miller objects.  
May 29, 1924. 169

State member banks  
See - Branch banks  
Examinations  
Johnson

Stanton, Admiral  
See - Roosevelt, Theodore

Starling  
See - Dawes Commission  
Kavanaugh

Stewart  
Govt. Sec. Board's memorandum criticizing Gov. Strong's views on bonds  
April 15, 1924. 118

Stock market, 189, 170, 171  
See - Open market purchases

Strasse, Albert  
Left many records as to silver dollars permitted to be shipped to American banks in the Orient.  
May 8, 1924. 153

See - Pittman Silver Act  
Thomas

Gov. Strong says Strasse was one of the Wall St. men McAdoo called on for assistance.  
May 22, 1924. 172

Strong, Governor  
Believes, in spite of Watt's opinion, that a bank can draw a check against another bank, secured by a check drawn on the foreign purchaser, bought by the drawer bank, in connection with an import or export transaction.

Thinks it may be in many cases but banking practice.  
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Tells Board that Young of the Dawes Commission called asking him to come over to help him.

Watt favored this.

C.S.H. opposed it.

Mellon and cabinet opposed it.

Board refused permission.

Feb. 23, 1924. 43, 48

**Strong, Governor (Cont.)**

Denies powers in Board to forbid a F.R. bank from buying or selling Govt. securities.

May 29, 1924. 169

Taft, Henry W.

Says regulation of stock market by Money Committee after the armistice was not a system transaction but was done by the F.R. Bank alone with the approval of Sec. Glass.

May 29, 1924. 171

Teapot Dome

Gives C.S.H. a list of 16 Wall Street men brought to the Treasury by McAdoo.

May 29, 1924. 171, 172

**Superintendent of Banking, California**

See - Johnson

Swalm, Mrs.

Wife of former Consul at Bermuda dines with us to meet Hanihara.

May 23, 1924. 157

Thomas, Ex-Senator

Swanson, Sen.

Attacks Hanihara's letter.

April 15, 1924. 114

Terrace, Ex-Senator

Mrs. Wilson asks, to object to Sen. Lodge being put on committee to attend funeral of President Wilson, but he did not want to do this saying it would be infringing on the prerogatives of the Senate. Later he telephoned Lodge had been put on the committee.

Feb. 28, 1924. 56

Treasury policies, F.R. banks and

See - Wilson, Mrs. Woodrow

Tells Glass Borah told him seriously he would be willing to be nominated by the Democrats as Vice President if Glass were nominated for President.

May 31, 1924. 174

Sweet, Gov.

We meet, at supper at Mrs. Hardman's.

Mar. 9, 1924. 70

Col. House says Glass and Sweet would make a good ticket.

Mar. 10, 1924. 71

Treaty

(A few days later he took tea with us.)

Sweetser

Mr. and Mrs. Sweetser, attached to the League of Nations, dine with us to meet the Egyptian Minister.

May 25, 1924. 161

Tweedy, Ex-Senator

Asks C.S.H. if Miller should be appointed.

Feb. 28, 1924. 41, 42.

Strong, Governor (Cont.)

C.S.H. has interview with Gov. Strong in N.Y. Bank of New York.

Mar. 10, 1924. 71

Gov. Harding says Gov. Strong, now in London, at Gov. Norman's house, inspired the N.Y. directors to lower discount rates.

May 8, 1924. 158

Purchase of Govt. securities to increase earning assets.

May 22, 1924. 151, 152, 154

See - Open market purchases

Predicts a good business boom following acceptance of Dawes report.

May 22, 1924. 153, 155

Says U.S. should readjust debt of Allies to its Miller dissent.

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Wants F.R. Bank of New York to be allowed to sell Govt. securities to stop any speculative movement in future, without prior consent of open market committee. Miller objects.

May 29, 1924. 153

Strong, Governor (Cont.)  
Denies powers in Board to forbid a F.R. bank from paying or  
selling Govt. securities.

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Says regulation of stock market by Money Committee after the  
crisis was not a system transaction but was done by the  
F.R. Bank alone with the approval of Sec. Glass.

May 29, 1924. 171

Gives C.S.H. a list of 18 Wall Street men brought to the Treasury  
by Mellon.

May 29, 1924. 171, 172

Superintendent of Banking, California  
See - Johnson

Swain, Mrs.  
Wife of former Governor of Bermuda dines with us to meet Harbison.

May 28, 1924. 127

Swanson, Ben.  
Attacks Harbison's letter.

April 15, 1924. 114

Mrs. Wilson asks to object to Sen. Lodge being put on committee to  
study financial of President Wilson, but he did not want to do  
this having it would be infringing on the prerogative of the  
Senate. Later he telephoned Lodge had been put on the  
committee.

Feb. 28, 1924. 88

See - Wilson, Mrs. Theodore

Tells Glass Borah told him seriously he would be willing to be  
nominated by the Democrats as Vice President if Glass were  
nominated for President.

May 31, 1924. 174

West, Gov.  
We meet at supper at Mrs. Harbison's.

Mar. 9, 1924. 70

Col. House says Glass and Sweet would make a good ticket.

Mar. 10, 1924. 71

(A few days later he took tea with us.)

Mr. and Mrs. Sweetser, attached to the League of Nations, dine with  
us to meet the Egyptian Minister.

May 28, 1924. 151

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Taft, Henry W. of the Treasury

Presides at Hamihara dinner, N. Y.

Mar. 10, 1924. 71

United States

Teapot Dome scandal. were ready to 16, 23, 39, 71 of Allies to the.

See - Baker opposes.

May 22, 1924. 153

Daniels

Davis

U.S. Rev. Denby

Sec. Roosevelt talking indebtedness of national banks to 100% of  
the Federal Reserve Bank as to all national banks leaving the  
F.R. System if membership were made voluntary.

May 13, 1924. 139

Thayer, Mrs. Eugene

Wires us of Margaret Harding's death. Jan. 27, 1924. 7, 11.

U. S. Senate

Thomas, Ex-Senator calling for resignation of Sec. Denby

Asks for all records of Board as to permitting export of silver  
dollars to American banks in Orient.

University of North Carolina April 5, 1924. 98 to 105

C.S.H. delivers commencement address at.

Torrance branch 79, 83, 84, 85

June 11, 1924. 122, 123, 124

Trade bills, German. 105 to 111

See - German trade bills will tell C.S.H. of the treatment accorded  
Jay, F.R. Agent at the burial of the unknown soldier. 180

June 6, 1924.

Treasury policies, F.R. banks and.

Treasury influences Open Market Committee.

May 7, 1924. 132, 133

Winston objects to recent increase of 50 millions of Govt. securities

May 8, 1924. 133

Treasury dominates Open Market Committee.

See - Branch banks

May 12, 1924. 134

Vis. C.S.H. objects to Treasury domination.

Mrs. Park says C.S.H. is May 20, 1924. 148 to 154.

May 8, 1924. 132

Treaties

Vis. C.S.H. points out that detailing Breck abroad to help Robinson,  
of Dawes Committee, will violate Senate reservation to  
separate Treaty between U.S. and Germany. 139

Jan. 2, 1924. 1, 2.

Vote See - Jugoslavia

Absent members

Twohey, Federal Advisory Council cannot be recorded.

Asks C.S.H. if Miller should be reappointed. 83, 73, 73, 86

C.S.H. says yes and gives reasons.

Feb. 23, 1924. 41, 42.

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Votes (Cont.)  
 Annual report  
**Under Secretary of the Treasury**  
 See - Winston  
**United States**  
 Gov. Strong favors readjustment of debts of Allies to the.  
 Miller opposes. May 22, 1924. 153  
**U.S. Rev. Statutes**  
 Sec. 5202, limiting indebtedness of national banks to 100% of  
 capital, would revive as to all national banks leaving the  
 F.R. System, if membership were made voluntary.  
 May 13, 1924. 139  
**U. S. Senate**  
 Resolution calling for resignation of Sec. Denby  
 Feb. 15, 1924. 25  
**University of North Carolina**, C.S.H., Platt, Miller, Cunningham  
 C.S.H. delivers commencement address at.  
 June 11, 1924. 191, 192, 194  
**Unknown soldier**  
 Mrs. Wilson says she will tell C.S.H. of the treatment accorded  
 President Wilson at the burial of the unknown soldier. 180  
 June 6, 1924.  
 See - Wilson, Mrs. Woodrow  
 giving national banks all branch privileges enjoyed  
 by member banks.  
 Feb. 29, 1924. 30  
 Cunningham records same vote as McAdoo's.  
 Mar. 5, 1924. 84  
**Valley Bank of Fresno**. 46, 47, 97  
 See - Branch banks  
**Vice President of U.S.**  
 Mrs. Funk says C.S.H. is McAdoo's choice for.  
 May 8, 1924. 133  
**Voluntary membership in F.R. System**  
 Federal Advisory Council favors, but not at present time.  
 May 13, 1924. 139  
**Votes**  
 Absent members  
 Gov. C. rules vote of, cannot be recorded.  
 Mar. 5, 1924. 63, 72, 73, 86

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Staff, Henry W.  
 President at Hamilton dinner, N. Y.  
 Mar. 10, 1924. 71  
 Report on...  
 18, 23, 29, 71  
 See - Baker  
 Daniels  
 Davis  
 Denby  
 Roosevelt  
 Sinclair  
 Taylor, Mrs. Eugene  
 Wives of Margaret Harkin's death. Jan. 27, 1924. 7, 11  
 Thomas, Ex-Senator  
 Asks for all records of Board as to permitting export of silver  
 dollars to American banks in Orient.  
 April 5, 1924. 98 to 103  
 Torrance branch 78, 83, 84, 88  
 Trade bills, German. 105 to 111  
 See - German trade bills  
 Jay, F.R. Agent  
 Treasury policies, F.R. banks and.  
 Treasury influence Open Market Committee.  
 May 7, 1924. 133, 133  
 Winston objects to recent increase of 50 millions of Govt. securities  
 May 8, 1924. 133  
 Treasury dominates Open Market Committee.  
 May 13, 1924. 134  
 C.S.H. objects to Treasury domination.  
 May 20, 1924. 148 to 154  
 Treaties  
 C.S.H. points out that detailing Brock abroad to help Robinson  
 of Dawes Committee, will violate Senate reservation to  
 separate Treaty between U.S. and Germany.  
 Jan. 3, 1924. 1, 3  
 See - Logolavins  
 Twohey, Federal Advisory Council  
 Asks C.S.H. if Miller should be reappointed.  
 C.S.H. says yes and gives reasons.  
 Feb. 23, 1924. 41, 43



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Under Secretary of the Treasury  
 Sec. - Winston

United States  
 Gov. Strong favors readjustment of debts to the  
 Miller opposes  
 May 23, 1924. 133

U. S. Rev. Statutes  
 Sec. 2302, limiting indebtedness of national banks to 100% of  
 capital, would revive as to all national banks leaving the  
 F. R. System if membership were made voluntary.  
 May 18, 1924. 133

U. S. Senate  
 Resolution calling for resignation of Sec. Dampy  
 Feb. 13, 1924. 33

University of North Carolina  
 C. S. H. delivers commencement address at  
 June 11, 1924. 131, 132, 134

Unknown soldier  
 Mrs. Wilson says she will tell C. S. H. of the treatment accorded  
 President Wilson at the burial of the unknown soldier. 130  
 June 6, 1924.

Sec. - Wilson, Mrs. Woodrow

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Valley Bank of Fresno. 46, 47, 57  
 Sec. - Branch banks

Vice President of U. S. Bank says C. S. H. is McAdoo's choice for  
 May 8, 1924. 133

Voluntary membership in F. R. System  
 Federal Advisory Council favors, but not at present time.  
 May 13, 1924. 133

Gov. C. Miller vote of, cannot be recorded.  
 May 6, 1924. 53, 52, 53, 55

Votes (Cont.)

Annual report

Vote to print.

- Aye - Gov. C., Platt, C.S.H.
- No - Cunningham, James
- Not voting - Miller
- Miller finally voted Aye

Mar. 7, 1924. 65, 66

Branch bank applications

Prior to Feb. 1, 1924, blank petitions may be filed naming location.

Jan. 7, 1924. 4

C.S.H. moves to extend until April 1, 1924

- Aye - Gov. C., C.S.H., Platt
- No - Miller, Cunningham, James, Dawes

Jan. 7, 1924. 5

Valley Bank of Fresno

- Aye - Gov. C., C.S.H., Platt, Miller, Cunningham
- No - James, Dawes

Feb. 25, 1924. 47

Sec. Mellon records vote in favor of McFadden bill (Dawes motion.)

See - McFadden bill

Sec. Mellon records vote against Miller's motion favoring giving national banks all branch privileges enjoyed by member banks.

Feb. 29, 1924. 60

Cunningham records same votes as Mellon's.  
Mar. 6, 1924. 64

Elizabeth City, South Carolina

Motion to postpone.

- Aye - James, C.S.H., Cunningham
- No - Gov. C., Miller, Platt

Mar. 12, 1924. 74

(See - Simultaneous examinations).

Branch bank regulations

Dawes motion to add reference to resolution of Nov. 7, 1923.

- Aye - Dawes, James, Cunningham
- No - Gov. C., C.S.H., Platt, Miller
- Sec. Mellon to record vote.

Mar. 26, 1924. 87

Votes (Cont.)

Branch bank regulations (Cont.)

Miller's substitute draft.

Aye - Gov. C., C.S.H., Platt, Miller

No - James, Dawes, Cunningham

Sec. Mellon to record vote.

Mar. 26, 1924. 87

C.S.H. substitute

Aye - C.S.H., Platt

No - Gov. C., Dawes, Miller, James, Cunningham

Mar. 26, 1924. 88

To adopt regulations as amended.

Aye - Gov. C., C.S.H., Miller, Platt

No - Dawes, James, Cunningham

Mar. 26, 1924. 88

Final vote

Aye - Sec. M., C.S.H., James, Cunningham

No - Gov. C., Platt, Miller

Mar. 27, 1924. 93

Sec. M. to complete the record, records his votes.

Mar. 27, 1924. 93, 94

Cosmos Club

C.S.H. elected Vice President. 176 to 120

Jan. 14, 1924. 5

Discount rates

Reducing N. Y. from 4½ to 4%. Unanimous.

April 28, 1924. 125

To approve 3½ for Philadelphia but against the differential against 6 months paper.

June 17, 1924. 197

Efficiency and Economy Committee

To direct committee to investigate as to number of employees, salaries, etc.

Miller alone voted No.

Jan. 17, 1924. 7

Fiscal Agency functions. F.R. Banks

Motion to approve Winston's telegram as to exchange of unfit for fit currency.

Aye - All except

No - Gov. C. Miller

June 12, 1924. 190

German trade bills

April 7, 1924. 109, 110, 111, 117

Votes (Cont.)

McFadden branch bank bill

Dawes motion to indorse

Aye - James, Dawes

No - Gov. C., C.S.H., Platt, Miller  
Feb. 29, 1924. 59

Cunningham motion to indorse:

Aye - Sec. Mellon, Gov. C, Cunningham, Dawes

No - C.S.H., Platt, Miller  
James recorded as Aye

May 26, 1924. 165

Gov. C. explains vote.

May 26, 1924. 165

Recommendation

Board votes that any member may move to reconsider no matter how he voted originally.

Feb. 9, 1924. 5

Reparations Committee

Vote to refuse application to send Breck to help Robinson on Dawes Committee.

Aye - C.S.H., James, Cunningham

No - Gov. C., Miller

Jan. 3, 1924. 3

Gov. C. explains his vote.

Jan. 3, 1924. 3

Republican National Committee

Vote disapproving lease by F.R. Bank of Cleveland to. Notice to be sent all other F.R. banks

Unanimous, except that Platt voted against notice to other F.R. banks.

May 29, 1924. 173

Salaries and Expenditures Committee.

Vote to examine number and salaries of all employees.

Jan. 17, 1924. 6

Simultaneous examinations

Herson has prepared a practicable plan for.

Feb. 18, 1924. 27

James refers to Herson's report.

Feb. 25, 1924. 48

Miller moves to permit Eastern Banking and Trust Co. to establish a branch provided the state was making a satisfactory simultaneous examination, etc.

Notes (Cont.)  
 Notes on branch bank bill  
 Daves motion to amend  
 Aye - James Daves  
 No - Gov. C. C. Miller  
 Feb. 28, 1924. 52

Committee motion to amend  
 Aye - Gov. C. C. Miller  
 No - James Daves  
 James recorded as Aye  
 May 28, 1924. 188

Gov. C. explains vote  
 May 28, 1924. 188

Recommendation  
 Board votes that any member may move to reconsider no  
 matter how he voted originally  
 Feb. 9, 1924. 5

Resolution Committee  
 Vote to return application to bank back to help Robinson  
 on Daves Committee  
 Aye - Gov. C. C. Miller  
 No - James Daves  
 Jan. 3, 1924. 3

Gov. C. explains his vote  
 Jan. 3, 1924. 3

Republican National Committee  
 Vote disapproving lease by F.R. Bank of Cleveland to  
 F.R. banks  
 Jan. 17, 1924. 175

Salaries and Expenses Committee  
 Vote to examine number and salaries of all employees  
 Jan. 17, 1924. 6

Simultaneous examinations  
 Herson has prepared a practicable plan for  
 Feb. 18, 1924. 57

These refers to Herson's report  
 Feb. 23, 1924. 48

Miller moves to permit Eastern Banking and Trust Co. to  
 establish a branch provided the state was making a  
 satisfactory simultaneous examination, etc.

Votes (Cont.)

Simultaneous examinations (Cont.)

C.S.H. says if Board insists on simultaneous examination by  
 state and refuses to examine itself he may apply to  
 courts for a mandatory injunction.  
 Feb. 25, 1924. 49, 50

Herson files report giving plan.  
 Feb. 28, 1924. 53

C.S.H. moves immediate simultaneous examination of all state  
 banks not now being simultaneously examined by the  
 state. Lost.  
 Feb. 28, 1924. 54, 55

Miller gives notice he will introduce a regulation that Board  
 hereafter admit no branches from states not having a  
 satisfactory simultaneous examination.  
 Feb. 28, 1924. 54

C.S.H. says Board has notified the F.R. Bank of San Francisco  
 that it will not approve the California examination because  
 not simultaneous, and therefore it is our duty to do it.  
 Feb. 28, 1924. 55

Vote on Miller's motion. Passed.  
 Feb. 29, 1924. 58

Miller moves rejection of Torrance bank application on  
 ground that state was not examining simultaneously.

C.S.H. moved to substitute to postpone application until a  
 simultaneous examination is made by F.R. Bank of Pacif.  
 S.W. Co. Lost.  
 Mar. 18, 1924. 80

C.S.H. moves simultaneous examination by Herson of all state  
 member banks in California not now being simultaneously  
 examined by the state. Passed.  
 Mar. 18, 1924. 80

Board rejects Torrance application, because no simultaneous  
 examination by state.  
 Mar. 18, 1924. 81

C.S.H. moves to substitute for the regulation that Board will  
 not entertain any application from any bank not being  
 simultaneously examined by the state, a regulation that,  
 except under extraordinary emergencies the Board will  
 grant no further applications unless, within one year  
 of the date of application, there has been a satisfactory  
 simultaneous examination by the F.R. or state, etc. Defeated.  
 Mar. 18, 1924. 88

Votes (Cont.)

Simultaneous examinations (Cont.)  
Vote on Regulations. Lost. Tie.  
Mar. 18, 1924. 88

Vote on C.S.H. compromise regulations.  
Mar. 27, 1924. 93

Reserves, Split. Deposits and notes.  
Board votes to strike from annual report all reference to.  
Mar. 5, 1924. 62

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Wall Street  
McAdoo's attack on F.R. Board and. 155, 171, 172  
See - McAdoo  
Strong, Gov.

Walsh, Senator, Mass.  
C.S.H. criticises plan of, to pay bonus in legal tender notes.  
April 12, 1924. 115, 118

Walsh, Senator, Montana  
C.S.H. attends mock trial of, on oil scandals at home of  
Mrs. Borden Harriman. Mar. 9, 1924. 70

War debts of Allies to U.S.  
Gov. Strong says should be readjusted. Miller opposes.  
May 21, 1924. 153

Warburg, P. M.  
Asks as to eligibility of German trade bills for purchase by  
F.R. banks.  
April 5, 1924. 105

Warburg explains these bills. 109

Warburg says Sec. Mellon favors their purchase. 110

Discusses open market purchases at meeting of Federal Advisory  
Council. May 12, 1924. 134, 135, 136, 137, 138

See - Open market purchases

Warder, Mrs.  
We dine with.  
Feb. 24, 1924. 44

Washington Post

Refers to lease of F.R. Bank of Cleveland to Repub. National Committee.

June 6, 1924. 180

Wellborn, Gov.

Attends Board conference on Citizens First National Bank of Albany, Georgia.

May 16, 1923. 143

Weeks, Sec.

Tells us there is a revolution in Mass. against Lodge for his votes on the pension and bonus bills, over the President's veto; that a friend advised him not to go to Mass. for fear of personal insult and perhaps even assault; no such feeling since Webster's speech of Mar. 7; that President Coolidge asked him with the innocence of a child why Lodge acted this way.

May 26, 1924. 166

Mrs. Wilson says she will tell C.S.H. of treatment of President Wilson by President Harding and Sec. Weeks at funeral of unknown soldier.

June 6, 1924. 180

West, Mrs. 177, 193

See - Hale, Mrs. Chandler  
Myer, Gertrude

Williams, John Skelton

Glover attacks, at Sen. Bruce's house.

Feb. 20, 1924. 30

C.S.H. explains to Mrs. Wilson the row between, and Glover.

May 4, 1924. 128

Wills, Federal Reserve Agent

Says he asked Sec. Mellon to recommend reappointment of Miller; that he said he hoped Mellon would be prejudiced against him because he voted against C.S.H.'s branch bank compromise regulation; that Mellon said Miller had explained this and he was favorable to his appointment.

April 23, 1924. 121

Wills said every one believed that C.S.H. would be designated as Governor; that even the majority respected him, and that Dawes, especially, praised his fairness and impartiality.

C.S.H. said he could not believe it, but Wills said it was coming.

April 23, 1924. 121

Writes a letter to the Board for his directors, explaining the lease to the Repub. Natl. Committee.

June 9, 1924. 182

Vote (Cont.)  
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See - Open market purchases

Warner, Mrs.  
We dine with.  
Feb. 24, 1924. 44

Wills, Federal Reserve Agent (Cont.)

Says that to the best of his recollection he has not seen his Board so stirred since the organization of the bank.

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1. President Wilson dies Sunday at 11.15 a.m.  
Feb. 3, 1924. 12
2. President Wilson had a bad turn two weeks ago and Mr. Bolling told me it was only a question of time, - that there was no hope.  
Feb. 3, 1924. 12
3. Dr. Kennedy, an Englishman, one of the King's Chaplains, preached at St. John's Church. He lunched with us yesterday, and I was not particularly impressed with him. He delivered the ablest sermon- on faith - I ever heard, and at the end he paid a tribute to President Wilson, which for eloquence, fire, and pure oratory excelled anything I ever heard.

He said Wilson went to his cross as did Jesus Christ for the peace of the world, and that those misguided people who opposed and attacked him were, in reality, fighting God himself.

After the service I thanked him and asked him to write out his sermon and I would have it printed.

He said Lord Birkenhead, who had lately attacked Wilson's idealism was an ass as well as an infidel.

His sermon went to prove that neither individuals nor nations could live in isolation; that by God's will they are dependent one on the other; that the principles of the League of Nations were the principles of God.

Feb. 3, 1924. 12, 13.

*See also 139-157*

Willie Federal Reserve Agent (Cont.)  
Says that to the best of his recollection he has not seen his  
Board so stirred since the organization of the bank.  
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Wilson (Cont.)

- 11. Admiral Grayson gives a list of honorary pall bearers to the Associated Press and C.S.H.'s name is not on it.

Called up Grayson who said it was a stupid error, - that my name was the first one Mrs. Wilson mentioned, and he would correct the list.

Feb. 5, 1924. 15

- 12. Baker says President Wilson was very indignant with McAdoo for resigning just before he started for Paris, and said to him McAdoo should have remained in the Cabinet.

Feb. 5, 1924. 16

- 13. Baker and Daniels said that President Wilson directed Lane not to approve a patent for oil land pending before him, which he told Gregory and Daniels he wanted to approve; that the matter rested for some years, when again they heard that Lane just before resigning was going to approve it; that Daniels again went to the White House, and President Wilson again wrote Lane not to approve it.

Feb. 5, 1924. 17

- 14. For a complete statement as to the funeral of President Wilson, prepared by C.S.H., see scrap book. 17

- 15. The papers announced C.S.H.'s name as an honorary pall bearer.

Feb. 5, 1924. 17

- 16. Charles Glover, at a dinner at Sen. Bruce's, attacks McAdoo and Williams for their conspiracy to wreck the Riggs Bank, and said that at one time he thought he could prove that President Wilson was a party to the conspiracy, but rather grudgingly said that link was not proved.

C.S.H. immediately interrupted him and very firmly but quietly said that President Wilson was not a party to that alleged conspiracy nor to any other; that he was of such character that it was not necessary to defend him.

C.S.H. added that, without reference to this particular matter, he would point out to Mr. Glover that a President has necessarily, to depend on his Cabinet officers; that they were his eyes and ears, that they, of course, may deceive him, but he cannot be held responsible for this.

C.S.H. also said President Harding turned over the naval oil reserves to the Interior Department on the recommendation of his Cabinet officer, Sec. Fall, and that the country believes this was a betrayal of the public interest, and asked Glover if he believed that President Harding,

Wilson (Cont.)

deceived by Sec. Fall, could properly be charged with having entered into a conspiracy to betray the public interest? Glover at once subsided and said that C.S.H.'s point was well taken, and that no President should be charged with illegal intent when he accepts as true the statements of fact made to him by his Cabinet officer.

If Glover had not so speedily "come down" C.S.H. would have said things to him which he would not soon have forgotten.  
Feb. 20, 1924. 30, 31, 32.

17. At this same dinner Glover said that Bishop Freeman came to him and asked his consent to have President Wilson buried in the Cathedral, saying that Mrs. Wilson wanted this very much and that he (Glover) said to the Bishop: - "I have fought President Wilson bitterly for many years, but if Mrs. Wilson and you want him to be buried in the Cathedral - the future Westminster Abbey of the Country, - I shall not object, - I consent."

I do not think he said this, - to do him justice, - to in any way triumph over Mrs. Wilson, but merely to show his intense egotism and vanity.  
Feb. 20, 1924. 32

18. After we left the dinner table, young Bruce, son of the Senator, said he wished he could have told President Wilson what he thought of him.

C.S.H. said - President Wilson will be canonized by our children and our children's children long after you and I are forgotten.

Glover said to him smilingly, - "Be careful or Mr. Hamlin will annihilate you!"  
Feb. 20, 1924. 33

19. Senator Bruce and son are, I believe, graduates of Princeton, and are evidently prejudiced against President Wilson, because of the Princeton controversy.  
Feb. 20, 1924. 33

20. Sen. Bruce gave a very cryptic interview on the death of President Wilson, - the only interview which was more of a covert attack than a tribute.  
(See scrapbook)  
Feb. 20, 1924. 33, 34

21. Prince Caetani tells C.S.H. that he does not want to criticise the dead, but that President Wilson did not understand the Italian people and was sorely deceived as to Fiume;

Wilson (Cont.)

that by a treaty between Italy and Yugoslavia, Fiume was given to Italy while Yugoslavia got a post 4 or 5 miles away; that Hungary was more entitled to Fiume than Yugoslavia.

Feb. 25, 1924. 51, 52

- 22. Bertie and I call on Mrs. Wilson, she having sent word she wanted to see us.

She seemed very wan and sad.

She said she had received 8000 letters of condolence, and had already answered in person every letter from a Govt. or sovereign, from all parts of the world.

She said the State Department, which helped her with official titles, etc., would not let her use one standard form of letter, because, as one of the officials told her, the Sovereigns might compare the letters!

Feb. 28, 1924. 56

- 23. She said that when she read in the papers that the Senate was to appoint a committee to attend President Wilson's funeral, she communicated with Senator Swanson and asked him to object to Sen. Lodge being put on the committee; that Sen. Swanson at once came up to her house and begged her not to insist on this, as for him to object would be to infringe upon the prerogatives of the Senate.

Feb. 28, 1924. 56

- 24. She said she told Sen. Swanson she had great respect for individual Senators, but very little for the Senate.

Feb. 28, 1924. 56

- 25. She said that Sen. Swanson telephoned later that Sen. Lodge had been appointed on the committee.

Feb. 28, 1924. 56

- 26. She said that thereupon she addressed a letter to Sen. Lodge saying she felt sure he would appreciate her feeling that he should not be present at the funeral, and that Lodge acknowledged her letter saying he had not realized that the funeral was to be a private one!

Feb. 28, 1924. 56, 57

- 27. She also spoke of the visit of Mr. and Mrs. McAdoo at the time of the funeral. (This was just after McAdoo had testified before the Congressional Committee as to his Doheny retainer.)

Wilson (Cont.)

deceived by her. Fall, could properly be charged with having entered into a conspiracy to betray the public interest. Glover as one episode and said that C.S.H.'s point was well taken, and that no President should be charged with illegal intent when he accepts as true the statements of fact made to him by his Cabinet officers.

If Glover had not so speedily "come down" C.S.H. would have said things to him which he would not have forgotten.

At this same dinner Glover said that Bishop Freeman came to him and asked his consent to have President Wilson buried in the Cathedral, saying that Mrs. Wilson wanted this very much and that he (Glover) said to the Bishop: - "I have fought President Wilson bitterly for many years, but Mrs. Wilson and you want him to be buried in the Cathedral - the Prince Westminister Abbey of the Country, - I shall not object." - I consent.

I do not think he said this - to do him justice, - so in my way through over Mrs. Wilson but merely to show his intense emotion and anxiety.

After we left the dinner table, young Bruce, son of the Senator, said he wished he could have said President Wilson that he thought of him.

C.S.H. said - President Wilson will be commended by our children and our children's children long after you and I are forgotten.

Glover said to him smilingly, - "Be careful or Mr. Berlin will annihilate you!"

Senator Bruce and son are, I believe, graduates of Princeton and are violently prejudiced against President Wilson because of the Princeton controversy.

Sen. Bruce gave a very critical interview on the death of President Wilson - the only interview which was more of a covert attack than a tribute.

Prince Gaston tells C.S.H. that he does not want to criticize her but that President Wilson is not understood by the Italian people and was sorely deceived as to Fiume.

Wilson (Cont.)

- She said her house was filled to overflowing with callers on McAdoo, Press representatives, etc. all the time he was there; that he received delegations in every room; that she scarcely had a room to herself.
32. C.S.H. She said McAdoo was almost beside himself with excitement, saying one thing to one group and another to another; that his supporters were entirely demoralized; that some were begging him to withdraw and some to fight on.
33. Mr. ... She said Mrs. McAdoo was in constant tears, sobbing that the affair would kill "Mac;" that Margaret Wilson, who was a Christian Scientist, went around the house with a broad smile saying everything would come out all right.
34. C.S.H. Feb. 28, 1924. 57
- She said she thought failure to secure the nomination would kill Mr. McAdoo.
- Feb. 28, 1924. 57
28. She burst into tears several times during our interview and seemed terribly sad and depressed.
- Feb. 28, 1924. 57
29. C.S.H. introduces a resolution at meeting of the Carnegie Endowment for International Peace, directing the Executive Committee to prepare resolutions on the death of President Wilson and President Harding, recounting their services for world peace, and that a copy be sent to the families of the deceased Presidents.
- Mr. ... Passed unanimously.
- April 23, 1924. 122, 123.
30. C.S.H. calls up Mrs. Wilson and tells her of the above resolution.
- April 23, 1924. 123
31. C.S.H. calls on Mrs. Wilson; tells her of the Glover episode at Sen. Bruce's dinner, and explains about the Riggs Bank row saying that Glover started the row and his bank was engaged in many illegalities, which, however, could easily have been put an end to without the bitter row, and that while McAdoo and Williams had undoubtedly much provocation, he believed they were so incensed as to lose their heads and that they really tried, perhaps subconsciously, to wreck the Riggs bank in their vengeance.
- May 4, Sunday, 1924. 128
37. C.S.H. calls, by appointment, on Mrs. Wilson. She was on a couch in her room, and is getting along finally.
- June 2, 1924. 178

(Wilson Cont.)

She said her house was filled to overflowing with callers on McAdoo, Press representatives, etc. all the time he was there; that he received delegations in every room; that she scarcely had a room to herself.

She said McAdoo was almost beside himself with excitement saying one thing to one group and another to another; that his supporters were entirely demoralized; that some were begging him to withdraw and some to fight on.

She said Mrs. McAdoo was in constant tears, sobbing that the affair would kill "Mac"; that Margaret Wilson, who was a Christian Scientist, went around the house with a broad smile saying everything would come out all right.

Feb. 28, 1924. 27

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She burst into tears several times during our interview and seemed terribly sad and depressed.

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April 23, 1924. 133

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April 23, 1924. 133

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May 4, Sunday, 1924. 138

Wilson, (Cont.)  
Wilson (Cont.)

32. C.S.H. told her about Glover's talk as to permitting President Wilson's body to be interred in the Cathedral, and she said her chief hesitation at having him buried there came from her feeling towards Glover.

May 4, 1924. 128

33. Mr. Bolling tells C.S.H. that Mrs. Wilson, under her arrangement, was free to remove the body at any time.

May 4, 1924. 129

34. C.S.H. calls on Mrs. Wilson.

Mr. Bolling told C.S.H. that Mrs. Wilson while visiting Mrs. Brown at the Endless Caverns, Newmarket, Va., started to go down three stone steps into her bathroom, and just as she was getting into her bath, she saw something black on the floor which looked like a piece of black cloth; that she started to brush it away when suddenly it flew up towards her (it, in fact, was a black swallow); she, however, thought it was a bat, and with a scream jumped back and slipped and fell against the steps, breaking a bone in her shoulder; that a nearby Doctor bound up her shoulder; that he insisted on her going back to Washington to have it set, and wanted her to take a compartment on the train; that she insisted on going back by automobile, - 180 miles; that she would not let the Doctor strap her arm to her side or across her chest, and made the long journey, but with very great pain and suffering.

Mr. Bolling said the bone was set yesterday, that it had to be done under anesthetic, and that her arm and shoulder had to be placed in a plaster of Paris cast which could not be taken off for a month or six weeks.

May 25, 1924. 160

35. Senator Glass tells C.S.H. that President Wilson, just before he died, wanted to come out publicly against McAdoo for his course in avoiding the League of Nations and his attitude towards the bonus bill, and that it was with the greatest difficulty that he and other friends persuaded him to postpone this.

May 31, 1924. 174

36. Gertrude Myer says Mrs. West said she had gone to the Cathedral with Mrs. Wilson and Vance McCormick to arrange for the interment there of President Wilson's body. Later she admitted this was a pure fabrication on her part.

June 3, 1924. 177

June 12, 1924. 193

37. C.S.H. calls, by appointment, on Mrs. Wilson. She was on a couch in her room, and is getting along finely.

June 5, 1924. 178

Wilson (Cont.)  
 38. Mrs. Wilson promised C.S.H. to give him a detailed account of President Wilson's treatment by President Harding and Sec. Weeks on the occasion of the burial of the unknown soldier at Arlington.  
 June 5, 1924. 180

Winston, Under Secretary  
 Strongly objects to F.R. banks buying Govt. securities.  
 May 8, 1924. 133

Miller tries to persuade him to agree to increase in earning assets of F.R. banks; absolutely indifferent to whether F.R. banks make sufficient earnings for expenses and dividends.  
 May 21, 1924. 150

C.S.H. confers with, as to lease of rooms in F.R. Bank of Cleveland to Repub. National committee.  
 May 24, 1924. 157, 158, 159

Says Mr. Price is to confer with him tomorrow as to appointment of F.R. Agent at Minneapolis.  
 June 5, 1924. 178

Dispute with Board as to F.R. banks temporarily assuming cost of shipment and insurance on unfit currency exchanged for fit.  
 June 9, 1924. 184, 185, 186, 187, 188, 189, 190.

Wooley, Robert  
 Thinks McAdoo should withdraw as a candidate for President.  
 Feb. 5, 1924. 18

World Court  
 Gov. Montague says James Brown Scott is against this World Court, but for a World Court.  
 April 30, 1924. 127

Wyatt, General Counsel, Federal Reserve Board  
 C.S.H. tells, his opinions are too diffuse and mix up policy with law.

He originally ruled that a bank could not draw a bankers acceptance against another bank, secured by a trade bill drawn on foreign purchases bought by the drawer bank, in connection with an import or export transaction.

C.S.H., Gov. Strong and Dawes thought a bank could technically accept such a bill, but that in most cases it would be against sound banking policy.

Wyatt said he had changed his opinion and thought such acceptances were technically legal.

Wilson (Cont.)  
 38. Mrs. Wilson promised C.S.H. to give him a detailed account of President Wilson's treatment by President Harding and Sec. Weeks on the occasion of the burial of the unknown soldier at Arlington.  
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Wyatt said he had changed his opinion and thought such acceptances were technically legal.

Wyatt, General Counsel, F.R. Board (Cont.)  
C.S.H. asked for a new opinion.

Wyatt gives a new opinion, 17 pages long, mixing up policy with law, which C.S.H. could not understand.

C.S.H. called for another opinion giving solely his conclusions as to the law.

C.S.H. dissatisfied with Wyatt's opinions; he seems to think he is a member of the Board.  
Feb. 23, 1924. 35, 36, 37.

Says Board can lawfully enact a regulation that it will not entertain a branch application unless the bank is being examined simultaneously by the state.  
Mar. 7, 1924. 68

Says German trade bills are technically eligible for purchase by F.R. banks.  
April 7, 1924. 108

Says Board cannot refuse application for a branch because no simultaneous examination by state, unless the bank on entry to system agreed not to establish a branch except on consent of Board.  
April 16, 1924. 117

Doubts legality of Atlanta banks arrangement as to Citizens First National Bank of Albany, Georgia.  
May 16, 1924. 146

Rules that Under Secretary Winston is not an ex-officio member of the Board and cannot vote as representing the Secretary of the Treasury.  
June 12, 1924. 188, 190.  
See - General Counsel.

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-Y-

Young, Owen  
Cables asking detail of Gov. Strong to help him on Dawes Committee.

Wilson (Cont.)  
38. Mrs. Wilson presented C.S.H. to give him a detailed account of President Wilson's treatment by President Harding and Sec. Weeks on the occasion of the burial of the unknown soldier at Arlington.  
June 5, 1924. 180

Winston, Under Secretary  
Strongly objects to F.R. banks buying Govt. securities.  
May 8, 1924. 133

Miller tries to persuade him to agree to increase in earning assets of F.R. banks; absolutely indifferent to whether F.R. banks make sufficient earnings for expenses and dividends.  
May 31, 1924. 181

C.S.H. confers with as to lease of rooms in F.R. Bank of Cleveland to Reg. National committee.  
May 24, 1924. 137, 138, 139

Says Mr. Price is to confer with his township as to appointment of F.R. Agent at Minneapolis.  
June 5, 1924. 178

Dispute with Board as to F.R. banks temporarily assuming cost of shipment and insurance on gold currency exchanged for it.  
June 2, 1924. 184, 185, 186, 187, 188, 189, 190.

Woolley, Robert  
Thinks Nathan should withdraw as a candidate for President.  
Feb. 5, 1924. 18

World Court  
Gov. Montague says James Brown Scott is against this World Court but for a World Court.  
April 30, 1924. 137

Wyatt, General Counsel, Federal Reserve Board  
C.S.H. feels his opinions are too diffuse and mix up policy with law.

He originally ruled that a bank could not draw a bankers acceptance against another bank, secured by a trade bill drawn on foreign purchases bought by the drawer bank in connection with an import or export transaction.

C.S.H., Gov. Strong and Dawes thought a bank could technically accept such a bill, but that in most cases it would be against sound banking policy.

Wyatt said he had changed his opinion and thought such acceptances were technically legal.



Young, Owen (Cont.)

Most of Board, especially Platt, favored.

C.S.H. opposed, as being in spirit at least, in violation of Senate reservation to treaty between U.S. and Germany,

Sec. Mellon opposes.

Board decided Gov. S. should not go.  
Feb. 23, 1924. 42, 43.

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Zones of influence. 68, 70, 82.  
See - Branch banks; regulations

(The end)

West, General Counsel, F.R. Board (Cont.)  
C.S.H. asked for a new opinion.

West gives a new opinion, 17 pages long, mixing up policy with law, which C.S.H. could not understand.

C.S.H. called for another opinion giving solely his conclusions as to the law.

C.S.H. dissatisfied with West's opinions; he seems to think he is a member of the Board.

Feb. 23, 1924. 38, 39, 37.

Boys Board can lawfully enact a regulation that it will not entertain a branch application unless the bank is being examined simultaneously by the state.

Mar. 7, 1924. 38

Boys German trade bills are technically eligible for purchase by F.R. banks.

April 7, 1924. 108

Boys Board cannot refuse application for a branch because no simultaneous examination by state, unless the bank on entry to system agreed not to establish a branch except on consent of Board.

April 18, 1924. 117

Double legality of Atlanta banks arrangement as to Citizens First National Bank of Albany, Georgia.

May 18, 1924. 148

Notes that Under Secretary Winston is not an ex-officio member of the Board and cannot vote as representing the Secretary of the Treasury.

June 13, 1924. 188, 180.

See - General Counsel.

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Young, Owen  
Copies asking detail of Gov. Strong to help him on Dawes Committee.