<table>
<thead>
<tr>
<th>Collection Title</th>
<th>THE PAPERS OF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHARLES SUMNER HAMLIN</td>
</tr>
<tr>
<td></td>
<td>DIARIES</td>
</tr>
<tr>
<td>Series and/or Container</td>
<td>25 v. 11</td>
</tr>
<tr>
<td>Shelf/Accession No.</td>
<td></td>
</tr>
</tbody>
</table>

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Aldrich, Mrs. Richard

H. P. H. says Mrs. Aldrich once told her that she was calling on Dr. and Mrs. Miller one day after President Wilson had gone out of office, and that they were both virulent against Mr. Wilson, that, in indignation, she arose and left the house.

Jan. 17, 1926. 90, 01.

Aldrich, Sen.
See - Andrew, Cong.

Alexander, Mr.

At supper given by Dr. Miller to the Federal Advisory Council, Mr. Alexander defended the call loan market. He spoke of the early predictions of Glass, Owen, and C.S.H. that Federal Reserve money would be diverted from Wall Street but pointed out its continuous growth. He opposed the suggestion of Dr. Miller that the Federal Reserve Act be amended to authorize Federal Reserve banks to decline to discount for member banks carrying speculative loans. He said the Federal Reserve banks, by cooperating with the member banks, could correct any abuse.

C.S.H. told him he agreed with what he said, but pointed out that his (C.S.H.'s) statements in 1914 were based on the fact that under the old law, 2/3 of the country banks required reserves could be placed with New York banks and loaned out by them on the stock exchange; that thus the country bank reserves were really nothing more than call loans, which in times of panic could not be realized on; that under the Federal Reserve Act the reserves of country banks and all banks were in gold in Federal Reserve banks; that while the Federal Reserve banks, setting aside 35% reserve, could grant loans on the balance (65%) of these reserves, the loans could only be made against eligible paper.

Mr. Alexander agreed to this.
May 20, 1926. 200, 201.

Alien Custodian property
See - German claims bill
Aluminum
See - Trade Commission

Anderson, B. M.
German business and finance under Dawes plan.
April 2, 1926. 169 - 13

American Committee, Geneva
Dr. Shotwell says Root and Scott tried to induce the Executive Committee of the Carnegie Foundation to revoke the $4000 appropriation for the, but finally gave up the attempt.
Sept. 17, 1925. 8

Dr. Butler writes C.S.H. that he wishes to have the appropriation for the, increased to $10,000 for next year, and C.S.H., who can not be at the meeting, wires approval.
Dec. 4, 1925. 54

Ames, Lady
Gives Bertie a ticket to Assembly.
Sept. 13, 1925. 4

Dined with Sir Herbert and Lady Ames, List of guests.
Sept. 15, 1925. 6

Amory, Copley
We lunch with Mr. and Mrs.
Mr. and Mrs. Edward Atkinson were also there.
April 18, 1926. 163

Anderson, Father
Has a special service at St. Agnes church, Washington, in memory of Anna. C.S.H., H.P.H., and Marion Oliver were present.
Monday, April 26, 1926. 171

Andrew, A. Platt
Comes on board "Pittsburg" at Cherbourg.
Sept. 24, 1926. 13

He thought at first it must be Count Tolstoi; said that he had written articles on the war for the Hearst newspapers and bitterly criticized the administration for its conduct of the war; said that he changed his clothes two or three times each day; that when walking on deck he wore a derby hat and carried a cane; that one night he came down to dinner in a dinner jacket with his breast covered with medals.
Sept. 27, 1926. 13, 14.

Spoke of his troubles with Secretary MacVeagh. Said that MacVeagh did not like him and that finally they did not even speak to one another.
Andrew, A. Platt (Cont'd.)

He said that while a Professor at Harvard, Sen. Aldrich asked him to serve as Secretary of the Monetary Commission; that he got leave from Harvard to do this; that later he was appointed Director of the Mint and after that Fiscal Assistant Secretary of the Treasury.

He said Sen. Aldrich wanted him to go to the Chicago National Convention to put through a plank endorsing the Monetary Commission bill, but that MacVeagh flatly refused to allow him to go, whereupon he resigned.

He said one day Vanderlip called him up from New York and said that Charles Norton, Secretary of President Taft, was negotiating a hundred million dollar loan in New York for Treasury purposes through Baker of the First National and the Morgan interests; that Vanderlip said his bank, the National City, had not been consulted nor offered any participation, and he was very indignant.

Andrew told Vanderlip that although he was Fiscal Assistant Secretary he had never even heard of this.

He said he drove to Norton's house one morning and asked him what it all meant; that Norton told him he could not talk about it; that he then drove to MacVeagh's house, but that he had not yet come down; that he kept him waiting a half hour and finally came down and said petulantly, "Well, Andrew, what do you want?"

Andrew said he came to talk with him about the hundred million loan; that MacVeagh said, "By what right do you come to me on a loan matter, - I am the Secretary of the Treasury?" Andrew said he told MacVeagh all he had heard and that finally, to his amusement, MacVeagh admitted that he also had never heard of it.

He said that later MacVeagh went with him to New York and had an interview with Vanderlip and verified the fact; that when they returned MacVeagh said he was to be at the White House that afternoon and that Taft would undoubtedly tell him all about it; that later he told him Taft invited him into the pantry and gave him a drink, but never referred to the proposed loan; that MacVeagh seemed utterly disheartened and broken down.

Andrew said that finally he went to Sen. Aldrich and asked him to inquire about the loan; that he finally had sympathy for McVeagh, although they never spoke now; that Sen. Aldrich went to Taft and learned that the loan was being arranged by Norton; that Sen. Aldrich protested and as a result, the loan was finally dropped.
Andrew, A. Platt (Cont'd.)

Andrew said that in spite of this treatment MacVeagh did not resign. Andrew thinks, because he had just completed his new house and did not want to leave Washington.

Andrew told him if he resigned he also would resign.

Andrew said MacVeagh was a very weak man, not fitted for the Treasury; that he was appointed only because a western man was wanted for the position, and that George M. Reynolds had been offered and had accepted but that at the last moment his directors had doubled his salary and he finally declined the position; that MacVeagh was decided upon only in the twenty-fourth hour in order to complete the Cabinet.

Andrew also said that Frank Stearns of Boston told him that while at the White House he had moved his bed into the President's bedroom as the President liked to talk with him early in the morning before he arose.

Andrew said he owed the administration nothing, and that the opposition of Constance Lodge (Mrs. Williams) helped him in his campaign rather than hurt him. He said Sen. Gillette never would be able to cast an independent vote in the Senate as he had been put there solely by Stearns and Sen. Butler.

He said neither Stearns nor Butler liked him as he would not take orders from them.

He said Charles Norton had fixed matters to secure and had secured a position in Baker's bank in New York.

Andrew was quite liberal in his references to the League of Nations and we believe he will come out for it ultimately.

He was very bitter with the administration for not giving better terms to France; he said he was ashamed of our country's attitude in demanding payment of the pre-armistice debt.

He showed me an interview he proposed to give out on landing on the subject of the French debt and asked what I thought if ... in the face of the administration and that he ought not to publish it without full knowledge that it would be so regarded.

Oct. 1, 1925. 15, 16, 17, 18, 19.
Annual report, Federal Reserve Board

Dr. Stewart came from New York to discuss his draft of the Board's report which he had not finished before resigning.

Miller strongly objected to certain portions and intimated that he might file a minority report.

Miller said discount rates at New York should have been increased long ago; he dislikes the reasons given by the Board for not having advanced them.

He specially objected to the statement that increased rates might have encouraged further gold imports, evidently not wanting such a good reason to appear in the report. He denied that such would have been the effect.

C.S.H. reminded him that Gov. Norman said our high call loan rates threatened his gold and made our discount rate imperative.

Dr. Stewart said a discount rate put up to 4% would put a higher base under the call loan rate and tend to keep it up; that it would tend to increase customers' rates.

Miller said a higher discount rate would reduce call loans and release credit which would lower commercial rates.

Dr. Stewart and the Board did not agree with him.

Miller kept saying, - if you will only change this and that, it will enable you to "get by."

Evidently he has a supreme contempt for the rest of the Board.

He also inferentially accused Dr. Stewart of taking a particular date for his figures so that his conclusions might be supported by the figures, which made Dr. Stewart very indignant, as he afterwards told me. He said he took the dates under discussion in the report. C.S.H. believes Miller will not dare file a dissenting report.

Mar. 2, 1926.

108, 109, 110.

Antwerp

Drive by auto from Brussels to Antwerp stopping at Mabgea where we visited the Cathedral. The carillons were being repaired and were not playing. Called at palace of Cardinal Mercier. His secretary said he was engaged for the morning, but he showed us the chapel and pictures.
Antwerp (Cont'd.)

Arrived at Antwerp about noon and called on Mr. Mitchell of the Red Star Line. He gave us some mail including a delightful letter from Mrs. Wilson. He said he thought he could give us a better room on the Pittsburgh and gave us an order on the Chief Steward for lunch.

Our room was changed from C24 to B49, - a large comfortable room but without a bath, - there were very few rooms with bath.

Before sailing we went to the Cathedral and saw the Proumen tomb.

We sailed at 4 p.m.

The ship's Doctor examined me and agreed with Dr. Ruffin that my only trouble was intestinal indigestion.

Sept. 23, 1925. 12

Arnold, Mrs. B. W.

Mrs. Arnold called on Bertie in Albany some ten days ago, and gave her a typewritten account of a seance in N. Y. last October. It was conducted by John W. Tecknor.

She met her friend Edward S. Martin, of "Life" one day when walking with one of the Erving girls, and he asked them to go with him to the Seance. They were not introduced to Mr. Tecknor.

About 25 were present, including Robert Underwood Johnson. The medium was "Black Hawk" who from time to time would call out names of those present, saying that some relative wished to speak with them, whereupon he would deliver the message.

During the middle of the seance he called out, - Anna Hamlin.

Mrs. Arnold answered yes.

Thereupon, he delivered the following message from Anna:-

"This is more difficult than I thought. I see now why the troubles of getting words back and forth have not been expedited. It is all in the mind, thought moving from one to another, but the fact that a word does come now and then is better than thousands of words of argument. I don't want to give any more."

There was no possibility in which Mr. Tecknor or any one there could ever have known that Mrs. Arnold was a friend of Anna. Mrs. Arnold had not mentioned Anna's name while there, and was completely taken by surprise when her name was announced by Black Hawk.

Dec. 5, 1925. 55, 56
Assembly of League of Nations

Dr. Zimmerman says the, will never consent to shelving the Protocol.  
Sept. 13, 1925. 3

Lady Ascher gives Bertie a ticket for the Assembly tomorrow.  
Sept. 13, 1925. 4.

Attended meeting of Assembly.  
Sept. 13, 1925. 5

Assistant Secretary of Treasury, Fiscal
See - Andrew, A. Platt

Atkinson, Edward
We meet Mr. and Mrs. at lunch.  
April 18, 1925. 163

Attorney Gen. Gregory
Advised Board it had no power to cut down the number of Federal Reserve banks. 90

Attorney Gen. Sargent
Mr. Bowman, Class B, Director of Federal Reserve Bank of Boston calls on C.S.H. Says the Attorney General is a very old friend and that he came to Washington at the request of the Board of Directors and Gov. Harding, to present to the Attorney General this unanimous hope that C.S.H. may be reappointed, and to ask him to urge this upon the President; that Gov. Harding also asked him to say to the Attorney General that at the recent conference of Governors, it was their unanimous opinion that C.S.H. should be reappointed.

C.S.H. asked him to tell the Attorney General that he had been an active member of the Grange for 30 years, that he was a farmer and had worked assiduously for the farmers since he had been on the Board.

C.S.H. also suggested that Mr. Bowman tell the Attorney General to consult with Sec. Mellon before speaking with the President.  
April 1, 1926. 139, 140

Mr. Bowman writes C.S.H. as follows:-

"Springfield, Vt., Apr. 5, 1926.

Just a word, to let you know that I had a most friendly talk with Mr. Sargent along the lines we had talked when I called on you at your office on Thursday. I am sure the matter will have his attention within a reasonable time...

A. C. Bowman."

April 7, 1926. 161
Attorney General Sargent (Cont'd.)

Sen. Glass expresses satisfaction that the Attorney General will take up the matter at the White House.

April 6, 1926. 155

Austria

Gov. Norman says Austria will soon adopt a real gold standard in place of the gold exchange standard.

Dec. 31, 1925. 73

Bagg, Mrs.

We dine in Geneva with Mrs. Bagg, the mother of Mrs. Arthur Bullard.

Present: David Fairchild, Mr. and Mrs. Gilbert Grosvenor, and Mr. Mowrer, correspondent of Chicago News.

Sept. 15, 1925. 6

Baker, First National Bank, New York

See - Andrew, A. Pitatt

Baker, Newton D.

Speaks at memorial dinner to Wilson in Washington.

Dec. 38, 1925. 70

Calls on us with his daughter. Is shocked at House's book.

Mar. 7, 1926. 111

Sands C.S.H. clipping from Cleveland Plain Dealer, advocating his reappointment.

May 13, 1926. 187

Baldwin, Stanley

We gave an official dinner when he was in Washington.

Jan. 15, 1926. 87

Balfour

Breckenridge Long says he knows that Balfour told Wilson of the secret Treaties in May, 1919, at a secret conference at the White House; that he did not know whether Balfour told Lansing or not; that Wilson was in error in saying that he first heard of these secret treaties abroad in 1919.

Nov. 18, 1925. 39
Bank of England
Gov. Strong tells Board that, must soon increase its discount rates to 5%.
Dec. 1, 1925. 49, 50

Increase its discount rate to 5%.
Dec. 2, 1925. 56.

See — Norman Strong

Bank of Italy, San Francisco
Some of Federal Reserve Board feared that if they granted application to Drum for Mercantile Trust Co. for branches at Burlingame and Palo Alto it would reopen the application of the Bank of Italy.

Investigation showed, however, that the Bank of Italy’s applications were all for de novo branches.
Dec. 8, 1925. 60

Banking and Currency Committee, H.R.
Miller in testifying before, said that Milo Campbell and Cunningham were the best men ever on the Federal Reserve Board.
April 29, 1926. 174

Baruch, B. N.
Mrs. Wilson asks Nancy Lane had asked, to help her obtain a movie engagement.
Nov. 15, 1925. 37

Baruch, Miss
Mrs. Wilson asks us to dine alone with her as, is giving a dinner at the International Club to members connected with the L. of N.

Sept. 16, 1925. 5, 9

Mrs. Wilson says she will send "Pa, Ma and Mae" to Miss Baruch to examine.
Jan. 13, 1926. 83

Mrs. Wilson said Miss Baruch told her that she gave "Pa, Ma and Mae" to the reader of the Non-Partisan League to read; that she reported that she liked it very much but feared it was too partisan for the League to use it, but would report officially later.
Jan. 23, 1926. 94, 95.
Basle, Switzerland
Left Berne at 5 p.m. reaching Basle at 7:30. Staid at Trois Roos Hotel. Had very good room and bath overlooking the Rhine for $6 per day. Left Basle 10 a.m. next morning.
Sept. 18, 1925. 10

Bear Garden
See - Berne

Belgian Debt Commission
See - Belgium

Belgium
Phillips sent me in his machine to leave a card on Gov. of National Bank in Brussels. He offered to obtain an official interview but I said I would make only a courtesy call. The Governor's secretary, connected with the Belgian Debt Commission, said the Governor was just leaving to keep an important official engagement, but would be glad to see me tomorrow at any time agreeable to me. I explained I was just passing through Brussels on route to Antwerp.

At 5 p.m. we took tea with Ambassador and Mrs. Phillips.
Sept. 21, 1925. 11, 12

Federal Reserve Board. Belgian agreement.
See - Strong, Gov.

Gov. Norman explains Belgian Financial situation; said it was caused by Belgium's taking over the francs issued by Germany during the occupation.
Dec. 31, 1925. 72

Board gives Gov. Strong authority to buy 15 millions of bills from National Bank of Belgium.
Mar. 8, 1926. 111

Bermuda
Anna leaves Washington on route to Bermuda. The last time we ever saw her - alive.
Thursday, Feb. 18, 1926. 107

Berne, Switzerland
Left Geneva 11 a.m. and reached Berne at 3 p.m.

Drove to Swiss National Bank and called on the Vice President, Mr. Schreider. Called on Amer. Minister, Mr. Gibson, but he was away.

Fed the bears in the bear garden. Drove around the city.
Left for Basle at 5 p.m.
Sept. 18, 1925. 9, 10
Biddle, Miss
T.ook Christmas lunch with.
Dec. 25, 1925.

Blennerhasset, Lady
We meet, dining with Sir Herbert and Lady Asser.
Sept. 15, 1925.

Bolling, Bertha
We drive with Mrs. Wilson and
Mar. 8, 1926.

Bolling, John Randolph
Calls me up to tell of death of his mother.
Nov. 21, 1925.

Bolling, Mrs.
Death of.
Funeral at Wytheville, Va.
Nov. 23, 1925.

Borah, Sen.
Lawrence Evans tells C.S.H. that Mr. Call, Publisher of a paper, told him that Sen. Borah told him that Coolidge said to him (Borah) that he felt the U.S. should steer clear of the World Court but that the pressure was so great he could not withstand it.
Oct. 13, 1925.

Bowman, A. C.
Gov. Harding writes that, is ready to write Attorney General Sargent to see Mellon any time C.S.H. wishes.
May 7, 1925.

Boman, A. C.
Gov. Harding writes that is ready to write Attorney General Sargent to see Mellon any time C.S.H. wishes.
May 7, 1925.

Branch banks
John Drum asked Board to reconsider its refusal to approve branches of the Mercantile Trust Co. bought by its subsidiary at Burlingame and Palo Alto, Cal.

Board originally declined the application, and Federal Reserve Agent Perrin recommended refusal solely on ground that they were beyond the area of San Francisco, as defined by the Board as contiguous territory.

The Committee on Examinations, Platt and James, suggested that we consider the advisability of extending the definition of contiguous territory so as to take in these towns, consulting with the Federal Reserve Bank and the State Superintendent of Banking.

Miller objected to extending the area.
Branch banks (Cont’d.)

Miller claimed, however, that the application should be granted because Drum originally included these towns in a blanket petition filed before the expiration of the time limit set by the Board for applications, within which time branches could be established outside of such area; that the Board informed Drum that it would not act on blanket petitions; that at the time of filing this blanket petition Drum had practically acquired these banks; that in equity Drum had complied with the Board’s regulations as the petition was not a blanket petition as to these two banks, as the petition as to these banks did not ask for future branches to be later acquired but related to already acquired branches; that later, after the time limit had expired, Drum filed another petition specifically limited to these banks; that in equity and good conscience Drum had complied with the regulations.

C.S.H. said he agreed with this; that the Board recognized the equity when it originally refused the petition and would have granted it but for fear that it would have reopened applications of the Bank of Italy; that the latter’s applications, however, covered wholly de novo branches.

Comptroller of Currency McIntosh said that granting this petition would give Drum a monopoly and cut out other banks which would now like to establish branches, but had filed no application within the time limits, as Drum and the Bank of Italy had done.

C.S.H. said these other banks had filed no petition within the time limit as Drum and the Bank of Italy had done, and therefore could not complain.

C.S.H. said, however, he, aloof to the extension and with views of Comptroller of Currency, Miller finally moved approval of the petition, reconsidering its original refusal, on the ground that Drum had substantially complied with the Board’s regulations; that he had come before the Board with clean hands.

Carried: Aye—Gov. Cristinger, Miller, Flatt, C.S.H.

No McIntosh, James, Cunningham.
Branch banks (Cont'd.)

The Examination Committee was then directed to consider and report on extending its definition of contiguous territory to embrace this new area, - and to consult State Superintendent of Banking and Federal Reserve Bank.

Carried: All voted Aye except Cunningham, who voted No.

Dec. 8, 1925. 59, 60, 61, 62.

Board considered proposed salary of $18000 for manager of Buffalo branch.

Board rejected $18000 and substituted $15,000.

C.S.H. alone voted No and James did not vote.

C.S.H. begged the Board to ask Gov. Strong to explain the salary, - to hear the evidence before deciding the question.

One Member said jokingly - let's vote first and take the evidence later, - which the Board proceeded to do.

C.S.H. said frankly the amount seemed excessive but that he should like to hear the evidence before deciding it. He therefore voted No.

Dec. 15, 1925. 63

Board gives hearing on proposed branch of Federal Reserve Bank of Richmond in South West part of District.

Jan. 15, 1926. 86

Board voted to permit the Valley Bank of Fresno, Calif, to take over a bank in Prescott, 50 miles away, and operate it as a branch.

The Federal Reserve Bank and the State Superintendent both favored it.

We found that the Board had not imposed as a condition of admitting the Valley Bank that it should establish no branches without the consent of the Board; that the only condition imposed was as to change of assets affecting the bank's condition.

All agreed that taking over this branch would not injuriously affect the condition of the Valley Bank. Even Cunningham agreed to this, but he had left the Board room when the vote was taken.

Carried:

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

No - James.

James persisted in voting No in spite of the above facts.

April 6, 1926. 146
Brasaur Hotel, Luxemburg
Spent night at.

Sept. 20, 1925. 10

Briand
C.S.H. sends Mrs. Wilson a note quoting Briand's statement that the Council of the League of Nations dedicated the happy ending of the Greco-Bulgarian dispute to the memory of Woodrow Wilson who conceived and realised the L. of N.

Nov. 26, 1925. 46, 47

British delegation to L. of N.
Dr. Shotwell says the, except Lord Cecil, had little sympathy for the L. of N. except in so far as they could dominate it; that they were opposed to any present consideration of disarmament plans, although the other nations wanted immediate consideration; that very likely they might have to yield in part, but this would be unwillingly.

Sept. 17, 1925. 7

British - French - German pact
Shotwell says may soon be agreed upon.

Sept. 17, 1925. 8

Brokers loans
See - Federal Reserve Board
N. Y. Stock Exchange

Bruce, Mrs. Senator
Takes H.P.H. to opening of World Court debate and later to lunch.

Dec. 18, 1925. 64

Tells H.P.H. Sen. Pepper once told her he was not a Prohibitionist and did not believe in it but that it was good politics for him to be dry in Washington.

April 10, 1926. 156

Writes Bertie acknowledging his letter of congratulations in her son's engagement to Ailsa Mellon and adds:

"Cabell tells me that Sen. Glass says that the President is going to reappoint Mr. Hamlin and Cabell tells me tonight that he (Cabell) is going to see the Secretary of the Treasury about it."

May 7, 1926. 180

C.S.H. believes, from above letter, that Sec. Mellon must have told Glass in confidence that it was settled.

May 9, 1926. 182
Bruce, Sen.

Calls on us with Mrs. Bruce.

Said Pepper was a very agreeable man but had no convictions; that he was evasive and shifty and not honest intellectually.

Dec. 17, 1925.

We dine with Sen. and Mrs. Bruce.

He asked when my term expired and felt sure I would be reappointed as a matter of course. He said he was at my command if I could help.

I suggested that he confer with Sen. Glass which he said he would do at once.

He said he was on very cordial terms with Coolidge.

He also said he would guarantee that he could get every Democratic Senator to go with him to the White House to ask for my reappointment.

He said again that Sen. Pepper was shifty, evasive, and intellectually dishonest; that he had made a total failure in the Senate.

He feels that Pepper cannot be renominated.

He said Sen. Reed (Pa.) was a good lawyer but politically somewhat evasive. He implied that Pa. politics were injuring him in his character.

April 10, 1926.

C.S.H. writes Sen. Glass about his talk with Sen. Bruce, suggesting that if Bruce were to see Mellon and later the President it might be helpful.

April 11, 1926.

Sen. Bruce writes C.S.H. as follows:

"Dear Mr. Hamlin:

I saw the President yesterday and had a pleasant interview with him.

The first question that he asked me was 'How is his health?' I replied that I had no reason to believe that your health was at all impaired, and that I had seen you only a day or so before. Any impression that your health was not good might be due to the fact that you had for some time been counting a larger degree of retirement than usual because of the domestic affliction which had befallen you.

I also told him that Carter Glass was very desirous that you should be reappointed."

April 12, 1926.
At this he pricked up his ears and said, "Is Carter Glass for him?" exhibiting a decidedly quickened interest.

"I told him that Glass certainly was, because I had a conversation with him about you only a few days before. This morning I suggested to Glass that he had better see the President just as soon as possible, and he said that he would.

"Truly yours,

William Cabell Bruce."

April 16, 1926. 160, 161

Glass tells C.S.H. over telephone that he has had a talk with Sen. Bruce and will see the President today or early next week.

April 17, 1926. 161


April 17, 1926. 162


April 26, 1926. 171

C.S.H. tells Mrs. Wilson as to Sen. Bruce.

April 26, 1926. 172

Glass says he saw President Coolidge and he inquired after my health just as he did to Sen. Bruce.

April 28, 1926. 173

Gov. Harding writes C.S.H. to have Sen. Bruce see Mellon at once, as Bruce has supported Mellon's policies.

May 7, 1926. 179

H.P.H. receives letter from Mrs. Bruce saying that Cabell had told her Sen. Glass had told him that Coolidge would reappoint C.S.H. and that Coolidge was to see Sec. Mellon this evening.

May 7, 1926. 180

C.S.H. writes Gov. Harding that Sen. Bruce has seen Sec. Mellon and Coolidge and feels very hopeful.

May 7, 1926. 181

Brussels
See - Belgium

Bryan, W. J.

Mrs. Burleson tells Bertie that Bryan's friendship with Col House arose through Col. House's cousins, the Modys.

Feb. 8, 1926. 104
Bryan, W. J. (Cont'd.)

Willis says a draft of the proposed Federal Reserve Act was drawn in June (a fourth draft) 1913 incorporating Bryan's suggestions.

April 4, 1926. 104

Buffalo branch bank
See - Branch banks

Bullard, Arthur
We call on Mr. and Mrs. Bullard in Geneva.

Sept. 16, 1925. 13

We meet Mr. and Mrs. Bullard at dinner at Mrs. Baggs', his mother.

Sept. 16, 1925. 13

Bullard, Gen. Robert Lee. 13, 14
See - Andrew, A. Platt

Burleson, Mrs.
Tells Bertie at Woman's Democratic Club that Roper had reminded her that Col. House had been an ardent supporter of Gov. Harmon of Ohio for President in 1912, and that she now remembered perfectly hearing her father and Col. House and a Mr. Kennison talking on her father's porch; that her father urged Wilson as the legitimate candidate but that House and Kennison talked Harmon.

She also said Bryan's friendship for House came through the Moody's, cousins of Col. House.

Feb. 8, 1926. 104

Burlingame, Calif.
See - Branch banks

Business recession

Gov. Strong says business recession has started in all over the country; that no one can tell now whether it will continue; that he knew of one company in N. Y. which estimated a 20% increase in trade and placed their orders accordingly, found that the real increase during a given period was only 5%; that we must be prepared to cope with it if it continued; that if it continued on increase we should ease up the situation by further investments in Govt. securities.

Mar. 20, 1926. 125, 126

Gov. Strong referred to the recession of business. Said that N.Y. City banks were rediscounting heavily, - 146 million; that this tended to a pressure for liquidation of customers loans; that conditions in Europe looked bad; that he feared a sudden increase in business recession; that we should buy Govt.
Business recession (Cont'd.)

securities to ease the money market; that this money would return in shape of paid off rediscounts, thus giving greater facility for enlarging customers loans.

He also said that reducing discount rates would only make it easier for member banks to carry their rediscounts; that it was the unanimous opinion of the Open Market Committee that permission should be given, in case of any emergency, to ease the money market by buying, between now and April 15, not to exceed 90 millions of Government securities in addition to replacing the 60 millions maturing March 15.

Mar. 24, 1926. 127, 128.

Miller said the talk about business depression was all rot, and that the real motive was to help the stock market.

C.S.H. said he feared a sudden increase in the business recession; that European conditions might become worse at any moment, and turn the present recession into a real business reaction.

Mar. 24, 1926. 129

Gov. Crissinger gives out an interview in which he speaks of the business recession although the interview was generally optimistic. Mar. 30, 1926. 139

Butler, Nicholas Murray

Dr. Shotwell hopes, will now push the L. of N.; that he and Pritchett practically dominate the executive committee of the Carnegie Board. Sept. 27, 1926. 8

Writes C.S.H. he wants appropriation for the American Committee at Geneva increased to $10,000 for next summer; also an appropriation of $50,000 for sending American teachers abroad to study the L. of N. Asks C.S.H., as he can not attend meeting, to wire his approval.

C.S.H. wires full approval based on two weeks study of conditions in Geneva. Dec. 4, 1926. 54

Delano told Bertie that Butler got through all the appropriations he wanted at the Carnegie meeting; that Butler had written eminent men all over Europe asking suggestions and criticisms; that all replied eulogistically except Ramsey MacDonald who severely criticized the work of the Carnegie Board, saying it had spent $750,000 for no practical purpose; that some of the trustees were indignant at this but Delano said he agreed with MacDonald and that he felt the only practical work the Carnegie Board had done was the appropriation of $4000 for the American Committee last year.
Butler, Nicholas Murray (Cont'd.)

Butler said he absolutely agreed to this, and that if the Carnegie Board could not now take up and help the work of the L. of N., the only practical movement for peace, in which 55 nations had joined, there was no further use for it to exist.
Dec. 9, 1925. 57, 58

Butler tells the Carnegie Board that the L. of N. had cut down its budget and that Miss Wilson had had to drop one of her best employees from the library roll of the L. of N. and might soon go herself; that he would be only too glad to make her Librarian of Columbia University.

C.S.H. asked if he could write Ishii of this, expressing his deep regret, and Butler said yes.
April 15, 1926. 160

Butler, Sen.
Andrew says Butler and Stearns gave Gillette his place in the Senate and that he never could be depended upon for an independent vote.
Oct. 1, 1925. 19

Andrew says Butler and Stearns dislike him as he will not take orders from them.
Oct. 1, 1925. 19

Federal Reserve Agent Curtiss says Butler will go into the Cabinet.
Oct. 12, 1925. 23

Sen. Andreas Jones told C.S.H. that Butler came into the Senate feeling that he was the leader by virtue of his position as chairman of the Repub. Natl. Committee; that he calmly picked out Sen. Andrews's seat to appropriate it as his own, that he soon learned his place.
Dec. 20, 1925. 64

John F. Fitzgerald told Gov. Harding that he had just had an hour's talk with Sen. Butler; that Butler asked him when the Democrats would nominate for Governor; that he replied that C.S.H. would be if not reappointed on the Federal Reserve Board; that Butler evidently did not relish this, for he at once said that C.S.H. had made an excellent member and that he was strongly in favor of his reappointment.
Jan. 6, 1926. 74, 75

C.S.H. suggests to Gov. Harding that his directors, if they wished him reappointed, should take up the matter with Butler, Mellon, and the President.
Jan. 6, 1926. 76

Wash. Star has an article by David Lawrence stating that Coolidge had just designated Marvin as chairman of the Tariff Commission; that he wanted to designate Dennis, a Democrat, but an old friend of his; that the Mass. Republicans said it was vitally necessary to
Butler, Nicholas Murray (Cont'd.)

to designate Marvin; that Sen. Butler urgently pressed Marvin; that it would help Butler in his Senatorial campaign and that it would be difficult enough to elect Butler in any event; that Coolidge yielded to please Butler.

Jan. 15, 1926. 92


Sen. Glass tells C.S.H. he wants to have a frank talk with Sen. Butler, with his consent, which C.S.H. of course gave.

Glass said he was fearful that Butler would want the place given to some Republican politician. C.S.H. explained the political situation in Mass; that Walsh was opposed by the Wilson democrats, otherwise he would have defeated Gillette; that Butler's only hope of election rested on these Wilson democrats; that if C.S.H. were to take part in the campaign, he could, if he were so disposed, persuade these Wilson democrats to support Walsh, which would certainly imperil Butler's chance of success; that Butler undoubtedly realized this, and C.S.H. thought he would prefer to have C.S.H. remain quietly in Washington.

Glass said he felt Butler must look on it in this way.

Glass said he would tell Butler C.S.H.'s name should be sent in at once, so he could be confirmed before Congress adjourned.

April 3, 1926. 141, 142

Sen. Glass calls on C.S.H. and says he will speak to Butler tomorrow.

April 4, 1926. 148

Sen. Glass writes C.S.H.:

"I have talked with both Sen. Butler and Sen. Metcalf. The former stated that he had heard that there had been some discussion at the White House of the appointment and had also heard that you would, and again, that you would not be selected; that Butler added, "No importance should be attached to the latter report."

He did not explicitly state his own position, but invited my opinion of your qualifications and usefulness, which I gave unstintingly...."

April 8, 1926. 155

See - Glass

Gov. Harding tells C.S.H. in Washington that in his return to Boston he would ask Wing to wire Sen. Butler that it was imperative that C.S.H. be reappointed at once.

April 20, 1926. 176
Butler, Nicholas Murray (Cont'd.)

Gov. Harding tells C.S.H. he will ask Wing to wire Butler that it is imperative for C.S.H. to be reappointed at once.
April 30, 1926. 176

Gov. Harding writes that Curtiss has seen Wing who said it would be useless for him to wire Butler as Butler had told him that Mellon would control the appointment and that he had some man from Pa. in mind; that he would have no control over the matter.
May 7, 1926. 179

Maloney, of the Federal Trust Company, tells Gov. Crissinger he fears Butler may have some Republican politician in mind for C.S.H.'s place.
May 12, 1926. 187

Gov. Harding tells C.S.H. that Butler told Wing that the appointment had been taken out of his hands to his great relief as he did not want to disappoint the Repub. politicians nor C.S.H.'s friends.
May 17, 1926. 190

C.S.H. tells Gov. Crissinger and Comptroller in confidence that discontinuing the Cuban Agency of the Federal Reserve Bank of Boston might raise political questions which might injure Butler in his campaign for Senator.
May 17, 1926. 190

Byrnes, Cong.
See - Whalley.

Cafeteria, Federal Reserve banks:
Board approved absorption by Federal Reserve banks of 1/3 of expense of.
Millar alone voted No, saying the employees did not like to eat in cafeterias as they looked on them as a kind of charity.
April 6, 1926. 184

Campbell, Milo
Millar, before Banking and Currency Committee describes death of.
Said he was one of ablest men ever on Federal Reserve Board.
April 29, 1926. 175

Cailloux
Richard Olney tells C.S.H. that Mellon made an agreement with Cailloux as to the French debt, but that the Republicans on the Debt Commission refused to agree to it.
Nov. 7, 1926. 34
Miller tells Board that the conflict between Gov. Calkins and Federal Reserve Agent Perrin had practically subsided.

Dec. 3, 1925. 52

Call loan rates

Gov. Norman tells Federal Reserve Board that the high call loan rates at New York made our discount rate negligible and seriously affected Great Britain in its efforts to conserve its gold holdings.

Dec. 31, 1925. 72

Gov. Norman told Miller the call loan rates made the New York discount negligible and that he could not understand why the New York discount rate had not long ago been increased.

Jan. 12, 1926. 81, 82.

Carnegie Endowment Board

Dr. Shotwell tells C.S.H. that Root and James Brown Scott tried to have executive Committee hold the $4000 appropriation for the American Committee at Geneva, but finally abandoned the attempt.

Sept. 17, 1925. 9

Nicholas Murray Butler writes C.S.H. to wire his approval, as he can not come to the meeting, of an appropriation of $1000 for the American Committee at Geneva, and $50,000 for sending teachers abroad to study the League of Nations.

C.S.H. wired approval, based on a two weeks study of the matter when in Geneva.

Dec. 4, 1925. 54

Delano tells C.S.H. that the Board voted the above appropriations.

Dec. 5, 1925. 57
Delano tells H.P.H. that there was no opposition to above appropriations and that Butler handled the matter admirably.

Dec. 5, 1925. 57

Delano told H.P.H. that Butler had written eminent men all over the world asking for suggestions and criticism of the Board's peace work; that most of the replies were eulogistic, but that Ramsey MacDonald criticized the Board severely, saying it had spent $675,000 for no practical purpose; that some of the trustees were very indignant, but that he had agreed with MacDonald; that the only practical thing the Board had done was to pass the $4000 appropriation for the American Committee at Geneva, urged by C.S.H.; that Butler said he absolutely agreed to this, and that if the Board could not help the L. of N., - the only practical work for Peace, in which 55 nations were interested, - there was no further reason for its existence.

Dec. 5, 1925. 57/82

Bertie asked Delano whether James Brown Scott objected to the above appropriations, and he replied, "No. He knows his new Master's voice!"

Dec. 5, 1925. 58

Mrs. Wilson calls up C.S.H. at the Treasury and says James Brown Scott has just sent her the Wilson resolution of the Board voted on April 16, 1925.

Some days ago, learning from Mrs. Wilson that she had never received it, C.S.H. called up Scott's office to inquire and the above was the result.

Mrs. Wilson read me her proposed reply which C.S.H. approved.

Had it not been for C.S.H.'s enquiry, probably Scott, with his well known hatred of Wilson, would never have sent it.

Jan. 20, 1926. 91

James Brown Scott writes C.S.H. enclosing reply of Mrs. Wilson to his letter sending her the Wilson resolution.

The resolution was voted April 16, 1925, and Scott did not send it until Jan. 19, 1926.

Jan. 20, 1926. 93, 94

C.S.H. luncheons with David Jayne Hill and prepares a report favoring six candidates for trustees out of about 26 names sent in. C.S.H., Hill and Dr. Pritchett were appointed a committee by Dr. Butler. Pritchett was in Europe.

Hill joined with C.S.H. in recommending Jesse Jones of Houston, Texas, as one of the six. Feb. 13, 1926. 106
Carnegie Endowment Board (Cont'd.)

Meeting of Board at Washington.

Four trustees were elected to fill six vacancies.

Neither Jesse Jones, Rev. Paul Revere Frothingham, Louis Frothingham, Norman Davis, nor Judge Clark, all proposed by C.S.H., were elected. Jesse Jones was put on the preferred list by the Committee and I think would have been elected but for the fact that Mr. Parker of the Gen-American Claims Commission, also from Houston, was nominated, and, as he lived in Washington and could thus attend meetings, and was a very valuable man, the Board elected him, and, naturally, did not take Jones, also from Texas.

April 16, 1926. 159

There was a long discussion in the meeting over the work being done by Pan American Jurists in making a code of international law. Scott read and advocated a resolution drawn by Root some years ago, calling for a reconvening of the Hague Conference to make such a code.

Scott said that powerful nations in the L. of N. did not want to be governed by law but by men, by themselves, that they rejected Root's resolution at the time and intended to delay action in framing a code.

Root said it was not necessary to pass this resolution and he drew one approving the Pan American work towards codification which was passed.

We agreed to this as a means of bringing pressure upon the L. of N.

Root said ultimately all must join in a common endeavor to secure such a code.

April 16, 1926. 159, 160

Butler, at the meeting, said the L. of N. had cut down the budget for the Library in charge of Miss Wilson, and that she had had to drop one of her best employees and might herself resign later. He said her work was wonderful; that the European nations did not appreciate the value of libraries as we did; that he would be only too glad to make Miss Wilson Librarian of Columbia University.

C.S.H. said he had been in the Library every day while in Geneva, that it was a wonderful library, a monument of efficiency.

C.S.H. believes the trustees would have been only too glad to have made up the deficit, but this, of course, was out of the question. He asked Butler if he could write Viscount Ishii and express his deep regret and Butler said most certainly he
Carnegie Endowment Board (Cont'd.)

could and hoped he would.
April 15, 1926. 160

The Board lunched at the Met. Club.
April 16, 1926. 160

C.S.H. tells Paul Revere Frothingham and Louis Frothingham he
had nominated them for the Board and they were much pleased.
April 18, 1926. 163

Carnegie, Mrs. Andrew

C.S.H. called on Mrs. Carnegie in Geneva. She said the L. of N.
had wonderfully impressed her; that she wished her husband
were alive; that he would have pushed it with all his energy.
She begged C.S.H. to come and see her in N. Y.
Sept. 17, 1925. 8, 9

Cathedral of St. Peter, Geneva

We heard Dr. Fosdick deliver a very impressive sermon. He said he
was mortified that his country was not a member of the L. of N.
(See scrap book).
Sept. 15, 1925. 3

Cecil, Lord

The feeling in Geneva is that if Lord Cecil were Minister of
Foreign Affairs he would have accepted the Protocol in principle,
at least, with perhaps the right to suggest reservations.
Sept. 13, 1925. 4

Mr. J. G. McDonald invites C.S.H. to a dinner given by the Committee
on International Relations to Lord and Lady Cecil, but C.S.H.
could not accept as he was dining with Mrs. Bogg.
Sept. 15, 1925. 5, 6.

Dr. Shotwell says Lord Cecil is the only member of the British
delgation really in sympathy with the League; that the
others wished to dominate it and were opposed to present
consideration of disarmament plans which all the other nations
favored; that perhaps they might have to yield but it would be
from no sympathy on their part. Dr. Shotwell also said Lord
Cecil has no influence with his delegation.
Sept. 17, 1925. 7, 8

C.S.H. sends President Coolidge an abstract of Lord Cecil's and
Chamberlain's address before the International Club on the
World Court, Sept. 7, 1925.
Nov. 24, 1925. 43

(See scrap book)
Chairman of Federal Reserve Bank

Mr. Sproule, director of the Federal Reserve Bank of San Francisco talked with the Federal Reserve Board as to the respective authority of Chairman and Governor of the Federal Reserve Bank.

He said the San Francisco directors considered that Perrin's job was limited to presiding at meetings of the directors.

He felt the Chairman should be the preponderant influence in the bank and should be consulted on all questions of policy.

He said Perrin's resignation squarely raised the issue which the Federal Reserve Board must decide.

He agreed to send Board a memorandum giving his views in detail.

(See scrap book)

Chamberlain, Austin

At lunch with Mr. and Mrs. Arthur Sweetser. Several delegates to L. of N. were there, also Dr. Zimmern who lectures every morning on the progress of the L. of N. All were bitter against Chamberlain saying he wished to shelve the League.

Sept. 13, 1925. 4

C.S.H. sends President Coolidge an abstract of the address of Chamberlain before the International Club in Geneva on the World Court, Sept. 7, 1925.

(See scrap book)

Nov. 26, 1925. 43

Cherbourg

We arrived at Cherbourg about 7:30 p.m. on the Pittsburg. Congressman Andrew came ashore.

Sept. 24, 1925. 13

Christie, Dr. 53, 54, 56

See -X-rays

China

See - Ishii

Chu, Mr.

Addresses International Club, Geneva

Sept. 15, 1925. 5
Cleveland, Mrs. Grover

Harry Tucker tells C.S.H. that, about 18 months before Wilson was first nominated, he was visiting Gen. Greene in N.H., and Mrs. Cleveland came to lunch; that he praised Wilson and Mrs. Cleveland said she could not vote for him as her husband said he was intellectually dishonest.

Tucker also said he met her again in California in 1919, and that she told him there was absolutely nothing in the Peck letters discreditable to Wilson, - that he always was interested in bright women.

Jan. 24, 1926. 95, 96.

Cleveland Plain Dealer

See Baker sends C.S.H. a clipping from, strongly urging his reappointment. May 13, 1926. 137

Codification of International Law. 159, 160

See - Carnegie Board.

Collins, Deputy Comptroller of Currency

Tells Federal Reserve Board the Comptroller is agreeable to the Senate Committee compromise on the McFadden bill. This was at a preliminary conference in the morning.

The Board approved the bill in the afternoon when neither Collins nor the Comptroller was present.

April 23, 1926. 169

Commercial and Financial Chronicle

Gov. Strong says that Miller, Willis, and, are leagued together for radical deflation.

April 13, 1926. 169

Commodities, Speculation in

Gov. Strong says, is in evidence. Oct. 27, 1925. 30

Contiguous territory 59, 60, 61, 62

See - Branch banks

Comptroller of Currency

Opposes granting of application of Mercantile Trust Company for branches at Burlingame and Palo Alto, Calif., as it would give a monopoly to Merc. Trust Co. and debar other banks which might like to establish branches there, but which had not filed applications within the time limit fixed by the Board.

Dec. 8, 1925. 61

Favors, however, extending the definition of contiguous territory so as to take in these towns.

Dec. 8, 1925. 61
Comptroller of Currency (Cont’d.)

Votes against application.
Dec. 8, 1925. 62

Votes in favor of examination and report by Examination Committee as to extending area of contiguous territory.
Dec. 8, 1925. 62

Votes to permit Open Market Investment Committee to purchase 20 million of Govt. securities to call money market as member banks did not want to increase their rediscounts pending the Comptroller’s call. Dec. 22, 1925. 62

Votes against Dr. Miller’s motion to amend Federal Reserve Act and abolish 15 day collateral notes of member banks.
Jan. 13, 1926. 80

Votes in favor of proposed amendment to Federal Reserve Act permitting member banks to give direct notes to Federal Reserve banks, up to 90 days, secured by eligible paper other than Govt. bonds.
Jan. 19, 1926. 61

Votes against permitting Federal Reserve Agent Jay to give out New York figures of loans on stock exchange collateral tomorrow instead of waiting until next week for the Board’s figures which would be a week late.
Feb. 6, 1926. 99

Votes in favor of C.S.H. motion to lay on table Dr. Miller’s proposed letter to Federal Advisory Council asking advice and assistance in controlling or wiping out loans on stock exchange collateral based on use of Federal Reserve credit.
Mar. 11, 1926. 122

At a preliminary meeting of the Board in the morning, Dept. Comptroller Collins told the Board that the Comptroller was agreeable to the Senate Committee compromise on the McFadden bill.

In the afternoon the Board voted to approve it, neither Collins nor the Comptroller being present.
April 23, 1926. 169

Tells C.S.H. he had yesterday a long talk with Sec. Mellon about Federal Reserve Board matters which disturbed him (Sec. M.) greatly; that Sec. M. spoke of C.S.H. very appreciatively and said he had always found him helpful and cooperative; that he asked him if he did not feel he should be reappointed.

The Comptroller said he told Mellon he felt strongly that C.S.H. should be reappointed; that he was very independent in voting, but always fair and courteous and helpful; that he believed every
Comptroller of the Currency (Cont'd.)

member of the Board liked and respected him and would be greatly pleased at his reappointment.

He added that Mellon said he considered C.S.H. as a close friend; that he was greatly attached to Anna who was one of Ailsa's greatest friends; that if there were no other reason his close friendship for C.S.H. and his affection for Anna would make it impossible for him to recommend anyone else.

May 11, 1926. 185, 186.

Tells C.S.H. that Sec. Mellon is much disturbed over some of Miller's suggestions as to changes in the Federal Reserve Act before the Banking and Currency Committee, so as to prohibit a bank having speculative loans from obtaining rediscounts.

May 14, 1926. 188

Says Sec. Mellon told him he made a mistake two years ago in recommending Miller for reappointment.

May 14, 1926. 188

Tells C.S.H. that Sec. Mellon has no use for Platt.

May 14, 1926. 188

C.S.H. tells Comptroller of James' plan to discontinue the Atlanta Cuban Agency, who said he would vote against it, as he had no confidence in the Federal Reserve Bank of Atlanta as now managed.

May 17, 1926. 189, 190.

C.S.H. tells Comptroller in confidence that, even if all agreed to the discontinuance of the Boston Cuban Agency, this was not the time to do it, as it would be injected into the political campaign in Massachusetts and perhaps imperil Butler's chance of reelection.

May 17, 1926. 190

James in reply to a question of, admitted that Boston was entitled to be heard before it a Cuban Agency should be discontinued.

May 20, 26. 197

Coolidge, Mrs. Calvin

Sends remembrances to Bertie at White House New Year's reception. Jan. 1, 1926. 72

Coolidge, President

Cong. Andrews said Frank Stearns told him that when visiting at the White House he had his bed moved into Coolidge's bed room, as Coolidge liked to talk with him early in the morning before getting up. Oct. 1, 1926. 18
Coolidge, President (Cont'd.)

Lawrence Evans tells C.S.H. that a Mr. Call, proprietor of a newspaper, told him that Sen. Borah had said to him (Call) that Coolidge had told him (Borah) that he (Coolidge) felt that the U.S. should steer clear of the World Court, but that the pressure upon him was so great he could not withstand it.

Oct. 13, 1925. 23

C.S.H. sends Coolidge an abstract of the addresses of Lord Cecil and Mr. Chamberlain on the World Court, delivered before International Club on Sept. 7, 1925.

(See scrap book)

Nov. 25, 1925. 43

Very cordial to C.S.H. at White House New Year's reception.

Jan. 1, 1926. 72

Mr. Bowman, Class 3 Director of the Federal Reserve Bank of Boston, came down to Washington to tell Attorney Gen. Sargent that it was the unanimous feeling of the Directors that C.S.H. should be reappointed, and to ask him to urge this upon Coolidge.

April 1, 1926. 139, 140

Sen. Bruce tells C.S.H. he is on very friendly terms with Coolidge and will call and ask for C.S.H.'s reappointment.

He said he would guarantee that he could get every Democratic Senator to go with him to Coolidge and make this request.

April 10, 1926. 166

C.S.H. suggests to Glass that he write or call on Coolidge.

April 11, 1926. 197
Coolidge, President (Cont'd.)

Glass writes C.S.H. that he and Sen. Bruce will each call on Coolidge.

April 15, 1926. 157

C.S.H. writes Bruce to remind Coolidge that he is the owner of a farm and has been a member of the Grange for 30 years.

April 15, 1926. 157

Sen. Bruce writes C.S.H. as to his interview with Coolidge.

See - Bruce, Sen.

April 16, 1926. 160, 161

Glass tells C.S.H. he will see Coolidge today or early next week.

April 17, 1926. 161

Glass writes C.S.H. as to his interview with Coolidge.

See - Glass.

April 28, 1926. 173

Gov. Harding says on return to Boston he will ask Wing to wire Sen. Butler to tell Coolidge it is very important that he reappoint C.S.H. at once.

April 30, 1926. 175

Gov. Harding says Charles Washburn told him he had written Coolidge strongly urging C.S.H.'s reappointment.

April 30, 1926. 176

C.S.H. fears Coolidge may have given some promise to Sen. Reed (Pa.) at time Woodlock nomination was held up in Senate.

May 7, 1926. 180

C.S.H. writes Gov. Harding that Sen. Glass and Sen. Bruce have each seen, and feel very hopeful.

May 7, 1926. 182

Gov. Harding tells C.S.H. that Wing told Curtiss that C.S.H. reappointment was out of his hands and in the hands of Mellon and Coolidge.

May 17, 1926. 190

Cosmos Club
Annual election.

C.S.H. gives farewell speech as President.

Jan. 11, 1926. 20

C.S.H. gives lunch at Club to Louis J. Taber, Master of National Grange.

Jan. 23, 1926. 94
Cotton

Mr. James told Board that increase in Boston rate might psychologically result in increase at Atlanta, which Gov. Wellborn favored; that cotton and other staples were too high and must soon break; that if the break followed an increased discount rate it would be claimed that the latter had caused it, whereas he thought it was inevitable in any event.

Oct. 16, 1925. 23

Gov. Harding tells C.S.H. that an increase in Atlanta rate would be foolish as it would affect the movement or price of cotton.

Oct. 19, 1925. 27

Counsel, Federal Reserve banks

Wyatt advised us that Counsel were not officers or employees of Federal Reserve banks, and therefore that their compensation need not be reported for Board's approval; that the U. S. Supreme Court has so decided.

Counsel suggested that the Board inform the U. S. Supreme Court that it had overruled it.

Finally a limit was fixed beneath which no report need be made.

Feb. 6, 1926. 103, 106

Covington, Judge

Mrs. Wilson asks C.S.H. about standing of Judge Covington, recommended by Baruch, to act as her counsel.

Nov. 15, 1925. 35, 36

C.S.H. calls up Judge McCoy who strongly praises Covington.

Nov. 16, 1925. 37

C.S.H. writes Mrs. Wilson as to above.

Nov. 16, 1925. 37

Mrs. Wilson tells C.S.H. she has taken Judge Covington as her counsel.

Jan. 5, 1926. 75, 76

Mrs. Wilson shows Judge Covington her proposed reply to Houston's letter as to publishing in his book letters of President Wilson. Covington said she should soften it so as not to show any sign of anger.

Jan. 13, 1926. 85

Cow pasture

Edward Hamlin goes before Board of Engineers in Washington to ask for a survey of Dorchester Harbor, refused by Local engineers.

Dec. 23, 1925. 89
Cow pasture (Cont'd.)
The Engineer Board orders an immediate survey for a channel 30 feet in depth. Dec. 24, 1925. 73

Cox, Mrs. Winthrop
We lunch with. Jan. 10, 1926. 79

See - Whalley

Cox, Channing
Federal Reserve Agent Curtiss says, may run for Senate and Butler go into Cabinet. Oct. 13, 1925 23

Curtiss said Cox knew nothing about banking but received a salary of $25,000 from Wing's bank for no known service except making speeches at dinners, etc. Oct. 13, 1925. 23, 24

Credit Bureau
Miller moves to establish a credit bureau in the Board, and that the research division report as to its scope and expense.

Miller had referred to this some days ago.

C.S.H. asked him then if he meant to have a bureau established to conduct an independent system of credit files of borrowers from Federal Reserve banks, pointing out that the Board appointed Walter Hackney, assistant Federal Reserve Agent at Boston, to do this but it was found to be impracticable.

Miller said he merely wanted all the credit files of the Federal Reserve banks sent to the new Bureau in Wash.

This morning, however, he said it had to do only with the treatment of extended member banks and long continued borrowers, by Federal Reserve banks.

C.S.H. asked him to confine his resolution to this, but he said that to find out this it would be necessary to have the data as to all banks.

Miller said Sprague favored such a Bureau.

C.S.H. asked that Sprague be called upon for suggestions but Miller would not consent.

C.S.H. asked Miller if his purpose was to obtain credit statements of every borrower from Federal Reserve banks covering loans to their customers but he gave an evasive answer.
34.

Credit Bureau (Cont'd.)

Finally Miller split his resolution into two parts:

1. That a Bureau be established.

2. That the Research Division report as to its proper scope and expense.

Miller agreed that 1 should be laid on table pending the report on 2.

We finally agreed to this.

C.S.H. believes Miller wants to build up a kind of centralized detective force to examine into all loans by member banks and to restrain them, etc.

This would be autocratic authority greater than ever yet claimed for the Federal Reserve Board.

April 8, 1926. 152, 153, 154.

Crisp, Cong.

Olney says that he, Mellon, Hurley and Crisp of the Debt Commission favor very liberal settlements.

Nov. 7, 1925. 34

Crispinger, Gov.

Tells Board that Federal Advisory Council deprecates any increase in discount rates.

Oct. 12, 1925. 22

Says he is to confer with directors of Federal Reserve Bank of New York tomorrow; that they are opposed to increasing discount rate.

Oct. 13, 1925. 23


Oct. 13, 1925. 23

Tells Board of his conferences with directors of Federal Reserve Bank of New York yesterday.

Said the directors all opposed any increase at present time; that they were bringing direct pressure on the New York banks to cut down their stock exchange loans; that so far as New York banks were concerned this pressure had been successful; that the greater part of the funds loaned on the Stock Exchange came from the interior, either loans against their balances in New York or direct loans.

He said the suggestion was made that Boston should increase just before the next meeting of the New York directors, and a week
Crissinger, Gov. (Cont'd.)

later Cleveland and a week later Philadelphia; that this would cause uncertainty on the Stock Exchange and might tend to diminish the extent of the speculative wave.

The Directors said this might throw an increased burden on New York but it could take care of this more effectively than could the other Federal Reserve banks.

Oct. 16, 1925. 24

C.S.H. calls up Gov. C. from Mattapoisett. He said Phila. had taken direct action and had the matter well in hand and did not wish to increase its rates.

He said Sec. Mellon did not favor an increase in New York at present.

C.S.H. asked him to tell Sec. Harding by telephone and he said he would as soon as he had called up Gov. Strong, which he was about to do.

Oct. 19, 1925. 26

Board voted that Gov. Crissinger and Gov. Strong advise Sec. Mellon of the understanding reached today at the Open Market Conference as to first increasing rates at Boston and Cleveland.

Oct. 27, 1925. 30

Votes against Cunningham motion to put in a rate of 4% at New York over the heads of the directors.

Nov. 6, 1925. 32

Votes in favor of approving the Boston increase to 4%.

Nov. 6, 1925. 32

Says he may change his vote unless Boston rate is made effective on Monday instead of today - Trida. 

Nov. 6, 1925. 33

Gov. C. said nothing to attitude of Sec. Mellon, but as he had been directed to inform Mellon as to the understanding reached Oct. 27, C.S.H. assumed he had done this and that Sec. Mellon approved.

Nov. 6, 1925. 33

Votes against Miller motion that 50 millions of Govt. securities should be sold at once, including in this the 38 millions maturing Dec. 15.

Nov. 23, 1925. 42

Asks C.O.H. to speak at the Open Market Conference on the Board's resolution that the conferences be called to determine whether changed conditions necessitate a change in Open Market policies.

Dec. 1, 1925. 46
Crissinger, Gov. (Cont'd.)

Votes to approve plan of Open Market Committee to replace the 36 million, uf Govt. securities maturing Dec. 15.
Dec. 3, 1925. 50

Says Drum of Mercantile Trust Co. had come before Board with clean hands and that the application should be granted.
Dec. 5, 1925. 61

Votes to grant application of the Mercantile Trust Co.
Dec. 8, 1925. 62

Votes to direct examination committee to consider and report on advisability of extending the definition of contiguous territory to include Burlingame and Palo Alto.
Dec. 8, 1925. 62

Calls special meeting of Board to consider conditions in New York as reported by Gov. Strong, heavy withdrawals by interior banks, 6% call loan rates, etc.
Dec. 21, 1925. 65

Gov. O. states Gov. Strong's position again to Board.
C.S.H. moved approval of request of Open Market Committee to buy 15 or 20 millions of Govt. securities to ease the N.Y. situation.

Before this Gov. C. asked Miller whether he had any motion to make but he said he knew the Board would approve and he should simply vote in the negative.

Gov. C. votes to approve request of Open Market Committee.

Gov. C. informs Board that the New York directors had unanimously directed Gov. Strong to buy from 15 to 18 millions of Govt. securities. This announcement was made before the above vote. Miller made no comment.

Gov. C. tells C.S.H. he believes that Miller is acting in close touch with Hoover and is seeking to embarrass the Board; that Sec. Mellon said the same to him and was very indignant with Hoover, who, he said, had talked with him about our Open Market policy severely criticizing the Board; that Miller was very indignant with Miller also and asked Gov. C. when his term expired; that he replied, "It has only just begun."
Dec. 22, 1925. 66, 69
Gov. C. tells C.S.H. that on Dec. 31, Miller came into his room while Gov. Norman was there and talked very severely to him about the rubber situation and Great Britain's export duties on rubber; that Gov. Norman told him he was very much annoyed at what Miller had said.

Jan. 4, 1926. 73

Gov. C. tells C.S.H. that Sen. Lenroot has written another letter on the subject of New York Stock Exchange speculation being fed by Federal Reserve credits; that in this letter he repeated almost verbatim the talk of the Board as to brokers lending when it acts deciding on its policy to his first letter; that it was evident that some Board member must have supplied Lenroot with this information and that he believed Miller had "leaked" to Hoover, and that Hoover prompted Lenroot's second letter.

Jan. 4, 1926. 74

Votes in favor of Miller's motion to recommend an amendment to Federal Reserve Act abolishing the 15-day collateral note.

Jan. 6, 1926. 78

Gov. C. tells Board the 1st Natl. Bank of New York had borrowed 115 millions on its 15-day collateral note and loaned it on stock exchange at 6 to 7%.

Jan. 8, 1926. 78

Gov. C. reverses himself and votes against Miller motion to abolish the 15-day collateral note.

Jan. 13, 1926. 80

An amusing scene followed when Miller tried to persuade Gov. C. how illogical he was in reversing his first vote.

Jan. 13, 1926. 81

Gov. C. said he still felt their notes were absolutely bad but gave no clear reason for reversing his vote.

Jan. 13, 1926. 81

Votes for proposed amendment to Federal Reserve Act to permit member banks to give direct notes to Federal Reserve banks secured by eligible paper (but not by Govt. bonds) up to 90 days.

Jan. 13, 1926. 81

Votes against C.S.H. motion that Open Market Committee authorized to increase open market holdings of Govt. securities up to 300 millions, up to April 15th but on express understanding that this authority may be revoked at any time.

Mar. 24, 1926. 129
Crisisinger, Gov. (Cont’d.)

Votes in favor of above motion without C.R.H.’s proviso.
Mar. 24, 1926. 129

Miller said he was informed that the New York situation came about from fact that certain New York banks were loaded up with issues of new securities they could not place.

Gov. C. asked Miller who his informant was (meaning Hoover), but Miller declined to state.

Gov. C. then said he should place no reliance on information from a source which Miller declined to reveal.
Mar. 25, 1926. 133

Votes in favor of James motion to approve increase open market purchases to 300 millions up to April 15.
Mar. 25, 1926. 133

Gov. C. tells C. S.H. that Winston told him it is well understood that Hoover is dominating Miller and that he had proved that Hoover got information from Miller as to Board action; that Sec. Mellon was much disturbed at this.
Mar. 26, 1926. 134

Gov. C. said Harrison told him the Open Market Committee denied power of Board to forbid open market purchases, and that he (Gov. C.) believed that if the Board refused in any specific case, the Federal Reserve Bank of New York would act in spite of the Board.
Mar. 29, 1926. 136

Gives out an interview in Washington Star in which he speaks of business depression although generally optimistic in tone. The reference to depression, however, was very foolish.
Mar. 30, 1926. 139

Votes in favor of Miller’s motion that the appointment of Olsen, confidential secretary of Gov. McDougal, of Chicago bank as Assistant Secretary, was against the policy of the Board, as it believed the Secretary and Assistant Secretary should be appointed from the Federal Reserve Agent side of the bank, and that the appointment was suspended.
April 6, 1926. 146

Gov. C. says Harrison has offered Warren of our Research Division $6000 per year to go to the foreign division of the Federal Reserve Bank of New York; that Harrison had asked him if he could speak to Warren and he said yes; that he knew Dr. Stewart would give Warren $6000 to get him.
April 19, 1926. 163
Crissinger, Gov. (Cont'd.)

Gov. C. tells C.S.H. he is not at all well; that he has bladder trouble and has to go to his Doctor three times a day. This looks like prostate trouble.

Apr. 20, 1926. 165

Votes in favor of authorizing Warren's appointment at $6000 by Federal Reserve Bank of New York.

April 20, 1926. 165

Gov. C. asks C.S.H. for copy of old letter of Board directing that questions should be brought to attention of Board through the Governor.

April 20, 1926. 165

Miller said Warren's appointment was accomplished behind his back altho he was Chairman of the Research Committee.

Whenceupon Gov. C. became very angry and said to Miller:

"The trouble is with you - you are too damned jealous. You want to act as Governor or the Board. I want you to understand that I am Governor and not you!"

April 20, 1926. 165, 166

Tells C.S.H. of a clipping in New York Journal of Commerce to effect that Cong. McFadden wants C.S.H.'s position and says it would be a purely political appointment and he did not believe Coolidge would make it.

(See scrap book)

May 9, 1926. 162

Tells C.S.H. that Maloney, President of Federal Trust Company, Boston, said there were some feeling in Boston that Butler's Senatorial fight might injure C.S.H., as Butler may want some Republican appointed.

May 12, 1926. 187

C.S.H. told Gov. C. that he had reason to believe that Butler favored his appointment and that the matter now rested with Sec. Mellon.

May 12, 1926. 187

Gov. C. seemed very friendly and said McFadden's appointment would be a purely political one he did not think for a moment it would be made.

May 12, 1926. 187

Gov. Harding tells Platt that Gov. C.'s designation as Governor expired in April and that he is now merely holding over.

May 16, 1926. 191

Gov. C. insists that the letter to Sec. Mellon asking opinion of State Department as to the Cuban Agency be approved by Board before sending.

May 20, 1926. 198
Crisaingar, Gov. (Cont'd.)

Mr. Goebel of Federal Advisory Council (Kansas City) tells C.S.H. that they all like Gov. C. personally, but that he knew little of banking and was not fit for his job.

May 20, 1926. 201

Crowder, Gen.

Gov. Harding told Board that Gen. Crowder, our Ambassador to Cuba, was a first-class man and Ambassador but unfortunately could do no business after 4 p.m. as he invariably became "full" then.

April 30, 1926. 177

Cuba

See - Crowder, Gen.

Cuban Agency

Cuban Agency, Federal Reserve Banks of Boston and Atlanta

Board met to go over with Gov. Harding the report of Mr. Chase, one of his employees at the Havana branch. The report gave a graphic description of the run on the Cuban banks and the efforts of the Federal Reserve banks to cope with it. It showed that Federal Reserve Bank of Atlanta was caught with an insufficient supply of Federal Reserve notes; that Federal Reserve Bank of Boston gave most valuable assistance; that the Cuban Govt. advanced 15 millions to it; that finally Federal Reserve notes came from Jacksonville and Key West and the run was met and soon ceased. The report also stated that Deputy Governor Campbell, Mr. McCrary, and other employees of the Atlanta bank were sent by Atlanta to guard the shipment of some 25 millions of Federal Reserve notes sent by Atlanta bank and transported to Cuba on a Cuban gun boat furnished by the Cuban Govt.; that during the voyage they all became so intoxicated that they were stretched out prostrate on the deck; that it was a grave scandal.

The Board decided to send James, Heron, and Wyatt to Havana to investigate.

Many felt the Atlanta Agency should be discontinued, and Wyatt was asked as to some plan under which one of the Boston employees could be designated to act as Assistant Federal Reserve Agent for Atlanta to hold Federal Reserve notes and deliver them when needed to another Boston employee designated to represent the Atlanta bank.

James strongly advised abolishing both agencies and giving the matter to Federal Reserve Bank of New York.

Gov. Harding said he had talked this over with Miller who strongly objected as New York had enough to do to handle its present foreign relations.

April 30, 1926. 175, 176
Cuban Agency (Cont'd.)

James, Hersch, and Wyatt start for Havana.
May 2, 1926. 177

See - Crocker, Gen.

C.S.H. tells Comptroller of Currency about James plan to discontinue
Boston. He said he would vote against it as he had no confidence
in the Federal Reserve Bank of Atlanta as at present managed.
May 17, 1926. 169, 190.

Board met to consider James' report.

It considered first the first recommendation, - that Dept. Gov.
Campbell should be "eliminated" from the Federal Reserve System.

C.S.H. said Campbell should have an opportunity of being heard before
sentence was passed upon him and that the Federal Reserve Bank
of Atlanta should be directed to investigate immediately.

James bitterly objected, and moved adoption.

C. S.H. moved to lay the motion on the table temporarily pending a
motion to direct Federal Reserve Bank of Atlanta to investigate
and report.

Defeated:
Aye - C.S.H. and Platt
No - Gov. C., Millar, James, and Cunningham

Comptroller of Currency moved to adopt the first recommendation that
it was the sense of the Board that Dept. Gov. Campbell should
be eliminated from the Federal Reserve System.

Passed:
C.S.H. alone voted No.
May 20, 1926. 193

Comptroller of Currency moved that the conduct of Director McCrory be
investigated by the Special Committee to ascertain and report
whether he should be eliminated from the Federal Reserve System.

Passed unanimously.

C.S.H. then moved that the Federal Reserve Bank of Atlanta be directed
to investigate and report concerning the whole matter of
shipment of Federal Reserve notes to the Havana Agency, stating
all instructions given by the Federal Reserve Bank to the
officials and the personal conduct of said officials.

C.S.H. moved that James personally communicate the foregoing action.
Cuban Agency (Cont'd.)

of the Board to the Federal Reserve bank and to the individuals concerned.

Passed unanimously.

C.S.H. felt that the above would give Campbell a chance for a hearing if he desired one.

C.S.H. told the Board it should not remove an officer on an ex parte investigation, without giving the Federal Reserve bank an opportunity to investigate and recommend action; that if the Federal Reserve bank failed to investigate and report, or if its report were plainly unsatisfactory, then the Federal Reserve Board could take all necessary action.

James bitterly objected to this, saying that Campbell was not fit, any way, to be Dept. Governor, and was densely ignorant of banking.

C.S.H. replied that, assuming this to be true, for the sake of argument he was clearly entitled to a hearing upon this specific charge.

The Board decided that James should quietly say to Campbell that if he wished to have a hearing on the charges it would be accorded to him, the members, but C.S.H., believing he would resign to avoid public scandal.

May 20, 1926, 193, 194, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.

James also asked the Board to declare that McCrary should be eliminated from the Federal Reserve System, but it was pointed out that James reported no evidence as to any misconduct on the part of McCrary, except the mere fact that he was one of the party. The Board, however, passed the motion to the Comptroller calling for an investigation.

May 20, 1926, 195.
Cuban Agency (Cont'd.)

Cunningham said that, apart from the evidence of intoxication, he believed he was as competent as the usual run of Governors.

May 20, 1926. 196

The Board then took up James' recommendation to abolish the Agency of Boston.

C.S.H. said he should like a reasonable time to study the report of James; that he felt Boston should help Atlanta by issuing a reasonable amount of its own Federal Reserve notes; that he did not, of course, favor abolishing Atlanta's agency, but wished to strengthen it.

C.S.H. pointed out that Atlanta was the 9th bank of the System from the point of view of capital, surplus, and reserve deposits, and the 3rd bank from the point of view of Federal Reserve notes in actual circulation; that it had outstanding 186 million of Federal Reserve notes, being exceeded only by Cleveland and New York; that such a situation was top heavy and not in accordance with sound banking principles; that the theory seemed to be that Atlanta had secured much gold from Cuba, through its Federal Reserve notes circulating there, - about 75 million, - and that time never would be repressed; that there might easily occur contingencies where they might be redeemed, e.g. the passage of a central bank bill in Cuba.

C.S.H. also pointed out that Atlanta had all it could do to take care of the domestic needs of its district, that its deposit reserve was down to 54; that in the last four years it had charged off 2 million for bad debts; that it now had claims against insolvent banks for 1 million, although it claimed its losses on these would be small.

C.S.H. asked time to go over James report and said there was no contingency requiring immediate action.

James said there was an emergency; that there was a rumor that we were going to abolish both of the agencies; that Mr. Mitchell had wired Gov. of this rumor and of the danger likely to arise from its spread.

The Board members felt there was no emergency.

C.S.H. said he would gladly vote to notify all the banks that the Board had no such intention but merely had under consideration measures for increasing the usefulness of the agencies.

May 20, 1926. 196
Cuban Agency (Cont'd.)

James moved that the Board should tentatively approve his plan and then hold a public hearing at which the officers of the National City Bank should be invited to appear and give their opinion of the plan.

May 20, 1926. 197

In reply to a question from the Comptroller, James admitted that all the banks interested should be heard, including the Federal Reserve Bank of Boston.

May 20, 1926. 197

C.S.H. said the Secretary of the Treasury should be notified before we voted on the plan, as did also the Comptroller. James did not specifically object to this.

May 20, 1926. 197

Suddenly James became livid with rage and said that if the Board did not now tentatively approve his plan he was through and would even go to Atlanta to investigate the Campbell charges. He acted like a spoiled child and apparently took the position that when he made a report on any matter the Board was bound to approve it without discussion and without debate.

At 2:30 the Board reconvened and James was more quiet. Cunningham and the Comptroller told me, before adjourning for lunch that they would quiet him.

The Comptroller told C.S.H. that the Secretary of the Treasury knew the whole situation and would also quiet him.

Miller then moved that the Board ask the Sec. of State whether the State Department still favored an agency in Cuba and whether the U.S. under the Platt amendment was under any obligation to keep in Cuba a supply of American money.

Miller then moved that the Board ask the Sec. of State whether the State Department still favored an agency in Cuba and whether the U.S. under the Platt amendment was under any obligation to keep in Cuba a supply of American money.

C.S.H. objected to going over the head of Sec. Mellon in this way, but Miller insisted, but finally it was agreed that the letter should be addressed to Sec. Mellon.

C.S.H. then moved that Gov. C., Miller, and James be appointed a Committee to confer with Sec. Mellon and ask him to ascertain as above, stating that he did this merely because Gov. C. had said he knew the State Department had changed its opinion since 1923.

Passed unanimously.

May 20, 1926. 197, 198
Gov. C. insisted that the form of the question to be put to Sec. Mellon be fixed by the Board before the conference with Sec. Mellon.

The Committee was then directed to prepare a draft of letter and report it later to the Board.

C.S.H. then moved that the Federal Reserve Bank of Boston be advised that a Committee had recommended abolishing the Boston Agency and that it be given an opportunity to be heard.

No vote was taken on this as the matter went off in the question of the letter to Sec. Mellon.

All, however, favored it.

May 20, 1926. 198

Cunningham then moved that the Atlanta Committee (C.S.H. and James) take up the Campbell matter with Atlanta.

C.S.H. said, coming from Boston, he preferred not to act on this matter, as the matter was tied up with the question of abolishing the Boston Agency in the James report, and he preferred not to be drawn into any preliminary discussion of the matter, and that the Special Committee should have no connection with either Boston or Atlanta, and as James had made the Cuban investigation as a special Committee of one, the Committee should not be changed.

All, including James, said this was a fair position to take.

May 20, 1926. 199

James bitterly attacked Director McCrary and wanted the Board to remove him forthwith, although the only evidence in his report was that he had accompanied the Party to Havana.

James said some years ago McCrary had used his position as a director to coerce member banks into buying bonds from him; that the Board had a representative of the Attorney General's office investigate this, and that he reported that while he was satisfied the charge was true, he could not get enough direct evidence to convict him.

C.S.H. vaguely remembers going with James to the office of the Attorney General's Assistant on this matter.

May 20, 1926. 199

Cunningham, Edward

All of the Board except Cunningham agreed to the policy of rate advances at Boston, Phila. and Cleveland before any advances at New York.
During discussion of Boston's application to increase its rate from 3% to 4%, Cunningham suddenly read a proposed resolution that the Board would approve a rate of 4% at New York to take effect immediately.

On inquiry he said he meant that the Board should put this rate in at once.

At his suggestion the resolution was slightly changed so as to make this clear.

His explanation of his resolution was very confused, - he said New York was the place at which to begin rate increases, but did not seem clear as to whether there should be any increase.

Miller said that as between (a) increases at Boston, Philadelphia and Cleveland and (b) increases at New York, he favored the latter and should vote for Cunningham's motion.

On vote, Cunningham's motion was defeated:

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

Nov. 6, 1925. 31, 32

Cunningham alone then voted against James motion to take from the table the Boston application and approve it, which was passed. Nov. 6, 1925. 32

Cunningham voted for Miller's motion to instruct Open Market Committee to sell at once 50 millions of Govt. securities (including the 36 millions maturing Dec. 15). Lost Nov. 23, 1925. 42

Cunningham begs to have action postponed as to giving authority to Gov. Strong to buy from 5 to 10 millions bills from Bank of Belgium, although he said he saw no objection to it, but wanted time to think it over.

Gov. Strong said quick action was necessary as he might have to take action on Friday.

Cunningham finally reluctantly consent to have the vote taken. Nov. 25, 1925. 45

Cunningham and C.S.H. go to Phila. to meet with the conference groups which take place there in lieu of stockholders meetings. Dec. 7, 1925. 48
Cunningham, Edward (Cont'd.)

Votes against granting application of Drum for the Mercantile Trust Co. to take over banks, already owned by the Company in Burlingame and Palo Alto, Cal., as branches.
Dec. 8, 1925. 62

Voted against directing the Examination Committee to report upon the desirability of extending the area of contiguous territory to include Burlingame and Palo Alto. Others voted Aye.
Dec. 8, 1925. 62

Votes with Miller against many proposed increases in salaries brought before Board for approval in many Federal Reserve districts.
Dec. 15, 1925. 63

Voted against giving Open Market Committee authority to purchase 15 to 20 millions of Govt. securities to ease the N.Y. situation. Miller also voted No.
Dec. 22, 1925. 68

Voted with Gov. C. and Miller to recommend an amendment to Federal Reserve Act to abolish 15 day collateral notes.
Jan. 8, 1926. 78

Voted with Miller again, as above, on reconsideration by the Board. Gov. C. reversed his vote and the motion was defeated.
Jan. 13, 1926. 80

Votes in favor of C.S.H. motion that Federal Reserve Act be amended to permit member banks to give direct notes to Federal Reserve banks, up to 90 days maturity, secured by eligible paper, other than Govt. bonds.
Jan. 13, 1926. 81

C.S.H. gives a lunch to Louis J. Taber, Master of National Grange at which Cunningham was present.
Jan. 23, 1926. 94

Voted to refuse permission to Federal Reserve Agent Jay to give out the New York figures of loans on the stock exchange tomorrow instead of waiting until next week for the Board announcement, the figures then being a week late.
Feb. 6, 1926. 98, 99

Votes that payments by Federal Reserve banks to counsel must be reported to Board for approval, although Wyatt advised us that Counsel were not officers or employees and that U.S. Supreme Court had so ruled.

Miller and James also voted the same way.
Feb. 9, 1926. 106
Cunningham, Edward (Cont'd.)

Voted against laying on table Miller's motion to approve a letter to Federal Advisory Council asking its assistance in restraining or eliminating speculative loans from Federal Reserve System.
Mar. 11, 1926. 122

Voted against C.B.H.'s motion to authorize Gov. Strong to buy for Open Market Committee up to 300 millions total holding of Government securities not later than April 15, provided this authority may be at any time revoked by Board.
Mar. 24, 1926. 129

On James motion for general authority leaving out C.B.H.'s proviso, Cunningham, Platt and Miller voted No, tying the vote.
Mar. 24, 1926. 129

The above matter taken up again by Board, Sec. Mellon presiding.

Cunningham said he did not object to delegating authority generally to the Open Market Committee, but felt there was no emergency in this case calling for such action.
Mar. 25, 1926. 132

James renewed his motion and it was carried.
Cunningham, Miller and Platt voted No.
Mar. 25, 1926. 133

Cunningham was not present when vote was taken on application of Valley Bank of Fresno for a branch, but he agreed that as we had originally imposed a branch bank condition on entrance into the Federal Reserve System, the only question now before Board was whether taking over the branch would weaken the assets of the bank.
April 8, 1926. 146

Cunningham asks Comptroller of Currency to join with him as the Chicago Committee is recommending disapproval of the appointment of Olsen as Assistant Secretary of the Board of Federal Reserve Bank, Chicago, on the ground that the Secretary and Assistant Secretary should be taken from the Federal Reserve Agent's side of the bank, as the Board had declared to be its policy.

It was pointed out to Cunningham that 6 of the 12 Federal Reserve banks had secretaries taken from the operative side, so he changed his report so as merely to disapprove this particular appointment. It was finally pointed out that Olsen was confidential secretary to Gov. Mc Dougall; that over a year the Board approved an increase in Olsen's salary for the express purpose of ultimately making him Assistant Secretary to help
Cunningham, Edward (Cont'd.)

the Secretary, White, Assistant Federal Reserve Agent. Cunningham and James admitted that this put the Board in an embarrassing position but it did not change their opinion.

Cunningham had left before the vote was taken disapproving Olsen's appointment.

April 6, 1926. 146, 147, 148

Cunningham was away when Board voted to approve Senate Committee compromise on McFadden bill.

April 23, 1926. 169, 170

Dr. Miller when testifying before Banking and Currency Committee said Milo Campbell and Cunningham - dirt farmers - were the ablest members the Board ever had.

April 29, 1926. 174, 175

Objects to JLAC's attack on Gov. Wellborn as incompetent. Asks why, then, did the Board recently increase his salary to $25,000?

May 20, 1926. 195, 196

Tells C.S.H. he will try to quiet James.

May 20, 1926. 197

Moves that the Atlanta Committee, James and C.S.H. - go to Atlanta in connection with the Campbell investigation.

C.S.H. explains to satisfaction of all why he does not wish to serve.

May 20, 1926. 199

See - Cuban Agency

Curtiss, Federal Reserve Agent

C.S.H. has conference with, in Boston.

He said Boston had applied for an increase in discount rates from 31/2 to 4%, but that the Board had held it up; that the increase was necessary; that the banks were using this low rate to get money for call loans.

Oct. 12, 1925. 22

Says they are all working for C.S.H.'s reappointment; that their only fear was that Sec. Weeks might want the position; that Butler might probably go into the Cabinet; that perhaps Cox would go into the Senate; that Cox knew nothing about banking but had
Curtiss, Federal Reserve Agent (Cont'd.)

Oct. 13, 1926. 23, 24

Wing tells Curtiss that C.S.H. reappointment has been taken out of Sen. Butler's hands and rests with Sec. Mellon and the President.

May 7, 1926. 179, 190

Danish Minister to Switzerland

We meet at dinner with Sir Herbert and Lady Amers at Geneva.

Sept. 15, 1925. 6

Davis, Norman

Mrs. Wilson tells C.S.H. of her talk with Houston at dinner with.

Jan. 13, 1926. 84

Begs Houston to come to Wilson dinner in N. Y.; told Houston he owed all he had in the world to Wilson. Houston had another engagement.

Jan. 13, 1926. 86

See - Houston

Wilson, Mrs.

Deaconess Hospital

C.S.H. spends four days at, for Xray examination.

Oct. 5, 1925. 19

See - Xray

Debts, Allied

Andrew very bitter about Administration's treatment of France.

Oct. 1, 1925. 18, 19

See - Andrew, Cong.

Clay says Mellon is very liberal as to settlements of Allied debts; that he made an agreement with Caillou as to the French debt but the Republicans on the Debt Commission turned it down; that the Democrats on the Debt Commission helped Mellon more than the Republicans; that the Italian agreement was hanging fire; that Mellon, Hurley, Crisp and he were for very liberal settlements, but that the Republican members were influenced by political considerations and held back.

Nov. 7, 1925. 34
Deflation

Gov. Strong tells Miller he (Miller) is for deflation, pure and simple.

Dec. 1, 1925. 49

Delano, F. A.

Asks C.S.H. to serve on Committee to arrange a dinner in Wash. on Wilson’s birthday and C.S.H. accepts.

Dec. 5, 1925. 57

Tells C.S.H. the Carnegie Board, at its meeting in N.Y. (which C.S.H. could not attend) made an appropriation of $750 for the American Committee at Geneva, and of $50,000 to send teachers abroad to study the L. of N.

Dec. 5, 1925. 57

Calls on H.P.H. and said Butler managed the meeting admirably.

Dec. 5, 1925. 57

Says Butler wrote eminent men all over the world for suggestions and criticism of Board’s work; that most replies were eulogistic but that Ramsey MacDonald said the Board had spent $750,000 all to no practical purpose; that some of the trustees were indignant; that he said he agreed with MacDonald and that the only practicable help towards peace was the $4000 for the American Committee at Geneva made last year on C.S.H.’s motion.

He said Butler absolutely agreed with what he said and that if the Board could not help the L. of N. — the only practical work for peace — in which 56 nations were interested, it had better disband.

Dec. 5, 1925. 57, 58.

Bertie asked Delano if James Brown Scott opposed the above appropriations, and he replied, “NO! He knows his new master’s voice!”

Dec. 5, 1925. 58

Delano presides at Wilson dinner and makes a fine address.

Dec. 28, 1925. 70

We lunch with Mr. and Mrs. Delano.

Jan. 17, 1926. 88

C.S.H. tells Charles Warren of attempt of Delano, Warburg, Harding and Miller to cut down the number of reserve banks.

Jan. 17, 1926. 89

Delong, A. D.

Death of, at Mattapoisett. Feb. 18, 1926. 107
Democrats
See - Debts, Allied

Denison, Mr.
C.S.H. tells Ishii the story of Gen. Foster being refused an audience for himself and family by the Emperor of Japan, as told him by Denison, American Adviser of Japanese Foreign Office.
Sept. 12, 1925. 3

Dennis,
See - Tariff Commission

Dinners, lunches, suppers
Viscount Ishii, Geneva.
Sept. 12, 1925
Sir Herbert and Lady Ames, Geneva. Sept. 15, 1925. 6
Mrs. Baggs, Geneva Sept. 16, 1925. 6
Mrs. Wilson, Geneva. Sept. 17, 1925. 9
Mrs. Wilson, Sunday, Nov. 15, 1925. 36
Miss Biddle, Christmas Day, lunch. Dec. 25, 1925. 70
Col. and Mrs. Rogers, Dinner, Christmas Day, Dec. 25, 1925. 70
Admiral and Mrs. Halm, Tuesday, Jan. 5, 1926. 75
Mrs. Winthrop Candin, Jan. 10, 1926. 79
Mrs. Wilson, Jan. 15, 1926. 82
Mr. and Mrs. Delano. Lunch. Jan. 17, 1926. 88
Miss Squire, Dinner. Feb. 1, 1926. 96
Mr. and Mrs. Pennington, Feb. 5, 1926. 98
Miss Wilson. Tea house. Mar. 8, 1926. 111
Mr. and Mrs. Pennington, April 5, 1926. 146
Mr. and Mrs. Copley Amory
Lunch. April 15, 1926. 153
Mrs. Wilson, April 26, 1926.
Regrettcd. Anniversary of Anna's death. 171
Dinners, lunches, suppers (Cont'd.)

Also a number of dinners with Mrs. Warder.

Direct pressure

Gov. Cresson was at directors meeting of Federal Reserve Bank of New York yesterday, and told the Board they were bringing direct pressure upon the N.Y. member banks to reduce their stock exchange loans; that these efforts had been successful so far as the N.Y. banks were concerned, but that the greater part of the funds used came from interior banks, either loans against balances or direct loans.

Oct. 15, 1925. 24

Dr. Stewart tells Board that he saw evidence that the stock exchange market was being fed by Federal Reserve rediscounts; that there was absolutely no reason for increasing rates from the point of view of agriculture, commerce, or business, although the Federal Reserve rate was 1% below customer rates; that direct pressure would meet the situation if it could be applied.

Oct. 16, 1925. 25

C.S.H. tells Gov. Harding that the N.Y. situation was being held well in hand by direct pressure and the Board felt he could use direct pressure in Boston.

Oct. 19, 1925. 27

Gov. C. tells C.S.H. that Philadelphia held matters well in hand through direct pressure and did not want to increase rates at the present time.

Oct. 19, 1925. 28

Board discusses direct pressure at a meeting with the Open Market Investment Committee.

Dr. Miller said the term direct pressure was invented by Assistant Secretary Leffingwell.

Gov. Strong said it could not completely be carried out unless the Federal Reserve bank should refuse to discount for any bank having speculative loans which should include real estate loans as well as Wall Street loans; that this would mean rationing of credit which would be disastrous.

Oct. 27, 1925. 30

Gov. C. told Board that the 1st Natl. Bank, New York, had just borrowed 115 millions from the Federal Reserve Bank of New York on its direct note collateralized by Govt. securities and had loaned it on the N.Y. Stock Exchange at from 6 to 7%.

C.S.H. suggested that this called for some direct pressure, or perhaps for a higher rate on member bank collateral notes; that we should examine into the facts.

Jan. 6, 1926. 78
Director of the Mint.

A. Platt Andrew was once. 16

Directors meeting, Federal Reserve Bank of Boston. 27, 28

See - Federal Reserve Bank of Boston

Disarmament

Dr. Shotwell tells C.S.H. that the British delegation to the
1. of N. was opposed to any present consideration of Disarm-
ament plans, although the other nations favored immediate
consideration; that the British might have to yield in part,
but from no desire on their part.

Sept. 17, 1925. 7

Discount rates

Currie tells C.S.H. that Boston, in September, had applied for an
increase from 3 to 4%; that the Board was holding it up; that
it was plainly necessary as the banks were using the low rate
to get money for call loan operations.

C.S.H. then drove to Gov. Harding's house and he said about the same.

Gov. H. said N. Y. felt the increase at Boston would not embarrass
it but that if Phila. and Cleveland should also increase, it
might throw a heavy burden on New York.

Oct. 12, 1925. 22

Gov. C. said the Federal Advisory Council deprecated any increase in
discount rates; that he was to confer with Gov. Strong in
N. Y. tomorrow; that the N. Y. directors were opposed to any
increase. Oct. 13, 1925. 22, 23

C.S.H. believes Gov. Strong is thinking of the effect of increased
rates in Europe as well as the domestic situa-
tion.

Oct. 13, 1925. 23

Platt and Miller believe the New York rate should be increased,
and C.S.H. is rather inclined to the same view because of the
speculative movement on the N. Y. Stock Exchange.

Oct. 13, 1925. 23

Gov. C. tells of conference yesterday with directors of Federal
Reserve Bank of New York; said that they all opposed increasing
discount rates at present time; that they were bringing direct
pressure to bear upon the N. Y. banks to cut down stock-
exchange loans with great success so far as the N. Y. banks were concerned,
but that the trouble was that the greater part of the money
loaned on the exchange came from interior banks by direct
loans or loans through their N. Y. correspondents; that one of the
directors thought it might be well in order to discourage the
stock speculation, to have Boston increase just before some
meeting of the N. Y. directors, to be followed in successive weeks
by Philadelphia and Cleveland; that this course would bring
about uncertainty in the stock market and might tend to
depress the speculative fever; that such a procedure would
throw an increased burden upon New York but that New York
could cope with this better than the other Federal Reserve
banks, and New York could then decide what course to pursue.
Oct. 16, 1925. 24

James said that if Boston increased Atlanta would also want to
increase - that Gov. Wellborn had suggested an increase
already, and the movement might spread over the whole country
injuring crop moving and depressing the price of cotton, wheat
and other staples; that these staples were now too high and
must soon recede of themselves, and if such reces- sion were to
follow a rate increase it would be charged that the Federal
Reserve Board had again deflated the farmers as in 1920.
Oct. 16, 1925. 24

Platt said the Federal Reserve Board would surely be attacked for
keeping in at New York a 4% rate, to the benefit of stock
exchange speculators, as against a rate of 4% at other Federal
Reserve banks for farm paper.
Oct. 16, 1925. 26

C.S.H. answered Platt by pointing to the fact that under the
all 4% rate, call loans of the New York banks were decreasing.
Dr. Stewart went over the whole situation graphically using charts.
He said production was slowly increasing, with prices practically
stationary; that he saw evidence that stock speculation was
being fed by Federal Reserve discounts; that there was, howev-
er, absolutely no reason for increasing rates from agricultural or
commercial grounds, as the New York Federal Reserve rate was
1% below customers' rates; that direct action would meet the
situation if it could be obtained; that he was inclined to think
that an increase of 1/2% would not result in increasing customers
rates.
Oct. 16, 1925. 26

C.S.H. said that usually, an increase, under conditions such as at
present, would result in increasing customers' rates, which all
agreed was not necessary or desirable at the present time of
crop moving.

C.S.H. said the question seems to be whether it is necessary or
desirable to increase rates on agriculture, commerce and
industry, possibly penalizing them by making credit more
expensive, for the sole purpose of checking stock exchange and
real estate speculation.
Oct. 16, 1925. 26
C.S.H. feels that Federal Reserve rediscounts are being used to some extent for stock speculative loans, but believes that in the first instance, at least, direct pressure should be brought to bear on the banks to draw on their secondary reserves, call loans, and perhaps dispose of their investments in Govt. and other securities, before borrowing from the Federal Reserve bank to make good deficient reserves.

Oct. 16, 1925. 26

Gov. Harding tells C.S.H. over telephone that his directors at the meeting on Wednesday would again press their request for an increase; that they were buying bills in the open market at higher rates than the discount rate.

C.S.H. told him that the Board, except Platt, felt that the increase should be deferred for a while; that James felt an increase now would be followed by an increase at Atlanta.

C.S.H. said Atlanta would be very foolish to increase its rate for such course would interfere with the movement and price of cotton.

C.S.H. told him of James fear that an increase in rates, if followed by Atlanta, would cause an immediate break in cotton, a break which he thought bound to come in any event, but which following an increase in the discount rate, would give rise to a charge of Federal Reserve Board deflation as in 1920.

C.S.H. also told him the Federal Reserve Bank of New York held the matter well in hand through direct pressure and we felt he could do the same.

Oct. 19, 1925. 27

He said Phila. held matters well in hand through direct pressure and did not want to increase discount rates now.

He also said Sec. Mellon was against any present increase.

C.S.H. asked him to call up Gov. Harding and tell him this and he said he would as soon as he had talked with Gov. Strong in New York.

Oct. 19, 1925. 28

C.S.H. attends directors meeting of Federal Reserve Bank of Boston at 2 p.m.

Went over the rate situation.
The Directors still felt rates should be increased but were not inclined to press the matter in view of the feeling of Sec. Mellon and the Federal Reserve Board.

Finally the Board passed a resolution again favoring an increase but stated that this was done to keep their record straight, and that it would not be sent to the Federal Reserve Board.

Oct. 21, 1925. 26

Board has a conference with the Open Market Investment Committee. Gov. Harding explained the Boston situation. He said Boston rates should be increased as they were out of line with customers rates, which ran from 3 1/2 to 4% that the Federal Reserve rate offered inducements to rediscount for profit by putting proceeds into call loans; that large sums were being loaned by some Boston banks on call in New York; that the Federal Reserve bank had no chance to exert direct pressure as these banks were not habitual borrowers from the Federal Reserve bank; that an increase would probably not increase customers rates as the large borrowers could borrow in New York at the lower rates which would be prevalent there.

Gov. Strong finally said it might be wise for Boston to increase just before some meeting of the directors of the Federal Reserve Bank of New York, to be followed in successive weeks by Phila. and Cleveland; that this would create a doubt in the minds of speculators each week as to what New York would do and would have a sobering effect on the stock market; that later New York could decide what action to take. Gov. Strong said no action must be taken as he saw some signs of speculation in commodities.

As a result of the discussion a final understanding was reached that the above arrangement should be carried out.

All agreed to this except possibly Cunningham.

Oct. 27, 1925. 29, 30.

The Board met to consider Boston's application for increase from 3 1/2 to 4%, in accordance with the understanding reached last week at the conference with the Open Market Investment Committee.

James moved to take from the table the Boston application.

Suddenly Cunningham read a resolution to the effect that the Federal Reserve Board would approve a rate of 4% for New York to take effect immediately.

In answer to questions he stated that he meant to move, by the
resolution, that the 4% rate should be put into effect at once, and at his suggestion, the resolution was slightly amended to make this clear.

His reason for the resolution was that New York was the place at which rate increases should begin.

Dr. Miller said that as between rate increases at Boston, Philadelphia and Cleveland, and rate increase at New York, he decidedly favored the latter, and that he should vote for Cunningham's resolution.

Dr. Miller added that there was too much credit in the country and that New York should be forced to increase.

C.S.H. asked if such increase would not cause an increase in customers rates and he said No.

C.S.H. asked Miller if customers rates were not high enough now and he said Yes.

James reminded Miller that the whole reached an accord at the Open Market Committee conference last week, as to the increase at Boston, Philadelphia and Cleveland.

Miller denied this although, on questions, he admitted he had then said nothing to indicate any opposition to the plan.

As a matter of fact, not only was an accord reached at the conference but it was there voted that Gov. C. and Gov. Strong should inform Sen. Mellon of the conclusion reached, and this vote was unanimous, except possibly as to Cunningham, of which C.S.H. has no clear recollection.

Miller finally stated that if Cunningham's motion were defeated he would vote for the increase at Boston, Phila. and Cleveland.

Cunningham's motion was then voted on and defeated.

**Aye:** Miller, Cunningham

**No:** Gov. C., James and C.S.H.

On motion of James the Boston application was taken from the table and approved.

Cunningham alone voted **No.** Nov. 6, 1925. 31, 32
Discount rates (Cont'd.)

The question then arose as to when the Boston rate should become effective.

James and C.S.H. favored at close of business today, Friday, the usual practice.

Gov. C. insisted on close of business on Monday and intimated he might change his vote if this were not done.

We tried to call up Gov. Harding, but he was in New York not to return until Monday.

We all thought he should be present when the rate increase took effect so we voted to make it effective at close of business on Monday.

Miller at first objected suggesting that there might be a "leak" if the date were put so far ahead.

Gov. C. said nothing as to the attitude of Sec. Mellon but C.S.H. assumed he was favorable as Gov. C. and Gov. Strong had been directed to inform him at the close of the Open Market Committee Conference. Nov. 6, 1925. 32, 33.

Gov. Strong told C.S.H. this morning that he went over the whole matter of the Boston rate understanding with Sec. Mellon who fully approved it. Nov. 7, 1925. 33

The Board today, Wednesday, approved the application of Cleveland to increase to 4%, to take effect at close of business on Monday.

C.S.H. and Miller voted against holding it up until Monday.

Philadelphia increased to 4% under approval of Federal Reserve Board. Nov. 20, 1925. 41

Board held conference with Open Market Investment Committee to determine whether to replace, as recommended by Committee, or to let run off the 38 millions of Govt. securities maturing Dec. 15.

Miller favored an immediate sale of 50 millions.

Gov. Strong urged replacing the 38 millions.

Gov. Strong said Miller favored deflation, pure and simple.

Gov. Strong said that stock speculation was now under control; that stock prices were not abnormally above the 1913 level, allowing
Discount rates (Cont'd.)

for the 50% increase in prices of all commodities; that production was increasing and prices fairly stabilized.

Gov. Strong said customers rates were not low, but really were high; that the deflation Miller wanted could be brought about only by an increase in discount rates; that such an increase would cause an increase in customers' rates; that it might bring about further gold importations, and thus further unstable Great Britain, and, as well create uncertainty in domestic business.

Gov. Strong said his directors were a unit against any present increase in discount rates at the present time, although in course of time they might have to increase them; that the Bank of England must soon go up to 5%; that our rates and open market policy should not now be changed.

The other members of the Committee agreed with Gov. Strong.

The Federal Advisory Council at its meeting voted that no increase in discount rates was desirable.

Balk of England increases discount rate to 5%.

Special meeting of Board.

Gov. Strong said Open Market Committee wished authority to buy 15 or 20 millions of Govt. securities because of large withdrawals from New York by banks which had been loaning money on call loan market.

Said that call loan rates were up to 6%; that the New York banks had to meet the situation; that they had already rediscounted heavily and did not wish to increase their rediscounts because of the approaching Controller's call, and it was felt that liquidation would normally set in within 10 days or so.

C.S.H. said Gov. Strong told him over the telephone that bulging interest rates on the call loan market might ultimately affect customers discount rates.

Gov. Strong tells C.S.H. over telephone that his request was based primarily on business conditions.
Discount rates (Cont’d.)

C.S.H. repeated at the meeting what Gov. Strong had said.
Board finally approved, Miller and Cunningham voting No.
Dec. 22, 1925. 48

Board approves application of Federal Reserve bank of New York to increase from 3½ to 4% effective Jan. 8.
Jan. 7, 1926. 76

Miller says Gov. Norman told him when here that the high call loan rates made the New York discount rates negligible and that he could not understand why the discount rates had not long ago been advanced.
Jan. 13, 1926. 81, 82

Dr. Stewart came down from New York to discuss draft of annual report of Board.

Miller objected to parts of it, saying the New York discount rate should have been increased long before it was.

He bitterly objected to the reasons given in the report for not approving advances in discount rates.

He particularly objected to statement that advances in discount rates might induce further gold imports.

C.S.H. reminded Miller that Gov. Norman said that the high call loan rates threatened his gold and had made our discount rates negligible.

Dr. Stewart said that an increase up to 4½ would put a higher base under the call loan rate and tend to keep it up; that it would also tend to increase customers rates.

Miller said a higher discount rate would reduce call loans and the released credit would lower customers rates.

Dr. Stewart did not agree with Miller.
Mar. 2, 1926. 106, 109

Board meets with Open Market Investment Committee.

Gov. Strong spoke of business recession which has set in, and that we should be ready to buy more Govt. securities in the open market to ease the situation.

Dr. Miller opposed this.
Mar. 20, 1926. 125, 126
Discount rates (Cont'd.)

At conference of Governors, Gov. Strong spoke of conditions in New York.

He said the member banks were borrowing heavily from the Federal Reserve Bank, about 142 millions; that a business recession had set in all over the country; that the heavy borrowings from the Federal Reserve bank tended to bring about a pressure for liquidation of customer loans; that conditions in Europe looked bad; that there was danger of a sudden increase of business recession; that we ought to begin and buy Govt. securities to ease the money market; that this money would come back to us through member banks paying off their rediscounts, thus enlarging their ability to loan to their customers.

Mar. 24, 1926. 127, 128

Gov. Strong also said that lowering discount rates would merely assist the member banks in carrying their loans with the Federal Reserve bank, and would not make them pay them off; that the Committee were unanimous that between now and April 15, in addition to replacing the Mar. 15th maturing, not to exceed 90 millions of Govt. securities should be bought.

Mar. 24, 1926. 128, 129

Board finally approved. Mar. 25, 1926. 133

See - Open Market Committee

Board approved application of Federal Reserve Bank of New York to lower discount rates from 4 to 3%.

April 22, 1926. 166

Platt said he did not believe in it but would not vote against it.

Miller was not present but said later that if present he would have voted against it as premature.

April 22, 1926. 166

Drum, John

59, 60.

See - Branch banks
Editorials
Newton Baker sends C.S.H. an editorial from the Cleveland Plain Dealer strongly advocating C.S.H.'s reappointment.
(See scrap book)
May 13, 1926. 187

Mrs. Cong. Kahn sends C.S.H. a copy of the same editorial.
May 13, 1926. 187

See also - Scrap book; Spring, Republican

Elliott, Rev. S. A.
Delivers address at Wilson memorial dinner.
Dec. 28, 1925. 70

Mrs. Wilson thanks C.S.H. for sending her a copy of address.
Jan. 19, 1926. 91

C.S.H. reads address to Mrs. Wilson.
Jan. 23, 1926. 94

Elliott, Edward
Mrs. Cong. Kahn tells C.S.H. that she believes that Dr. Miller got his appointment on Federal Reserve Board from the fact that Elliott, the brother in law of the first Mrs. Wilson, was ordered to California for his health, and that Miller got a place for him in the University of California, and gave him his house rent free, in Berkeley.
May 6, 1926. 178

Elliott, Milton
Tells C.S.H. that John Skelton Williams seriously thought of bringing McFadden before a grand jury as President of the 1st Natl. Bank of Canton, Pa. for certain omissions in the bank's accounts; that he believed there was good reason for this, but advised against it as, in view of the Riggs Bank suit, it would be claimed that he was persecuting McFadden.

He said McFadden, as President, had made many bad loans to concerns in which he was interested, on his own instrument; that he borrowed more than the 10% limit.

He also spoke of a suit brought by McFadden against Williams alleging persecution and a conspiracy to wreck his bank; that the decision was held up over a year by a state judge controlled by Sen. Penrose.
(See Kane, Dept. Comptroller)
Elliott, Milton (Cont'd.)

He said McFadden's bank recently forced him to resign and sued him for over $50,000 on his endorsement of bad loans to enterprises in which he was personally interested; that the bank finally petitioned him into insolvency; that his debts were $250,000 and his assets not over $50,000.

April 26, 1926, 174

Esterline, Mr.
Arrives at Geneva with Dr. Ruffin. Sept. 12, 1925, 1

Eustis, Mrs. William
Has been at Johns Hopkins Hospital since her return from Europe. Nov. 16, 1925, 35

H.F.H. goes to Leesburg, Va., with Mrs. Wilson to lunch with Mrs. Eustis. Dec. 22, 1925, 69

Evans, Lawrence
Tells C.S.H. that Mr. Call - a newspaper publisher in Washington - told him that Sen. Borah told him (Call) that President Coolidge told him (Borah) that he felt the U.S. should steer clear of the World Court, but that the pressure was so great he could not withstand it. Oct. 13, 1925, 23

Tells C.S.H. that Wile, the newspaper correspondent, probably as near to Coolidge as any newspaper man, told him that Coolidge knew more of what people were thinking than any other President; that his only policy was to put his ear to the ground, find out what the people wanted, and then proceed to do it.

He also told Evans that he believed Coolidge was getting ready to accept the League of Nations; that he saw evidences of a wave of public opinion for it; that he was about satisfied that, in opposing it, he had put his money on the wrong horse.

Jan. 1, 1926, 72, 73

Tells C.S.H. that Cong. Luce, the other day, praised him very highly, saying C.S.H. deserved reappointment, and that what puzzled him was that there should be any doubt about it.

May 15, 1926, 189

Examination Committee, Federal Reserve Board.
See - Branch banks; Mercantile Trust Co.
Fairchild, David
We met, at dinner with Mrs. Bagg, Geneva.
Sept. 16, 1925. 6

Federal Advisory Council
Gov. C. tells C.S.H. that the Council deprecated any increase in
discount rates.
Oct. 13, 1925. 29, 23

Meeting of Council
Nov. 30, 1925. 47
Voted, no increase in discount rates advisable.
Dec. 1, 1925. 51

Meeting of Council, Feb. 18, 1926. 107
Miller draft of letter to asking advice and assistance in curbing
or eliminating speculative loans.
Mar. 11, 1926. 119
Tabled.

See Miller
Federal Reserve Bank of New York

Meeting of Council
May 20, 1926. 200
Miller gives supper to Board and Council.
May 20, 1926. 200

Alexander defends call loan market
Speaks of predictions of Glass, Owen, and C.S.H. in 1914 that
Federal Reserve Act had divorced Federal Reserve money from
call loan market. Says in spite of these predictions the
call loan market has grown enormously.

He opposed Miller's suggestion as to amending Federal Reserve Act
to require refusal of discounts to any bank carrying
speculative loans and said cooperation between the Board,
Federal Reserve banks, and the member banks would cure any
loan abuses.

He said call loans were good secondary reserves and that good
banking prescribed using these before borrowing from the
Federal Reserve banks.

He said abuse of the rediscount privileges were not frequent and
could easily be checked. C.S.H. explained to him that in the
early interviews to which Alexander referred, what Glass,
Federal Advisory Council (Cont'd.)

Alexander defends call loan market (Cont'd.)

Owen and he had in mind was that under the old law country banks could and did mass 3/5 of their required reserves in the N.Y. banks; which loaned them in the call loan market, and thus a large part of the fixed reserves of these country banks consisted of call loans on the N.Y. stock exchange; that under the Federal Reserve Act all fixed reserves had to be in gold and ultimately were corralled in the Federal Reserve banks; that the Federal Reserve banks could loan these reserves (over the 35% required reserves) just as could the N.Y. banks under the old law; and that while the N.Y. banks under the old law could loan these reserves on call, the Federal Reserve banks could loan them only on eligible paper; that in 1914 no one denied that the country banks could make deposits with their correspondent banks in N.Y. but they could only so deposit their surplus funds and not their required reserves. Mr. Alexander entirely agreed with C.S.H. as to this.

Mr. Vogel, of Kansas City, a member of the Council, told C.S.H. that while they all liked Gov. C. they felt he knew little about banking and was not fit for the job.

He also said the last 3 or 4 men appointed were not big enough men for the job.

May 20, 1926. 201

Federal Council of Churches

Mr. Sweetser tells C.S.H. that he is simply an adjunct of the Republican machine. Sept. 13, 1925. 4

Federal Reserve Act

Glass raises no objection to proposed amendment authorizing member banks to give direct notes to Federal Reserve banks, secured by eligible paper, but not by Govt. securities, up to 90 days. Jan. 6, 1926. 78

C.S.H. and Platt report to Board a draft of amendment to Federal Reserve Act as above.

This had been suggested by McVadden and approved by conference of Governors and Federal Reserve Agents. Warburg also approved it with certain suggestions.

The Board inserted a clause, subject to conditions, restrictions, imposed by the Federal Reserve Board, so as to have complete control.

This privilege it was stated, must be availed of chiefly by the smaller banks, which now prefer to borrow from their
correspondents, pledging any 120% collateral on their notes. They do not like to borrow from the Federal Reserve Bank for they can only rediscount the particular paper they offer, and if some technical fault were found in any note it might take some time to correct it and meantime they could not get the benefit of the rediscount.

The Board felt that if they could give a direct note with a pledge of any 120% eligible paper, any technical defect in any one note would not delay the rediscount and the amendment would result in the banks more largely availing themselves of the rediscount privilege.

Jan. 8, 1926. 76, 77.

C.S.H. moves approval of the amendment.

Before consideration of C.S.H.'s amendment, Miller moved an amendment to Federal Reserve Act abolishing 15 day collateral notes.

Failed by a tie vote.

Aye - Gov. C., Miller, Cunningham
No - C.S.H., Platt, James
Jan. 8, 1926. 78

It was finally agreed to reconsider this vote and to take it up, with C.S.H.'s motion at a full meeting when Sec. Mellon could be present.

Jan. 8, 1926. 78

Board took up Miller's motion to abolish the 15-day collateral note.

Defeated:

Aye - Miller, Cunningham
No - Gov. C., C.S.H., Platt, Compt. of Currency.
Jan. 13, 1926. 80

Gov. C. reversed his vote and Miller tried to convince him how illogical his course was, but to no avail and much to amusement of all.

Gov. C. said he thought these notes were bad, but had decided to vote against repealing them.

Jan. 13, 1926. 81

Sec. Mellon sent in word that he was absolutely opposed to Miller's amendment.

Jan. 13, 1926. 81

C.S.H.'s amendment was then taken up and passed.

Aye - Gov. C., C.S.H., Platt, Cunningham, James Compt. of Currency
No - Miller
Jan. 13, 1926. 81
Federal Reserve Act (Cont'd.)

April 4, 1926. 148, 149, 150.

See - Glass

Controller of Currency tells C.S.H. that Sec. Mellon is much disturbed over Miller's suggestions to Banking and Currency Committee as to amending the Federal Reserve Act so as to prevent Federal Reserve banks from discounting paper for banks having speculative loans.
May 14, 1926. 188

Alexander, of Federal Advisory Council, opposes Miller's suggested amendment.
May 20, 1926. 200

See - Miller

Federal Reserve Bank of Atlanta
James says if Boston rate is increased Atlanta will also want to increase her rate.
Oct. 16, 1925. 26, 27

Also 167, 168, 175, 176, 189, 190, 193, 194, 195, 198, 199

See - Cuban Agency
Discount rates
McCrary
Newton, Federal Reserve Agent
Wellborn, Gov.

Federal Reserve Bank of Boston
C.S.H. talks over application for increased rates with Curtiss and Gov. Harding.
Oct. 12, 1925. 23

Also 24, 25, 27, 28, 29, 33, 199

C.S.H. delivers address before stockholders meeting.
Oct. 21, 1925. 26

C.S.H. attends directors meeting.
Oct. 21, 1925. 26

Federal Reserve Board approves increase in Boston rate from 3% to 4%.
Nov. 5, 1925. 32

See - Bomman
Cuban Agency
Discount rates
Federal Reserve Bank, Chicago

Board declines to approve appointment of Olsen, confidential secretary of Gov. McDougal, as Assistant Secretary of the Board of Directors on the ground that the Secretary and Assistant Secretary should be taken from the Federal Reserve Agents side of the bank.

C.S.H. and Platt took the ground that the Federal Reserve Board had no power to determine whom the Board of Directors should choose for Secretary or Assistant Secretary, and pointed out that over a year ago the Board approved an increase in Olsen's salary for the express purpose of enabling him to act as Assistant Secretary in addition to his other duties.

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

April 6, 1926. 146, 147, 148

Board modified a letter prepared in accordance with above vote so as to omit disapproval of appointment but leaving in a statement that the Board adheres to its policy that the Secretary and Assistant Secretary should be taken from the Federal Reserve Agents side of the bank. It was pointed out, without avail, that 6 of the banks now had secretaries not from Federal Reserve Agents side of the bank.

Vote:
All Aye except C.S.H. and Miller who voted No for different reasons, however.

C.S.H. voted No because he believed the Board had no power to dictate in this way.

Miller voted No because he believed the appointed should be absolutely disapproved.

April 6, 1926. 152

Federal Reserve Bank, Cleveland

Agreed that Boston, Cleveland and Philadelphia should advance discount rates before New York.

Oct. 16, 1925. 24
Oct. 27, 1925. 29, 30, 31, 32

Board approves increase from 3½ to 4% for Cleveland.

Nov. 11, 1925. 35

See - Discount rates

Federal Reserve Bank, New York

Gov. Harding tells C.S.H. that, does not object to Boston putting up its rates but that if Cleveland and Phila. did also it might throw a heavy burden on N. Y.

Oct. 12, 1925. 29
Opposes increase in discount rates from present 2 1/2% rate.
Oct. 13, 1925. 23
Oct. 16, 1925. 24

C.S.H. tells Gov. Harding that N. Y. by direct pressure held the situation well in hand. Oct. 19, 1925. 27

Gov. Harding told Board that if Boston put up its rates, the lower N. Y. rate would enable large borrowers in Boston to borrow in New York.
Oct. 27, 1925. 29

Gov. Strong said direct pressure could not succeed in N. Y. unless the Federal Reserve bank refused to discount for banks carrying speculative loans, which would mean rationing of credit which would be disastrous. Oct. 27, 1925. 29

Gov. Strong finally suggested putting up rates at Boston, Philadelphia and Cleveland, in successive weeks, just before the directors meetings of the Federal Reserve Bank of New York.
Oct. 27, 1925. 29

Cunningham moves to put in a rate of 4% at New York to take effect at once.
Nov. 6, 1925. 31

Defeated:
Aye: Miller and Cunningham
No: Gov. C., James and C.S.H.
Nov. 6, 1925. 32

Board votes authority to Federal Reserve Bank of New York to buy 5 millions of bills from the Bank of Belgium, in behalf of the 12 Federal Reserve banks. Unanimous.
Nov. 25, 1925. 45

See - Strong, Gov.

Board votes to increase Federal Reserve Agent Jay's salary to $40,000 and Harrison's salary to $30,000.
Dec. 15, 1925. 63

The Federal Reserve bank has been operated this year under the new building for less than last year under the old building, whereas we all thought it would be more.
Dec. 15, 1925. 63

Board refused to approve proposed salary of $18,000 for Manager of Buffalo branch and substituted $15,000.

C.S.H. alone voted No.
James did not vote.
Federal Reserve Bank, New York (Cont'd.)

C.S.H. begged Board to hear New York before deciding, but without avail.
Dec. 10, 1925. 65

Before passing upon request of Open Market Investment Committee for
authority to buy 15 or 20 millions of Govt. securities, Gov. C.
told the Board that the directors of the Federal Reserve Bank of
New York had unanimously voted to direct Govt. Strong to buy
from 15 to 18 millions of Government securities for account of
the Federal Reserve Bank of New York.
Dec. 22, 1925. 68

Board approves application of Federal Reserve Bank, New York, to
increase discount rates from 3½ to 4%, effective Jan. 8.
Jan. 7, 1926. 76

Gov. C. says Natl. Bank, New York, borrowed 115 millions from
Federal Reserve Bank, New York, on its note and loaned it on
stock exchange at from 6 to 7%.
Jan. 8, 1926. 78

Miller says Gov. Norman, while here, told him the high call loan
rates in New York made the Federal Reserve discount rate
negligible, and that he could not see why the New York Federal
Reserve rate had not long ago been increased.
Jan. 13, 1926. 81, 82

Sec. Mellon objects to action of Board taken at Miller's suggestion,
that Federal Reserve Agent Jay report to the Board all borrowings
from the Federal Reserve Bank of New York exceeding 2 millions,
to be reported weekly.

It was explained that this called for no further information from
the New York member banks, but that the Federal Reserve Agent would
merely analyze the gross borrowings now reported by him to the
Board, segregating loans over 2 millions; that it was merely for
the Board's information and that the member banks would not
necessarily even know of it.
Mar. 11, 1926. 119

Board met to consider draft of a letter to Federal Advisory Council
asking for its advice and assistance in an effort to curb or
eliminate security loans in the New York call loan market.

Sec. Mellon presided.

Sec. Mellon said he feared it might imperil the extension of the
Federal Reserve bank charters in the McFadden bill, if it became
known that the Federal Reserve Board was contemplating radical
control over stock exchange transactions.
Federal Reserve Bank, New York (Cont'd.)

C.S.H. said that, while he did not object to asking the Council what control it could exercise in respect to excessive use of Federal Reserve credit for security loans, this letter went much farther in that it stated that the Board is giving much thought to the development of a procedure which will check or altogether eliminate the misuse of credit facilities; that it seemed to imply that the Federal Reserve banks could and would refuse discounts for banks having speculative loans.

C.S.H. said it was very doubtful legally whether such action could be taken by a Federal Reserve bank; that member banks were not solely commercial banks, nor were their reserve deposits made solely against commercial loans; on the contrary, these deposits were the reserves against every lawful loan a bank could make, whether commercial or speculative; that the banks had to keep up these reserves or be subject to a penalty; that we should carefully examine into our Power to control abuse of Federal Reserve credit through direct pressure, without resorting to the drastic procedure of refusing rediscounts; that if it leaked out that the Board contemplated destroying the call loan market it would cause great damage.

C.S.H. moved to strike out several paragraphs.

Miller moved to approve the letter as originally drafted although he did not object to having it amended.

C.S.H. moved to lay it on the table, to be taken up later after the recharter question was settled.

All voted Aye except Cunningham, who voted No, and Miller, who did not vote.

The Comptroller of Currency was present and voted Aye.

(See Vol. 156 scrap book for copy of letter.)

Mar. 11, 1926. 119, 120 to 123

See - Mallon
Miller
Open market

Discussion of recommendation of Open Market Committee that system account of Govt. securities may be increased up to April 15 to 300 million dollars.
C.S.H. said he believed the Federal Reserve Bank of New York or any Federal Reserve branch could purchase Govt. securities in open market as a matter of right, subject only to regulations of the Federal Reserve Board; that the Board has only published general regulations but no regulations specifically limiting amounts which may be purchased.

Mar. 25, 1926. 131

Discussion of action of Federal Reserve Bank of New York in offering Warren of our Research Division a salary of $6000 in the Foreign Department. Finally approved.

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

April 20, 1926, 163, 164, 165, 166

Board approved reduction of discount rates of Federal Reserve Bank, New York, from 4 to 3%. April 22, 1926. 166

James urges discontinuing Boston and Atlanta in Cuba and substituting Federal Reserve Bank, N. Y.

April 30, 1926. 176

See - Discount rates
Open market
Strong, Gov.

Federal Reserve Bank, Phila.
Philadelphia increased discount rates from 3% to 4% with prior approval of Federal Reserve Board.

Nov. 20, 1926. 41

C.S.H. and Cunningham go to Philadelphia to attend conference group meeting.

Dec. 7, 1926. 98

See - Discount rates

Federal Reserve Bank, Richmond
Board gives hearing on proposed Federal Reserve branch in Southwest part of district.

Jan. 15, 1926. 86

See - Branch banks
Federal Reserve Bank, St. Louis

On application of Board, rules that compensation of attorneys for collecting claims must be reported to Board for approval, although Wyatt informed us that the Supreme Court of U.S. had decided that such attorneys were not employees or officers, and gave opinion that compensation paid them need not be reported to Federal Reserve Board under Sec. 4, Federal Reserve Act.

Board finally fixed a limit under which no report necessary.

Feb. 9, 1926. 105, 106

Federal Reserve Bank, San Francisco

Sproule, a director, appears before Board arguing status of Federal Reserve Agent and Governor.

Nov. 19, 1925. 41

See - Perrin

Sproule

Federal Reserve Board

See - Branch banks

Brokers loans

Cafeteria

Cuban Agency

Discount rates

Federal Reserve Bank of Atlanta

* * * Boston

* * * Philadelphia

Hamlin, C. S.

Jay, Pierre

Member banks collateral notes.

Stock exchange loans

Vandell

Federal Reserve notes

King resolution as to.

May 5, 1926. 177

See - Cuban Agency

Wyatt

Federal Reserve rediscounts

See - Stock exchange

Speculative loans

Federal Advisory Council

Miller

Nelson
Federal Trust Co., Boston

Maloney, President, speaks to Gov. C., about C.S.H. reappointment.

May 12, 1926. 187

See - Maloney

C.S.H.

Reappointment

Fernald, Sen.

Richborn says, is friendly to C.S.H.'s reappointment.

May 19, 1926. 192

First National Bank, Boston

See - Cox

Cuban Agency

Wing

First National Bank, Canton, Pa.

See - McFadden

First National Bank, New York

Charles Norton, Secretary of President Taft, Cong. Andrew said, at one time engaged in negotiating a loan for Govt. of 100 millions from.

Oct. 2, 1925. 16

Cong. Andrew says Norton fixed matters so as to get a position under.

Oct. 2, 1925. 18

Gov. C., says, borrowed 115 millions from Federal Reserve Bank, New York, to loan on stock exchange at from 6 to 7%.

Jan. 8, 1926. 78

Fitzgerald, John F.

Tells Gov. Harding that Walsh wants C.S.H. to run for Governor.

Jan. 6, 1926. 74

Tells Gov. H., he has just had an hour's talk with gen. Butler, that Butler asked him whom the Mass. Democrats would nominate for Governor; that he told him C.S.H. would be if not reappointed on Federal Reserve Board; that Butler did not seem to like the idea and said C.S.H. had made an excellent member and that he strongly favored his reappointment.

Jan. 6, 1926. 74, 75


Feb. 15, 1926. 106

Florida banks 189, 190

See - Newton, Federal Reserve Agent
Fosdick, Rev. Harry
We hear address of, at the Cathedral in Geneva.
Sept. 13, 1925. 3

Foster, John W.
C.S.H. tells Ishii that he believes Lansing's hostility towards
Japan came from the influence of his father in law, Gen. Foster.
Sept. 12, 1925. 2, 3

C.S.H. tells Ishii of Foster's demand for an audience with the
Emperor for himself, wife, and other members of his Party, -
which was refused.
Sept. 12, 1925. 3

Fox, Austen G.
Dr. Shotwell tells C.S.H. that favoring the L. of N., but that he
looked on the Carnegie peace Foundation as rather a joke.
Sept. 17, 1925. 8

France
Dr. Shotwell says the English-French-German pact may soon be agreed
upon.
Sept. 17, 1925. 8

Cong. Andrew is very bitter against the administration because of
its treatment of France, in connection with the debt.
Oct. 2, 1925. 19

Richard Olney tells C.S.H. that Sec. Mellon reached an agreement
with Cailloux as to the debt but that the Republicans on the
debt Commission would not agree.
Nov. 7, 1925. 34

Sen. Owen calls on C.S.H. and speaks of the ultimatum said to have
been given to France by Gov. Norman and Gov. Strong, as a
condition of pecuniary assistance.
May 18, 1926. 191

See - Owen

Frothingham, Louis
C.S.H. tells, how he proposed him for trusteeship of Carnegie endowment.
April 18, 1926. 163

Frothingham, Rev. Paul Revere
C.S.H. nominated, for trustee of Carnegie Endowment.
April 18, 1926. 163
Garfield Hospital
Dr. Ruffin makes appointment at, for a gall bladder test.
Dec. 4, 1925. 56, 57

Had gall bladder tested by Dr. Merritt at.
Dec. 9, 1925. 63

Gavit, John Palmer
Mr. and Mrs. Gavit dine with us in Geneva.
After dinner she said she would get in touch with Anna, and she went into a half trance and gave us a message, not however, very satisfactory. She also gave us a book test which did not work out. (See copy).
Sept. 13, 1925. 4

The Gavits leave tomorrow for Cherbourg, not to return until Sunday.
Sept. 13, 1925. 5

C.S.H. tells Mrs. Wilson of Mrs. Gavit's automatic writing.
Sept. 17, 1925. 9

Received letter from Mr. Gavit, from Taormina, Sicily. In it there was a communication from Anna, as follows:

L.H.G. (Mrs. Gavit)
I feel that Anna is here, that she is sitting near me. I am very sure she is here and wishes to speak.

Anna (Invisible)
Of course I wish to speak. This is Anna. Ask my Father and Mother if I ever lost an opportunity to speak!

Mrs. Gavit.
She is smiling. Now I can see her.

Anna:
This is a rare chance. I have waited a long time. I wanted to send them a Thanksgiving message, but I couldn't get it through. But I did get a Christmas message through; you sent it by cable to Father and Mother. I kept telling Mr. Gavit and Mrs. Gavit, too, that I must send you word. How much I love you. You will never know how near I am to you. Oh Father, dear, how much there is for which I thank you. Much that you gave me while on earth I have carried with me over here.

Mrs. Gavit.
She is smiling again at something. There seems to be some jokes between herself and her father; I don't understand what it is.
Anna:

And I want to thank you for what you have done since I came over. You have done just right about everything, everything.

Only don't forget about the Light. No one in the whole world has such a Mother as I had. - No, have, Mother, have. I still have you, more than I ever had you on earth. Talk is not just the same. You can help me more than ever. Your love and thoughts are like beautiful clouds about me. Dear me, that sounds as if I were an angel. I don't mean it that way. I have substance. Your thought has substance that touches me. And I want to tell you both, even if I do not get messages to you often in words, - that I am with you and talking to you. If you will listen quietly you will know that I am speaking to you. My love to you this New Year - may it bring you gladness through the knowledge that we are still living together, and always.

This is your devoted Anna, speaking to you.

Mrs. Gavit.

Wait, they want to give me a book test for Mrs. Hamlin. I don't see it quite.

Anna:

In the Library of the Washington house - the room with the most book shelves in it. There is a shelf or shelves of books on the left hand side of the fireplace. Counting the shelves from the bottom up, - one, two, three. I guess it's three. It seems to be the third shelf from the bottom. Counting the books in, from the side of the fireplace in.

Mrs. Gavit:

Anna says it is a tall book. It is the first tall book, not the first book but the first tall book.

Anna:

Take it out, Father. Open it at random and you will know why I asked you to do it. Your eye will light upon my message to you.

Mrs. Gavit:

I want to get this right. Somebody does say a tall book. I can't get that out of my mind. Something there that is suggestive of Anna. Some word or phrase or something. That's all for the Hamlins, Anna says, thank you very much. If it should be right, we will try again. It is very difficult not to be discouraged if it isn't right.

Anna says that on the center table is a book lying - a book that mother and I used to read together, - that I am very fond of.

Jan. 17, 1926. 99 to 103

(We could not verify this test as we no longer live in Farragut Square and all of our books are stored and we moved to the
Lee House, where we all were living when Anna left for Bernuna. Nor was there any fire place in the Fanegut Square house in the floor where we kept most of our books.)

Bartie received a letter from Mrs. Gavit dated January 20, Taormina, Sicily.

Among other things she said:

"During Thanksgiving week, I felt repeatedly that Joe and Anna were trying to get a message to you. I felt it, but could not get it down on paper, although I am sure Anna was near me several times trying to send you something about Thanksgiving. I was too much occupied to get it......

Often when I was quiet I got a message in my mind from Anna, "Send love to my parents," - repeatedly, and Jack got the same, so I sent my cable.

Then one night when Jack and I were all alone, I laid down quietly and saw Anna come into the room and sit down by me, immediately giving me the message we sent you. She wants to give you a book test, so we will try till we get one through right to you...

I know Anna came that night."

Jan. 20, 1926. 103, 104

Bartle received a letter from Mrs. Gavit dated January 20, Taormina, Sicily.

Among other things she said:

"During Thanksgiving week, I felt repeatedly that Joe and Anna were trying to get a message to you. I felt it, but could not get it down on paper, although I am sure Anna was near me several times trying to send you something about Thanksgiving. I was too much occupied to get it......

Often when I was quiet I got a message in my mind from Anna, "Send love to my parents," - repeatedly, and Jack got the same, so I sent my cable.

Then one night when Jack and I were all alone, I layed down quietly and saw Anna come into the room and sit down by me, immediately giving me the message we sent you. She wants to give you a book test, so we will try till we get one through right to you......

I know Anna came that night."

Jan. 20, 1926. 103, 104

Geneva

We leave Geneva about 11 a.m., reaching Berne at 3 p.m.

Sept. 18, 1925. 10

Germany

Dr. Shotwell that the English-French German pact may be soon agreed upon; that Germany will enter the L. of N. but not until the Assembly adjourned.

Sept. 17, 1925. 7, 8.

Gillett, Sen.

Cong. Andrew says, will never be able to cast an independent vote in the Senate as he was there solely as the choice of Sen. Butler and Stearns.

Oct. 2, 1925. 18

C.S.H. tells Glass that the Wilson democrats disliked Walsh and voted for and elected Gillett. April 3, 1926. 141
Gillett, Sen. (Cont'd.)

Platt says he spoke to Sen. Gillett yesterday and that he was strongly for C.S.H.'s reappointment.
April 20, 1926. 166

April 25, 1926. 171

Glass, Sen.

Offers no objection to amendment approved by Federal Reserve Board authorizing member bank collateral notes secured by eligible paper (but not by Govt. securities) up to 90 days.
Jan. 6, 1926. 75, 77

Mr. Whalley, Ex-Congressman, at lunch at Mrs. Cowin's, tells C.S.H. that Glass and Cong. Byrnes lunched with Gen. Pershing at Chaumont at the time when the armistice was first being discussed; that Gen. Pershing was vehemently in favor of taking sedan and marching to Berlin; that Pershing admitted that it would mean the death of at least 250,000 American soldiers; that nevertheless he wanted to do this, as he emphasised, to turn the American soldiers loose on the women of Germany and give them a taste of what the Germany army had done to the women of Belgium and France.

Whalley said Glass had written down in his diary every word Pershing said, and Cong. Byrnes confirmed it.
Jan. 10, 1926. 79, 80

Mrs. Wilson objected to employment of the Secretary of Gen. Glass to write a chronological table of events in President Wilson's life as she had once prepared a sketch of Mr. Wilson which she found full of errors and asked him not to publish it, when he did notwithstanding.
Jan. 25, 1926. 95

Mr. Wile tells C.S.H. that he has sent Glass's editorial on Bishop Lawrence's eulogy of Lodge (written by C.S.H.), to the Pulitzer prize jury, - that he thought it was one of the most brilliant pieces of editorial writing he had ever seen and that it would be a formidable competitor for the $1000 prize.
Feb. 4, 1926. 97

Glass tells Sec. Mellon that he and Gen. Pepper would try to incorporate a proviso in the McFadden bill extending perpetually the charters of the Federal Reserve banks.
Mar. 11, 1926. 119, 120.
Glass tells Gov. Harding not to mention C.S.H.'s reappointment until after the Penna. primaries; that Mellon was fighting for Pepper; that Sen. Reed (Pa.) had some time ago complained that Pa. was not represented on the Federal Reserve Board or other Commissions; that there was danger that Mellon might make some promises as to C.S.H.'s place to help Pepper.

Mar. 21, 1926. 126

Glass told Gov. H. that Pepper was very shifty, - like a flea; that Eise agreed to fight with him on the McFadden bill, but that Pepper was very evasive. Mar. 21, 1926. 126

Glass told C.S.H. that he had read on p. 166 of Col. House's memoirs that David Lawrence asked House to let him tell the public about his activities in "making the bill," but that "the colonel was obdurate in his insistence upon alien e;" that he had just written Lawrence asking him to be good enough to tell him just what Col. House had done in "making the bill." April 3, 1926. 140, 141.

C.S.H. thoroughly approved and suggested also that Glass see Sen. Metcalf of R.I. Glass said he would see both on Monday. April 3, 1926. 141

Glass said he was fearful that Sen. Butler might want to have some Republican politician appointed. C.S.H. explained to Glass the political situation in Mass. saying that Walsh was opposed by the Wilson Democrats, otherwise he would have beaten Gillett; that Butler's only hope of election next fall rests on these Wilson Democrats; that if C.S.H. were to take part in the campaign, he probably could induce these Wilson Democrats to support Walsh which would gravely imperil Butler; that Butler must realize this and C.S.H. believes would prefer to have C.S.H. remain quietly in Washington.

April 3, 1926. 141, 142.

Glass said he did not see how he could vote for Walsh if he lived in Massachusetts, but he thought Butler would certainly want C.S.H. kept in Washington out of the campaign. He said he should tell Butler that his name should be sent in at once so it could be confirmed before Congress adjourned.

April 3, 1926. 142

Sen. and Mrs. Glass called
Glass said he would see Butler tomorrow and would also see Sec. Mellon and urge C.S.H. immediate appointment. April 4, 1926. 148
Glass, Sen. (Cont'd.)

Glass was very bitter about Col. House's book. C.S.H. told him of the footnote on page 50 stating that Wilson ultimately accepted House's arguments for centralised control of banking which materialised in the Federal Reserve Board.

Glass said the first draft of the Federal Reserve Act contained no provision for a Federal Reserve Board; that he visited Wilson at Princeton on Dec. 26, 1912, the day after Christmas, and that they then agreed to have a Federal Reserve Board; that at this time House did not know Wilson intimately and could not have made such a suggestion to him up to that time.

House's first entry in his book referring to any talk with Wilson about the Federal Reserve Act was on Jan. 8, 1913, at which time he said Wilson agreed to put him in touch with Glass, Chairman of the Banking and Currency Committee, and he said, "I am to work out a measure which is to be submitted to them." At this stage Wilson had accepted the tentative draft brought him by Glass on Dec. 26, 1912, and a Federal Reserve Board had been arranged for. The draft in final form was approved by Wilson in Feb. 1913, at Princeton. (See Willis's book.)

House records, page 161, that he talked with Glass on Mar. 24, 1913, after the inauguration and said, "I urged him not to allow the Senate Committee to change what we had agreed upon in any of its essential features."

House must have been referring to the second draft which Willis says was approved about Jan. 15, 1913, made as the result of hearings before Glass' Committee, or to the third draft prepared between March and May, 1913, on McAdoo's suggestions which were all abandoned, or to a fourth draft made to adopt Bryan's suggestions. (Willis, page 146)

In all of these drafts a Federal Reserve Board was provided for.

If House really persuaded Wilson to have a centralised Federal Reserve Board, it must have been prior to Dec. 26, 1912, and there is no entry in his book as early as this.

Glass said House later was given an abstract of the Act which he talked over with New York bankers and later a copy of the completed draft which he took abroad with him and showed to Warburg who criticized it from Switzerland. April 4, 1926, 148, 149, 150.
Glass, Sen. (Cont'd.)

C.S.H. sends Glass a copy of Mr. Bowman's letter of April 5, 1926, telling of his talk with Attorney General Sargent.
April 7, 1926. 151

Sen. Glass writes C.S.H.:

U. S. Senate
April 8, 1926.

"Acknowledging yours of April 7, I am gratified to know that Attorney General Sargent will soon take up your matter at the White House.

"I have talked with both Senators Butler and Metcalf. The former stated that he had heard that there have been some discussions at the White House of the appointment and had also heard that you would, and again that you would not be selected. He added, "No importance should be attached to the latter report." He did not explicitly state his own position, but invited my opinion of your qualifications and usefulness, which I gave unmistakably.

"Sen. Metcalf, on the other hand, was unqualified in his advocacy of you and said he very earnestly hoped you would be reappointed. If you still think it advisable, I will see an opportunity to talk with Mr. Mellon as soon as he returns to Washington."

April 8, 1926. 155

April 10, 1926. 156

C.S.H. writes Glass that he has seen Sen. Bruce and suggested to him to see Mellon and the President, but C.S.H. says he leaves the whole matter with Glass.
April 11, 1926. 157

Glass writes C.S.H. that Sen. Bruce has conferred with him and they have arranged each separately to call on the President and urge C.S.H.'s reappointment.
April 13, 1926. 157

Sen. Bruce writes C.S.H. that he has seen the President and that when told that Glass was very desirous that C.S.H. be reappointed, he pricked up his ears and said, "Is Carter Glass for him?" - exhibiting a decided quickened interest; that he told him Glass certainly was strongly interested and that he had talked with him about the matter only a few days ago.

Sen. Bruce added that he had suggested to Glass to see the President as soon as possible and he said he would.
April 16, 1926. 160, 161.

See - Bruce.
C.S.H. calls up Glass, who said he had talked with Bruce and he would call on the President today or early next week.

C.S.H. told Glass about the President's inquiry as to his health and explained about his neurites and having his teeth extracted; that he was thoroughly examined in Boston; that every organ in his body was X-rayed; that the report was that everything was normal except that the X-rays showed two ulcerated teeth which were extracted, and since then the neurites has disappeared.

Glass said he would explain all this to Coolidge and that I should not worry, - that he would take care of the matter.

April 17, 1926. 161, 162

C.S.H. writes Glass that the Board will undoubtedly approve the Senate compromise on the McFadden bill, as C.S.H. understood Glass wanted us to do, and sent him a copy of a memorandum prepared by him showing just what the compromise was.

April 23, 1926. 170

Mrs. Wilson asks C.S.H. if she can speak to Sen. Glass and tell him how deeply she is interested in C.S.H.'s reappointment. C.S.H. begged her to do it.

April 26, 1926. 172

C.S.H. receives a letter from Glass dated April 27th:

"Before going to Virginia I called on the President in your behalf and may say that his attitude seemed very encouraging, although he did not outright commit himself. He asked me, as he did Sen. Bruce, about your health, and I am sure I satisfied him completely on that score. Moreover, I tried to impress him with the desirability of early action in the matter. As soon as I conveniently can do so, I will see Mr. Mellon."

April 28, 1926. 173

Goebel, P. W.

Tells C.S.H. everybody likes Gov. G., but they do not consider him up to the standard of the Federal Reserve Board; that the Board pays too much attention to non-essentials.

May 20, 1926. 201

Gold exchange standard

Gov. Norman told the Board he did not favor a controlled gold standard; that it was good only for poor countries, and that he hoped Austria and Hungary would soon adopt a real gold standard.

Dec. 31, 1926. 72
Goldman, T. W. tells C.S.H. that Gov. C. did not realize he was being interviewed when he made the statement about business depression.

April 1, 1926. 139

Government securities

Wyatt tells C.S.H. that regulations of the Federal Reserve Board under Section 14, are not a condition precedent to the right of a Federal Reserve bank to buy Govt. securities in the Open market; that the Board had made no regulations specifically limiting the amount and that therefore they had a right to buy them.

Dec. 22, 1925. 68

Gov. C. told the Board that the directors of the Federal Reserve Bank of New York had unanimously voted to direct Gov. Strong to buy from 15 to 18 millions of Govt. securities in the Open market.

Dec. 22, 1925. 68

See - Open market

Governor and Chairman, Federal Reserve banks

Mr. Sproule, Class C Director of Federal Reserve Bank of San Francisco addresses Board on relative statute of...

Nov. 19, 1925. 41

Governor conference.

Mar. 22, 1926. 127

Gov. Harding tells C.S.H. that the members of, were unanimously in favor of C.S.H.'s reappointment.

April 1, 1926. 140

Grand Hotel, Metz

We stay at. Had a good room and bath for 60 French francs - $3 per day.

Sept. 19, 1926. 10

Grange, Nat'l.

C.S.H. gives lunch to Louis J. Taber, of Columbus, Ohio, Master of Present:


C.S.H. told them of the 88 lb. Hubbard squash he raised last summer.

Jan. 25, 1926. 94

C.S.H. suggests to Sen. Bruce to tell the President he is an active member of the Grange.

April 13, 1926. 157

Grattan, Mr.

C.S.H. gives Mrs. Wilson an article in New Bedford Mercury by Mr. Grattan attacking the Walter Hines Page myth, which Harriet Barlin sent us.

Sept. 13, 1926. 1
Griat Britain

C.S.H. feels Gov. Strong is as much impressed with the effect of increased discount rates on as upon U.S.

Oct. 13, 1925. 23

See - Norman, Gov.

Greco-Bulgarian dispute

Briand says the Council of the L. of N. dedicates the happy ending of the, to the memory of Woodrow Wilson who conceived and realized the L. of N. Nov. 26, 1925. 46

Gresley, General 95

See - Tucker, H. St. George

Gray, Lord

Mrs. Wilson tells C.S.H. that Mr. Wilson did not want to meet, when he came to U.S. on his last visit; that she believes but does not know that he was angry with Lord Grey because of the manner in which he treated the peace proposal of 1916.

Nov. 29, 1925. 47


Mar. 1, 1926. 106

Grosvenor, Gilbert

We meet Mr. and Mrs., at dinner at Mrs. Bogg's in Geneva.

Sept. 16, 1925. 6

Gulick, Dr.

We meet, at dinner with Viscount Ishii in Geneva.

Sept. 12, 1925.

H-

Hackney, Walter 153

See - Credit Bureau

Hale, Mrs. Chandler

C.S.H. calls on Nov. 7, 1925. 34

Telephones to C.S.H. to come in and have tea, which he did.

Nov. 25, 1925. 46

Hale, Sen.

Richborn tells C.S.H. that, is friendly to his reappointment.

May 19, 1926. 192
We explain to Mrs. Wilson about Hendrick Frayn and his letter to her about Anna. Sept. 17, 1925.

William Rice said he had recently met Gov. Norman of the Bank of England, in Albany, at Mr. and Mrs. Wadsworth's; that he spoke much of Anna and his acquaintance with her in Bar Harbor.

Bertie told William Rice about Gov. Norman's lack of courtesy to her and to Anna when they were in London in 1923; that they called up Gov. Norman at the Bank and were given his Secretary; that they said they would like to be shown over the Bank of England and left their address with the Secretary, who promised to communicate with them after mentioning their request to Gov. Norman; that they heard nothing more from him until 10 days later when a card of Gov. Norman was left at their apartment; that this ended the matter.

When Anna was ill in Bar Harbor, Gov. Norman saw her almost every day and was very fond of her and she of him. When Gov. Norman was last in Washington we gave him and Stanley Baldwin a large official dinner and he also took family dinner with us on several occasions.

C.S.H. remembers telling him how Anna wanted to see the Bank of England when next she was in London, and he replied to be sure and let him know when they came, and he would be only too happy to show them over the Bank.

His lack of courtesy was in marked contrast to that of Mr. and Mrs. Baldwin who showed them marked courtesy and attention, inviting them to their house, or at least Anna, to lunch, invited them to Downing Street to see the parade on the King's birthday, and talked with them and sat with them in the Throne room while they were waiting to be presented.

Anna was terribly disappointed as she had looked on Gov. Norman as a good friend.

When Gov. Norman was in Washington in December, 1925, C.S.H. was perfectly courteous to him, but gave him no chance to talk with him, and when the conference was over, C.S.H. at once bade him good-bye, in a somewhat formal manner. He acted as if he wanted to say something about Bertie and Anna but C.S.H. gave him no opportunity. Jan. 15, 1926. 86, 87, 88.

Anna left us one year ago today for Bermuda, - Thursday, Feb. 19, 1926, - the last time we saw her alive.

Thursday, Feb. 18, 1926. 107
Hamlin, Anna (Cont'd.)

We spent the day, Sunday, quietly together, thinking of Anna.
Sunday, April 25, 1926. 171

This is the anniversary of Anna's death. She died Sunday, April 26, 1925.

In the morning at 9:30 we drove to St. Agnes Church, Washington. Marion Oliver had arranged with her clergyman, Father Anderson, to have a special service of prayer in memory of Anna. Marion, Bertie and C.S.H. alone were present.

We received a large number of telegrams, letters, and flowers.

In the afternoon, Mrs. Wilson called for us and took us to a long drive in the country. She also asked us yesterday to dine alone with her tonight, but we did not feel up to it.

Monday, April 26, 1926. 171

Sec. Mellon tells the Comptroller of the Currency that Anna was one of his daughter Ailsa's dearest friends; that he saw much of her and admired and loved her, and that, if there were no other reason, his affection for Anna would make it impossible for him to recommend any one else than C.S.H. for appointment to the Federal Reserve Board.

May 11, 1926. 185, 186

See also - Arnold

Cavitt

Lodyard

Hamlin, C. S.

Delivers address at Congregational Church, Mattapoisett, on trip to Europe and L. of N. with lantern slides.
Oct. 22, 1925. 29

Dines and plays pool with Mrs. Wilson.
Nov. 15, 1925. 35

Sends flowers to Mrs. Wilson on death of her mother, Mrs. Bolling.
Nov. 21, 1925. 42

Writes President Coolidge as to Austen Chamberlain's address on World Court.
Nov. 25, 1925. 43

Goes to Phila. with Cunningham to attend conference group meeting.
Federal Reserve bank. Dec. 7, 1925. 68
Hamlin, C. S. (Cont'd.)

Mrs. Wilson takes us to drive and later to tea.
Dec. 13, 1926. 62

Moves to dissolve open market committee of Federal Reserve Board
and to consider all such questions in Committee of Whole.
Passed. Jan. 5, 1926. 74

We dine with Mrs. Wilson and Bertie reads "Pa, Ma, and Mae."
Jan. 13, 1926. 82

Gives lunch at Cosmos Club to Louis J. Taber, of Columbus, Ohio,
Master of the National Grange.
Jan. 23, 1926. 94

See-Grange

Mrs. Wilson takes us on long drive.
April 3, 1926. 140

C.S.H. explains his interview of effect of Federal Reserve Act on
call loan market, at a supper given by Dr. Miller to Federal
Advisory Council.
May 20, 1926. 200

See-Federal Advisory Council
Reappointment

See also:

Annual report
Arnold, Mrs.
Branch banks
Bruce, Sen.
Carnegie Board
Credit Bureau
Crispinger, Gov.
Cuban Agency
Curtiss, Federal Reserve Agent
Discount rates
Federal Advisory Council
Gavit, John Palmer
Glass, Sen.
Hamlin, Anna
Harding, Gov.

Hamlin, Edward
Appears before Army Engineer Board in Washington asking for a
survey of Dorchester Bay.
Dec. 22, 1926. 69

The Board of Engineers reports to Chief engineer that Dorchester Bay
channel should at once be surveyed with a view to deepening
the channel to 30 feet for future development of commerce.
(See scrap book)
Dec. 24, 1926. 73
Harriet

writes that she is to be operated on for stone in gall bladder on Saturday. Nov. 23, 1925. 43

Goes through operation most successfully.
Nov. 28, 1925. 47

Visits us in Washington.
Feb. 20, 1926. 107

We call on Mrs. Wilson but she is out.
Feb. 20, 1926. 107

Mrs. Wilson takes us to drive. Harriet goes to Baltimore to visit Miss Bright.
Feb. 22, 1926. 107

Hamlin, H. P.

Reads Pa, Ma and me to Mrs. Wilson.
Jan. 13, 1926. 82

Goes to Mattapoisett to attend funeral of Mr. DeLong.
Feb. 19, 1926. 107

See Harriman, Mrs. Borden
Pennington, Mrs. Wilson

Harding, Gov.

C.S.H. confers with, as to proposed increase in discount rates at Boston. Oct. 12, 1925. 22
Oct. 16, 1925. 27

C.S.H. asks Gov. C. to talk with, as to discount rates.
Oct. 19, 1925. 27

C.S.H. attends Boston directors meeting and stockholders meeting.
Oct. 21, 1925. 28

Explains Boston rate situation to Federal Reserve Board and Open Market Committee.
Oct. 27, 1925. 29

Gov. H. out of town when Federal Reserve Board approves increase in Boston discount rates.
Nov. 6, 1925. 33

Tells C.S.H. he has spoken to Gov. Strong who strongly favors C.S.H.'s reappointment.
Dec. 4, 1925. 54

 Writes C.S.H. that the Boston Herald of Jan. 4, 1926 mentions the possibility of C.S.H. running for Governor if not reappointed.
Jan. 6, 1926. 74
Earding, Gov. (Cont'd.)

Writes C.S.H. as to John F. Fitzgerald's talk with Sen. Butler as to C.S.H.'s reappointment.
Jan. 6, 1926. 74

See - Fitzgerald, John F.

C.S.H. suggests to Gov. H. that his directors take up the matter with Sen. Butler.
Jan. 6, 1926. 75

Gov. H.'s share in the effort to cut down the Federal Reserve Banks in 1915.
Jan. 17, 1926. 89

Gov. H. tells Platt he is satisfied that C.S.H. will be reappointed and tells him about Sen. Butler's talk with Fitzgerald and speaks of action by some of the Directors; he thinks Hollis.
Feb. 15, 1926. 106

Attends at meeting of Open Market Committee.
Mar. 20, 1926. 124

Calls on C.S.H. Says Glass says not to mention reappointment until after Penna. primaries; that Mellon was fighting for Pepper; that Sen. Reed (Penna.) had claimed because not represented on commissions, including the Federal Reserve Board; that there was danger that Mellon might trade off the position to help Pepper.

He said Glass said that Pepper was as shift as a flea; that while Edge agreed to stand with Glass on the McFadden bill, Pepper was very evasive.
Mar. 21, 1926. 126

Gov. Harding and the directors of the Federal Reserve Bank of Boston unanimously send Mr. Bowman a Class B director and a great friend of Attorney General Sargent to ask the Attorney General to ask Coolidge to reappoint C.S.H.
April 1, 1926. 139, 140

Gov. H. tells Bowman to tell Sargent that the Governors at their recent conference were unanimously in favor of C.S.H.
April 1, 1926. 140

April 25, 1926. 171
Gov. Harding tells C.S.H. he was at a dinner in Boston a few days ago and my reappointment was being discussed; that Mr. Ratchesky said, "Don't pay any attention to the Boston Herald article, Hamlin will surely be reappointed; good care will be taken to keep him out of the campaign next fall."
April 29, 1926. 175

Gov. Harding appears before Board and tells it of his employees at the Cuban Agency of Havana, Chase, and the charges of intoxication against Dep. Gov. Campbell of the Agency of the Atlanta Bank. April 30, 1926. 176

James said he wanted to abolish both agencies and substitute the Federal Reserve Bank of New York, but Gov. Harding said Miller would never consent to giving New York any more power.
April 30, 1926. 176

Gov. Harding said he was ready to go farther with his Agency and put out Federal Reserve notes, but he left it to the Board to settle the question of discontinuing Boston; that when he first came to Boston he had great pride in having the Agency win as against Atlanta, but now he was settled there and would accept the decision of the Board.
April 30, 1926. 176

Tells C.S.H. that as soon as he returns he will ask Wing to wire Sen. Butler that it is imperative that C.S.H. be reappointed at once.
April 30, 1926. 176

Tells C.S.H. that Charles Washburn told him that he had written Coolidge strongly urging C.S.H.'s reappointment.
April 30, 1926. 176

Gov. H. comes to Lee House to tea.
April 30, 1926. 176-

Gov. H. told Board that Sen. Crowder, our Ambassador to Cuba, got "full" every day at 4 p.m. and could attend to no more business.
April 30, 1926. 177

Gov. H. writes C.S.H. that Curtiss had seen Wing who said it would be useless to wire Butler, as Butler had told him that Mellon would control the appointment and that he had in mind some man from Penna; that Wing thought it was Gov. Norris, but Gov. H. said he could not believe Norris wanted it or would take it.
May 7, 1926. 178
Harding, Governor (Cont'd.)

Gov. H. tells C.S.H. to have Bruce see Mellon at once or after the Penna. primary; says that Bruce has supported many of Coolidge's policies.

May 7, 1926. 179

Says Mr. Bowman is here today and will write Attorney General Sargent asking him to see Sec. Mellon at any time you may think advisable. Let me know if you wish the letter written right away or not until the 18th.

May 7, 1926. 181

C.S.H. writes Gov. H. a confidential letter saying that Glass and Bruce have each seen Mellon and Coolidge and seem very hopeful. Let everything rest until you hear from me again.

Copy of letter.

May 7, 1926. 181

Tells C.S.H. that Sen. Butler told Wing that the matter of C.S.H.'s reappointment had been taken out of his hands and left with Mellon and the President, to his great relief, as he did not want to disappoint Mass. Repub. politicians nor to alienate the many supporters of C.S.H. in Mass.

May 17, 1926. 190

Tells C.S.H. that the mention of Gov. Norris' name came from Gov. Strong.

May 17, 1926. 191

See- Discount rates

Harman, Judson

Mrs. Burrison tells H.P.H. that Mr. Roper reminded her that Col. House at one time had been an ardent supporter of Judge Harmon for President in 1912; that she now remembered perfectly hearing her Father, Col. House, and a Mr. Kennison, a neighbor, talking on her Father's piazza; that her Father favored Wilson, while the two others favored Harmon.

Feb. 8, 1926. 104

Harriman, Mrs. Borden

Walks back with us from the International Club, Geneva, and stayed with us two hours. Told us her daughter was getting a divorce from Mr. Russell. Sept. 15, 1926. 5

Mrs. Harriman appeared at the first Wednesday luncheon of the Woman's Democratic Club fresh from Europe. After lunch she
Harriman, Mrs. Borden (Cont'd.)

had a conference with Mrs. Snell, H.P.H., member of the Elections Committee, and with the whole House Committee.

Speaking of the coming election of officers, she said the Club should choose some outstanding woman for President, other than herself.

When told of the action of the nominating committee in nominating Mrs. Andreas Jones for President, she suddenly flew into a violent rage, and said that, now that the Club was prospering, it had turned around and had "railroaded" her out of the Presidency.

Mrs. Blair explained to her that the by-laws prohibited a President from being elected for more than 2 terms, but all to no avail for she replied that she had never heard of such a by-law.

It was then read to her but she continued in her rage.

She then claimed that the nominations had not been posted according to the by-laws, but she was assured that they had been and were at that moment on the Bulletin Board.

She said that, considering all she had done for the Club, loaning it $2000, it was most extraordinary that she should have been treated so.

She was assured that the Club would pay her all interest due and for the future.

She claimed the Demo. Natl. Committee had guaranteed this amount, but they told her it was not so.

She said that Mrs. Jones as President would be ridiculous, that she could not speak or preside well.

She asked who were nominated for Vice Presidents and when told they were Mrs. Helm and Mrs. Hubbard, she said, "My God, what a slate!"

She said she should have been consulted by cable. They said they had tried to get in touch with her, that no one knew when she would return, and that the expense of cabling made it impossible.
Harriman, Mrs. Borden (Cont'd.)

She said that Mrs. Houston Thompson or H.P.H. would have been fit for President, but they explained that they could not serve because of the official position of their husbands.

She made a ludicrous exhibition of herself.

Jan. 13, 1926. 82, 83, 84

Harrison, George

Comes before Board with Gov. Strong to ask authority to buy 5 millions of bills from the Bank of Belgium.

Nov. 25, 1925. 44

Board approves increase in salary of, to $30,000.

Dec. 15, 1925. 63

Tells Gov. C. that the Open Market Committee contests the power of the Board to forbid open market operations, and that if in any specific case, the Board refused to grant it, the Federal Reserve Bank of New York would go ahead in spite of the Board.

Mar. 29, 1926. 136

Asks Gov. C. if he can approach Mr. Warren of our Research division and offer him a salary of $6000 to go to the foreign division of the Federal Reserve Bank of New York; said Dr. Stewart would give him $8000.

Gov. C. said he might speak to Warren.

April 19, 1926. 163

Comes to C.S.H. at Lee House and explains the situation.

April 19, 1926. 164

Draws up a formal application for authority to employ Warren.

April 20, 1926. 164

Tells C.S.H. Warren will go to Dr. Stewart if not to Federal Reserve Bank of New York at $8000.

April 21, 1926. 164

Board approves application.

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

April 21, 1926. 165

Havana

See - Cuban Agency
Heath, Federal Reserve Agent. 147
See - Federal Reserve Bank, Chicago

Helm, Adm.
We dine with Admiral and Mrs. Helm.
Present: Mrs. Wilson, Mr. Bolling, and Judge Moore, a Virginia Congressman.
Jan. 5, 1926. 76

Hanson Leaves for Havana with James and Wyatt.
May 2, 1926. 177

Hichborn, Mr.
Mr. Hichborn, a bank President from Augusta, Maine, called and said
he had been asked if he would like to be appointed to my position; that he replied that he regarded the position as one of the highest in the country but that no power on earth could induce him to stand in my way and that I surely ought to be reappointed, and that he would do all in his power to help me.

I asked him if the Maine Senators were friendly and he said, "I have reason to believe they are," meaning, I think, that he had made them so.
May 19, 1926. 192

Hill, David Jayne
C.S.H. lunches with, and prepares list of candidates for trustees of the Carnegie Foundation. Feb. 15, 1926. 106

Hollis, Mr. A.
Platt says Harding says that, is interested in my reappointment.
Feb. 15, 1926. 106

Honorary degree, Wilson
Mrs. Wilson said Oxford offered Wilson an honorary degree while he was in Paris; that Mr. Wilson always said he would appreciate a degree from Oxford more than from any other University, but that the Oxford rule was that the recipient must be present in person, and that as he could not then leave Paris, he could not accept it.
Feb. 25, 1926. 108

Hoover, Sec.
Gov. C. says Miller is acting with Hoover in trying to embarrass the Board; that Sec. Mellon also felt this and was very indignant at Hoover who had criticised the Board to him as to open market policy.

C.S.H. believes Miller is intriguing with Hoover. (See Vol. X, p.65)
Dec. 22, 1925. 69
Hoover, Sec. (Cont'd.)

Miller offends Gov. Norman by his talk about rubber export duties which he evidently got from Hoover.

Jan. 4, 1926. 73

Gov. C. says Sen. Lenroot has sent him a second letter on Federal Reserve aid to speculation which states almost exactly the discussion of the Board over his first letter; that it is evident to him that some one in the Board had supplied the information to Lenroot and he believes Miller "leaked" to Hoover who prompted this letter.

Jan. 4, 1926. 74

Winston tells C.O.H. he is satisfied that Miller and Hoover were working together and had urged on Sen. Lenroot to write the two letters to the Board as they contained agreements he could not have used without help.

Jan. 9, 1926. 79

C.O.H. tells Sec. Mellon he fears there is a pipeline running from our Board and he said grimly, "I know it and feel sure we have the same persons in mind at each end of the line," meaning Miller and Hoover.

Mar. 11, 1926. 122, 123

Miller said he had information that the whole trouble in New York arose from the fact that certain banks were loaded up with new issues of securities which they could not place.

Gov. C. asked Miller who his informant was (meaning Hoover), but he declined to reveal the source.

Gov. C. said he should place no importance on information the source of which Miller declined to reveal.

Mar. 11, 1926. 122

Winston tells Gov. C. that he knew perfectly that Hoover was dominating Miller and that he had proved that Hoover got information from Miller as to Board action; that Sec. Mellon was much disturbed at this.

Mar. 26, 1926. 134

Houghton, Amb.

Sir Maurice Low tells us that the State Dept. notified some 40 newspaper correspondents that there would be an important conference at the Dept. that afternoon at 4 p.m.; that they met Houghton there who told them he had some remarks to make but that he must not be quoted in the first person; that afterwards he would be glad to answer questions, - on that same understanding.

Mar. 29, 1926. 137
Mrs. Burleston tells H.P.H. that Mr. Baker reminded her that Col. House at one time was an ardent supporter of Gov. Harmon for President in 1912. She said she now remembered perfectly hearing her Father, Mr. Kenison, a neighbor, and Col. House one day talking on her Father's piazza; that her Father was urging Wilson as the logical candidate while House and Kenison backed Gov. Harmon.

She also said that Bryan's friendship for Col. House arose through Col. House's cousins, the Moody's, who were great friends of Bryan.

Feb. 8, 1926. 104

Col. House in this morning's Washington Post says McAdoo wanted C.S.H. for the Federal Reserve Board but that Wilson said, "I prefer Olney and it happens that I am President"; that later, on Olney's refusal, C.S.H. was appointed in accordance with McAdoo's wishes.

The truth is that Olney urged Wilson, through House, and I think also by letter, to appoint C.S.H. and House strongly recommended him to Wilson.

Feb. 9, 1926. 105

C.S.H. calling up Mrs. Wilson, incidentally spoke of the House book, and Mrs. Wilson said Col. House was apparently an ass.

Feb. 10, 1926. 107


Mar. 4, 1926. 110

Newton Baker tells C.S.H. he is shocked at House's book.

Mar. 7, 1926. 111

Sen. Glass tells C.S.H. he has been reading House's book and had noticed, on page 166, that David Lawrence asked House to let him tell the public about his activities in "making the bill" (Federal Reserve Act), but that "Col. House was obdurate in his insistence on silence"; that he had just written Lawrence asking him to be good enough to let him (Glass) know just what Col. House had done in "making the bill."

April 3, 1926. 141
House, Col. (Cont'd.)

Sen. and Mrs. Glass called. He was very bitter about House's book.

C.S.H. tells him of the footnote on page 50 stating that Wilson ultimately accepted House's arguments for centralized control of banking which materialized in the Federal Reserve Board.

Glass said the earliest draft of the Federal Reserve Act contained no provision for a Federal Reserve Board; that he visited Wilson at Princeton on Dec. 26, 1912, the day after Christmas, and that they then agreed to create a Federal Reserve Board; that at that time House did not know Wilson at all intimately and could not have suggested to him the creation of a Federal Reserve Board at that time.

April 4, 1926. 149

The first entry in House's book showing my talk with Wilson on the Federal Reserve Act was on Jan. 8, 1913, at which, House says, Wilson agreed to put him in touch with Glass, Chairman of the Banking and Currency Committee, and "I am to work out a measure which is to be submitted to them."

At this date, Jan. 8, 1913, Mr. Wilson had already approved the draft and its provision for a Federal Reserve Board. (Dec. 26, 1912.)

House records, page 161 - that he talked with Glass on Mar. 24, 1913, and, "I urged him not to allow the Senate Committee to change what we had agreed upon in any of its essential features."

House must have had in mind the second draft, which Willis was completing about Jan. 15, 1923, after hearings before Glass's committee, or a third draft prepared during March, April and May, 1913, on suggestions of Mead, which were finally rejected, a fourth draft was also made to carry out Bryan's suggestions.

In all of these drafts, a Federal Reserve Board was provided for.

If House persuaded Wilson to accept a centralized Federal Reserve Board, it must have been before December 26, 1912 and there is no entry in the book as early as this.

April 4, 1926. 149, 150

Glass said House later was given an abstract of the proposed Federal Reserve Act and still later a copy of the revised draft the day before he sailed for Europe; that he showed this draft to Warburg who wrote from Switzerland attacking it.

April 4, 1926. 150
House, Col. (Cont'd.)

C.S.H. writes Glass quoting from p. 171 of House's book to the effect that the original Federal Reserve Board was appointed without regard to politics, and that it consisted of 2 Democrats, 2 Republicans, and one Independent.

April 13, 1926. 158

Houston, F. L.

Mrs. Wilson tells C.S.H. that when in New York on Dec. 28, 1925, she met Houston at the Norman Davis's; that she told him she had heard that he was about to publish a Book of Reminiscences; that she had made up her mind also to tell him that she was not willing to have Mr. Wilson's private correspondence published; that he said that although he had written a book, he had no present intention of publishing it; that that was a question not to be decided in the near future.

She said he was so emphatic about it that she said nothing about Mr. Wilson's letters.

She said that when she returned to Washington she was shown Doubleday Page & Co's official announcement of publication of the book, dated Dec. 15, 1925; that she then wrote Houston that his unequivocal denial to her of any purpose of publishing the book in the near future made it seem to her unnecessary to let him know her views, which she proceeded to do.

She told C.S.H. she showed this letter to Judge Covington who said it showed signs of anger and advised her to soften it somewhat as it would thus be more forcible; that she thereupon took his advice and revised it.

Jan. 13, 1926. 84, 85

Mrs. Wilson then showed C.S.H. Houston's reply, - a typewritten letter, very evasive and not candid.

He stated that the only private letter from Mr. Wilson published in his book was Mr. Wilson's reply to his letter written just before the expiration of his term of office, - evidently printed for purposes of self glorification.

Mrs. Wilson feels that Houston deliberately attempted to deceive her as to when his book was to be published, and C.S.H. feels he did this so that she would not forbid the use of Mr. Wilson's letters.

Jan. 13, 1926. 85
Houston, F. D. (Cont'd.)

Mrs. Wilson also said that Houston would not come to the dinner of Dec. 28, 1925, pleading another engagement. It seems he had accepted a private dinner to Patersewski for that evening; that Patersewski in fact came also to the Wilson dinner; that Norman Davis begged him to come, saying he owed all he had in the world to Wilson, but that he could not move him.

Jan. 13, 1926. 55, 86.

Jan. 23, 1926. 94

Hudson, Manley
C.S.H. says good-bye to Geneva.
Sept. 17, 1925. 7

Hungary
Gov. Norman hopes Hungary will soon give up the controlled gold standard and adopt a real gold standard.
Dec. 31, 1925. 72

Hurley
Richard Olney tells C.S.H. that favors very liberal debt settlements.
Nov. 7, 1925. 34

Hurst, Sir Cecil
We meet, and Lady Hurst at dinner with Sir Herbert and Lady Ames at Geneva.
Sept. 15, 1925. 6

Dr. Shotwell was very bitter towards Sir Cecil Hurst because of his opposition to present consideration of disarmament plans.
Sept. 17, 1925. 8

Insolvency
See - McFadden

International Club, Geneva
Dr. Ruffin lunches with Mrs. Wilson at.
Sept. 12, 1925. 1

Attend lunch at, to hear a representative of Irish Free State speak.
Sept. 14, 1925. 5

Attend lunch at, to hear Mr. Chu speak.
Sept. 16, 1925. 5

Attend lunch at, to hear an Italian Senator speak.
Sept. 16, 1925. 6
International Club, Geneva (Cont’d.)

Sent Mr. Rhoades a check for $25.00 as contribution to expense of the lunches at.

C.S.H. sends President Coolidge an abstract of remarks of Lord Cecil and Austin Chamberlain on the World Court, on Sept. 7, 1925, at the Club.

International Commerce Commission
Gov. Harding testifies before.

International law, Codification of. 159
See - Carnegie Board

Irish Free State
Attend lunch at International Club to hear a representative of.

Ishii, Viscount
Gives a quiet dinner to us at the Hotel Metropole, the guests being the members of his commission, Dr. Gulick, a Missionary, and Miss Scidmore. Viscountess Ishii came in from the country to the dinner. Sept. 12, 1925. 1

Tells H.P.H. that when he came to the U.S. on the Japanese Commission in 1917, he told Lansing about the secret Shantung treaty between Japan, Great Britain et al; that he believed Lansing never told President Wilson.

We both told Ishii that Lansing, at that time, was severely ill with diabetes, and we believe it had affected his mind, as shown by his book which conclusively proved his disloyalty to Wilson.
Ishii, Viscount (Cont'd.)

C.S.H. told Ishii he thought Lansing's evident hatred of Japan came through his father-in-law, Gen. Foster.

C.S.H. told Ishii how Denison, an American connected with the Japanese Foreign Office, told C.S.H. that Gen. Foster had asked an audience with the Emperor, when in Japan, for himself, Mrs. Foster, and his whole party, and was very indignant when told that his request could not be complied with.

C.S.H. reminds Ishii that Foster had acted as Counsel for the Chinese Government. Sept. 12, 1925, 2, 3

We told Ishii we wished to see the L. of N. Treaty book and he said Dr. Nitobe would show it to us. Sept. 12, 1925.

We call on Viscountese Ishii. Sept. 16, 1925.

While lunching with Brackenridge Long at the Metropolitan Club, C.S.H. referred casually to Ishii and Long said he feared Ishii did not like him. He then explained about acting to the appointment of a Japanese financial agent in China in 1919.

He said that Japan had loaned large sums to China and that the State Department felt that a Japanese commissioner ought not to be sent to China; that later Ishii called to express regret at the protest as Lansing originally told him that he had no objection; that he then brought the attention of Ishii to a talk on this subject a year ago, showing to Ishii his notes showing that he objected to a Japanese financial adviser; that Ishii said he remembered this perfectly but that, a week later, he talked with Lansing who agreed to the appointment; that later Ishii showed him his despatches to his Govt., based on his talk with Long, which, Long said, correctly reproduced their talk; that Ishii then showed him and read him his despatch to his Govt., following his talk with him, with relation to his talk with Lansing, stating that Lansing had agreed to the appointment; that Lansing was then in Paris (1919); that he looked up Lansing's diary of appointments for that period but found no entry on the date at which Ishii said he had the talk with Lansing; that he cabled Lansing who replied that he had no recollection of any such talk, but that, in any event, conditions had now radically changed.

Long said this latter statement troubled him and C.S.H. believes Long feels that Lansing must have said what Ishii alleged. Nov. 18, 1925, 29, 39.
Ishii, Viscount (Cont’d.)

C.S.H. writes Ishii deploring the fact that the L. of N. has cut down its Library budget so that Mrs. Wilson has had to discharge one of her best employees.

April 16, 1926. 150

See - Carnegie Board.

Italy 34

See - Olney, Richard

James, George R.

Says that if Boston increases its discount rate, Atlanta also would want to increase - that Welborn had already suggested an increase, - and the movement might spread over the whole country, thus depressing the price of cotton, wheat, and other staples; that these staples were too high and must soon break, but if such a break were to follow a rate increase, it would be claimed that the Federal Reserve banks had deflated the farmers again as in 1920.

Oct. 16, 1925. 25


Gov. H. said Atlanta would be foolish for it might injure the movement and price of cotton.

Oct. 19, 1925. 27

James agrees to plan of rate increases at Boston, Phila. and Cleveland before any increase at N. Y.

Oct. 27, 1925. 30

Gov. Strong tells Platt and C.S.H. that he felt keenly the lack of courtesy and attacks of certain members of the Board (meaning James and Millar).

Oct. 28, 1925. 30

See - Millar

Strong

James moves to take from the table the Boston petition for increase of discount rates.

Nov. 6, 1925. 31

Votes against Cunningham motion to put in a 4% rate at N. Y.

Nov. 6, 1925. 32
James, George R. (Cont'd.)

Moves to take off the table and approve the Boston application to increase from 3% to 4%.
Passed, Cunningham alone voting No.
Nov. 6, 1925, 32

Agrees with C.S.H. that the rate should be made effective at close of business today.
Nov. 8, 1925, 33

Sees - Discount rates

Votes against Miller motion that 50 millions of Govt. securities should be sold at once by the Open Market Committees, said sum to include the 38 millions maturing Dec. 15.
Lost by tie vote.
Nov. 23, 1925, 42

Insists on having record of last meeting read which showed that Miller claimed that 100 millions of Govt. securities could be sold but confined his motion to 50.
Dec. 1, 1925, 46

Votes to approve Open Market Committees plan to replace the 38 millions of Govt. securities which mature Dec. 15.
Dec. 3, 1925, 50

Tells Federal Reserve Agent Perrin that the feeling in the Board is so strong against him that he ought to resign. Said that he spoke personally and noted for the Board.
Dec. 3, 1925, 51, 52

C.S.H. feels James' and Miller's action was extraordinary, in effect calling for Perrin's resignation without authority from the Board and will put a protest in the record at the proper time.
Dec. 3, 1925, 53

James and Platt, - Committee on examinations, suggest that Board direct Committee to consider extending the area of contiguous territory to take in Burlingame and Palo Alto.
Dec. 8, 1925, 59

Votes against permitting Mercantile Trust Co. of San Francisco to operate banks its subsidiary has purchased in Burlingame and Palo Alto.
Dec. 8, 1925, 60

Did not vote on motion to reduce suggested salary of $16,000 for Manager of Buffalo branch to $15,000.
Dec. 15, 1925, 63
James, George R. (Cont'd.)

Moves to take off the table and approve the Boston application to increase from 3% to 4%.

Passed, Cunningham alone voting No.
Nov. 8, 1925. 32

Agrees with C.S.H. that the rate should be made effective at close of business today.
Nov. 8, 1925. 33

See - Discount rates

Votes against Miller motion that 50 millions of Govt. securities should be sold at once by the Open Market Committee, said sum to include the 38 millions maturing Dec. 15.

Lost by tie vote.
Nov. 23, 1925. 42

Insists on having record of last meeting read which showed that Miller claimed that 100 millions of Govt. securities should be sold but confined his motion to 50.
Dec. 1, 1925. 46

Votes to approve Open Market Committee plan to replace the 38 millions of Govt. securities which mature Dec. 15.
Dec. 3, 1925. 50

Tells Federal Reserve Agent Perrin that the feeling in the Board is so strong against him that he ought to resign. Said that he spoke personally and not for the Board.
Dec. 3, 1925. 51, 52

C.S.H. feels James' and Miller's action was extraordinary, in effect calling for Perrin's resignation without authority from the Board and will put a protest in the record at the proper time.
Dec. 3, 1925. 52

James and Platt, - Committees on examinations, suggest that Board direct Committee to consider extending the area of contiguous territory to take in Burlingame and Palo Alto.
Dec. 8, 1925. 59

Votes against permitting Mercantile Trust Co. of San Francisco to operate banks its subsidiary had purchased in Burlingame and Palo Alto.
Dec. 8, 1925. 62

Did not vote on motion to reduce suggested salary of $16,000 for Manager of Buffalo branch to $15,000.
Dec. 15, 1925. 63
James, George R. (Cont'd.)

Voted to permit Open Market Committee to buy 15 or 20 millions of Govt. securities.  
Dec. 22, 1925. 68

Thinks Miller is not loyal to Board.  
Dec. 23, 1925. 69

Votes against Miller motion to favor an amendment to Federal Reserve Act abolishing member banks 15-day collateral notes.  
Jan. 8, 1926. 78  
Jan. 13, 1926. 80

Votes in favor of amending Federal Reserve Act to permit member banks collateral notes secured by eligible paper (but not by Govt. securities) up to 90 days.  
Jan. 13, 1926. 81

Voted against permitting Federal Reserve Agent Jay to give out his figures of stock exchange loans at once.  
Feb. 6, 1926. 99

Votes in favor of requiring Federal Reserve banks to report for approval by Board all sums paid to counsel for collecting claims, etc.  
Feb. 9, 1926. 106

Votes against condition moved by C.S.H. to motion to allow Open Market Committee to increase the System purchases of Govt. securities up to 300 millions, prior to April 15, 1926. C.S.H.'s condition was that Board might revoke its consent at any time.  
Mar. 24, 1926. 129

Moves to approve such purchase, without C.S.H.'s condition.  
Mar. 24, 1926. 129  
Mar. 25, 1926. 133

Says if Board has not power to forbid Open Market purchases we should go to Congress which would quickly give it to us.  
Mar. 29, 1926. 135, 136

Voted against allowing Valley Bank of Fresno to take over and operate as a branch a bank in Prescott, Calif., 50 miles away, although Board originally imposed no condition on Valley Bank not to establish branches without its consent, and all agreed no injury was caused by this change in assets of the Valley Bank.  
April 6, 1926. 146
Voted against approving appointment of Olsen as Assistant Secretary of Federal Reserve Bank of Chicago, although he admitted that our Board was in a hole from having approved this a year ago.

April 6, 1926. 147

Voted to inform Federal Reserve Bank of Chicago that to take a secretary or Assistant Secretary from the operating side of the bank was against the established policy of the Board, and that the appointment was suspended, although 6 out of the 12 federal Reserve Banks had Secretaries taken from the operating side.

April 6, 1926. 148

Voted to strike out the suspension clause of above leaving in merely the declaration of the Board.

April 8, 1926. 152

Says he will vote against any salary fixed by Federal Reserve Bank of New York for Warren, formerly of our Research Bureau, over the $4,000 he got from us.

April 19, 1926. 164

Votes against approving salary of $6000 for Warren, submitted by Federal Reserve Bank of New York.

April 21, 1926. 165

Board decides to send C.S.H. to Havana to investigate charges of intoxication against Deputy Governor Campbell, etc.

April 30, 1926. 175

Says both Boston and Atlanta should be discontinued and that the Cuban Agency should be given to Federal Reserve Bank of Boston.

April 30, 1926. 176

Starts for Havana, with Harmon and Wyatt.

May 2, 1926. 177

C.S.H. tells Comptroller of James plan to discontinue the Cuban Agency of Federal Reserve Bank of Boston.

May 17, 1926. 189

Board meets to consider James's report on Cuban Agency scandal.

May 20, 1926. 193

James votes against C.S.H.'s motion to temporarily table the first part of report, that Deputy Governor Campbell be eliminated from Federal Reserve System.

May 20, 1926. 193
James, George R. (Cont'd.)

Votes in favor of Comptroller's motion that Campbell should be eliminated from the Federal Reserve System.
May 20, 1926. 193

Votes for investigation of conduct of McCrary, a director of the Federal Reserve Bank of Atlanta, who went on the trip to Havana.
May 20, 1926. 193

Voted in favor of C.S.H. motion that a report be called for from the Federal Reserve Bank of Atlanta in connection with the movement of currency to the Havana Agency on April 10, 1926, including all instructions given to the party which accompanied the currency shipments and including the conduct of the members of the party.
May 20, 1926. 193, 194

Moved and passed unanimously that Mr. Jones' communicate the foregoing action of the Board to the Atlanta Bank and to the individuals concerned.
May 20, 1926. 194

Bitterly disagrees with C.S.H.'s statement that it would not be proper to remove an officer without first giving to the Federal Reserve bank the opportunity to investigate and report proper action, and then, if the Atlanta Board gave an unsatisfactory report, the Federal Reserve Board could take such action as the facts warranted.
May 20, 1926. 194

James said Campbell was an inefficient man, anyway, and had little knowledge of banking.

C.S.H. said that even if this were so, he was entitled to a hearing on this specific charge.
May 20, 1926. 194

The Board voted the above resolutions in order that James could quietly say to Campbell, that if he wished a hearing he could have one by the Atlanta bank, and later, by the Board. Most of the Board believed he would quietly resign to avoid public scandal.
May 20, 1926. 194, 195

James also wanted the Board at once to remove director McCrary.

C.S.H. pointed out that the only evidence in James's report was that McCrary was one of the party which went to Havana, and that this hardly offered a ground for removal. A majority, and probably all of the Board except James, agreed with C.S.H. James claimed that the mere fact of his going on the party justified his removal.
James, George R. (Cont'd.)

C.S.H. pointed out that he may have been directed to go by the Federal Reserve Bank, and that we should take evidence before acting.

May 20, 1926. 195

James also insisted that the Board should remove Gov. Wellborn on the ground of gross intoxication recently at a public dinner in the Atlanta District, and later in a private house. The Board all felt this was a matter which should be considered entirely apart from this particular investigation.

May 20, 1926. 195

James said Gov. Wellborn, anyway, was grossly incompetent.

May 20, 1926. 195

Cunningham asked James why, if Gov. Wellborn was grossly incompetent, did the Board increase his salary to $25,000?

May 20, 1926. 195

James said this was given to the office, and not to the man.

Cunningham said that, apart from evidence as to intoxication which might be offered, he should vote to retain Gov. Wellborn, as he considered him as competent as the average Governor.

May 20, 1926. 195

The Board then considered the second proposition in James' report, to abolish the Cuban Agency of Boston. C.S.H. said he would like time to study this, that he believed Boston should keep its present status somewhat enlarged, so that it could put out a certain proportion of its own notes.

May 20, 1926. 197

See - Cuban Agency

C.S.H. told James there was no special urgency.

James said there was urgency as there was a rumor in Cuba that the Board was going to abolish both agencies and pull out of Havana, which greatly worried our banks in Cuba.

C.S.H. told James he would gladly vote to send a letter at once to those banks that the Board had never even considered pulling out of Havana but had under consideration plans for making the agencies more efficient.

May 20, 1926. 196

James insisted that we should first tentatively approve his plan of abolishing Boston and of perfecting Atlanta and have a hearing at which the officers of the National City Bank's branch in Cuba should be asked to express their views.
In reply to a question from the Comptroller, James finally admitted that all the banks, including the Federal Reserve Bank of Boston, were entitled to a hearing. C.S.H. said that before even tentatively approving James' plan, the Secretary of the Treasury should be given an opportunity to study it.

James then got very mad and said if the Board did not now tentatively approve his plan, he was through and would not even go to Atlanta on the matter of the Campbell charges. He acted like a spoiled child. He did agree, finally, that Sec. Mellon was entitled to study the plan before acting on it.

The Board then adjourned until afternoon.

Cunningham said he would quiet James, and the Comptroller said Sec. Mellon knew the whole situation and would also quiet James.

In the afternoon, Gov. C. had reason to believe that the State Department had changed its views and did not now favor our continuing in Cuba.

Miller moved that the Board write the State Dept. for its views.

C.S.H. objected to going over the head of Sec. Mellon.

C.S.H. moved that Gov. C., James, and Miller see Sec. Mellon and ask him to ascertain the State Department's views. This was carried unanimously.

Gov. C. insisted that the Board first approve a letter to Sec. Mellon and the Committee was directed to report a letter to the Board.

Cunningham moved that the Atlanta Committee - C.S.H. and James, go to Atlanta on the Campbell matter. C.S.H. objected.

Sec. Cuban Agency

James agreed that C.S.H.'s reasons for not going to Atlanta were sound.

James bitterly attacked Director McCravy. He said that some years ago he used his position as a Federal Reserve Bank Director to coerce member banks into buying bonds from him, a request
which the banks did not dare to refuse; that the matter was referred to the Attorney General's office and investigated by an Assistant who reported that after careful investigation, although satisfied the charge was true, he could not find sufficient evidence to convict him.

May 20, 1926. 199

Japan
See - Tahiti

Japanese Commission
See - Tahiti

Japanese Financial Adviser 38
See - Tahiti

Japanese Foreign Office
See - Tahiti

Jardine, Sec. of Agriculture
Attends lunch given by C.S.H., at Cosmos Club, to Louis J. Taber, Master of the National Grange.
Jan. 23, 1926. 94

Jay, Pierre, Federal Reserve Agent, N. Y.
Board approves increase of salary to $30,000.
Dec. 15, 1925. 63

Board refuses to permit to give out at once in New York his figures on stock exchange loans, but decided that it must be given out by the Board later, - when it would be a weak old.

The stock exchange is to give out its figures tomorrow and the Federal Reserve Bank of New York had announced, through some misunderstanding of the Board's attitude, that it would do the same.

C.S.H. and Platt believed and voted that we should not hold back this information.
Feb. 6, 1926. 89, 99

Gov. C. has Board letter to Jay read to affect that the proper way to bring up a matter before the Federal Reserve Board is to address the Governor. April 20, 1926. 165

Johnson, Evangeline
Mrs. Wilson invites us to dinner and says Miss Johnson and Miss Baruch are to give dinner at the International Club to the Americans working in the L. of N.
Sept. 16, 1925. 6
Johnson, Evangeline (Cont'd.)

We dine with Mrs. Wilson, Miss Johnson and Miss Baruch not being present.

Sept. 17, 1925. 9

Mrs. Wilson tells us the statement in the papers that Miss Johnson is to marry Leopold Stokowski, leader of the Phila. Orchestra is true; that Miss Johnson wants her to come to the wedding, but she felt it might make her too conspicuous, although a supposedly quiet wedding, and decided not to attend.

We felt she did not approve the marriage although she did not say so in so many words. Jan. 10, 1926. 50

Johnson, Robert Underwood.

Present at a seance in New York at which Anna's name was mentioned. Dec. 5, 1925. 56

Jones, Dr. Dan 21
See - Arnold, Mrs.

Jones, Jesse
C.S.H., in a committee with David Jayne Hill, reports the name of, for a vacancy in the Carnegie Board. Feb. 15, 1926. 106

Jones was not elected. April 16, 1926. 159

Jones, Sen. Andreas
We take supper with.

He said Sen. Butler entered the Senate thinking he was the leader by virtue of his position as Chairman of the Rep. National Committee; that he calmly picked up Sen. Smoot's seat for his own, but that he soon learned his place. Dec. 20, 1925. 64

He said Sen. Pepper had already lost all the reputation he had when he entered the Senate. Dec. 20, 1925. 64

He said that when Dr. Miller was nominated by Wilson for the Federal Reserve Board, he asked Sec. Lane as to Miller's politics, who replied that he was an independent, not even intimating that he was a Democrat, which Sen. Jones believes he most decidedly was not. Dec. 20, 1925. 70
Joslin, Dr. Elliot P.

C.S.H., suffering from neuritis and some indigestion, called up Dr. Joslin from Metcalfstreet and Dr. J. asked him to come up tomorrow to the Deaconess Hospital, Longwood, prepared to stay for a thorough examination. Oct. 4, 1925. 19

C.S.H. meets Dr. Joslin at Deaconess Hospital, at 10 a.m.; went at once to bed and was thoroughly examined, blood tests, urine analysis, heart, etc., etc.

Later C.S.H. went down to the X-ray room and Dr. Morrison gave him an enema of Barium and then took X-ray pictures, to be developed later. Had considerable intestinal pain during the rest of the day.

Dr. Joslin reported that the pictures showed nothing abnormal; that there was a very slight inflammation in the intestines where C.S.H. felt the pain, but that it was inconsequential. That night C.S.H. had severe neuritic pains and could not sleep.

Dr. Joslin said he intended to send C.S.H. back today, but decided to keep him in order to X-ray his stomach, although he said he was satisfied there was nothing the matter with him, except possibly some defective teeth.

C.S.H.'s pain continued during the night making it very difficult to sleep.

Dr. Joslin again gave C.S.H. a thorough examination but found everything normal.

He said he had not taken an X-ray of C.S.H.'s stomach as he did not consider it necessary, but that as his pain continued he thought as a matter of precaution he would do this.

C.S.H. then went down again to the X-ray room and Dr. Morrison made him drink a huge tumbler of malted milk and Barium, and took X-rays showing the process of digestion, for about 20 minutes.

C.S.H. then went up to his room and came down again at 1:30 and had further X-rays taken. Dr. Morrison said to return again tomorrow morning at 7:30.

At 7 a.m. C.S.H. took another injection of Barium and more X-rays were taken.
Joslin, Dr. Elliot P. (Cont'd.)

Dr. Morrison reported that he found nothing in the slightest degree abnormal or even suspicious; that the stomach was in perfect condition; that the bowel movement was rather spasmodic; that the fecal matter gathered on my right side and did not disperse as quickly as it should, causing some irritation on the left side; that there was absolutely nothing there which should not yield to mild cathartic treatment; that he considered C.S.H. in fine condition, - a first class insurance risk.

C.S.H. told him the latter was language which he could understand.

Later Dr. Joslin said the same.

He said if he had found the slightest suspicious condition he would have asked Dr. Dan Jones to go over me with him, but there was absolutely nothing to call for this; that a month of plain food would make all right; that his only suspicion was that my teeth, or some of them, might be ulcerated. C.S.H. told him he had his teeth X-rayed before going abroad and the result was negative. Dr. Joslin advised him to have another X-ray at once as a second test might reveal trouble, which he apparently strongly suspected.

He told C.S.H. that his former trouble was not a severe, not even a moderate trouble, - only the slightest, - and that there was not the slightest occasion for worry, but to forget it. C.S.H. left for Nantucket at noon.

Oct. 9, 1925. 21, 22

See - Ruffin, Dr.

C.S.H. writes Dr. Joslin as to Dr. Christie's test which was substantially the same as Dr. Joslin's.

Dec. 4, 1925. 56, 57

-K-

Kahn, Mrs. Congressman

Dines with us. May 6, 1926. 176

Tells us about Dr. Miller's ancestry and his break into Washington society.

May 6, 1926. 178

See - Miller
She said that one day during the Harding Administration she met Dr. Miller in the street and said, "How is my Democratic friend?" He replied, "Why do you call me a Democrat? I am a Republican!"

May 6, 1926. 178

She said Miller was very poor when in the University of California, that she was his classmate, and that the Harvard Club of San Francisco raised a scholarship fund to send him to Harvard.

May 6, 1926. 178

She writes C.S.H. from Cleveland enclosing an editorial from the Cleveland Plain Dealer strongly urging C.S.H. for reappointment, and added - "Those are my sentiments."

May 13, 1926. 187

Kane, Deputy Comptroller of Currency

Mr. Kane, in his book "The Romance and Tragedy of Banking" in a chapter sets forth the frequent violations of the National Bank Act by McFadden, Chairman of H.R. Banking and Currency Committee and President of the First National Bank of Canton, Pa. 182, 183, 184

See - McFadden

Koppel, Mr.

Dr. Shotwell says that, one of the Executive Committee of the Carnegie Board, favors the L. of N.

Sept. 17, 1926. 8

Key West

See - Cuban Agency

King, Sen.

Gives glass draft of resolution as to Federal Reserve note issues.

May 5, 1926. 177

Lane, Nancy

Mrs. Wilson said, had come to New York and had asked Mr. Baruch to help her obtain a movie engagement; that she had a bad case of goitre.

Nov. 18, 1925. 37
Lane, Sec.

Sen. Andreas Jones tells C.S.H. he asked Lane as to Dr. Miller's politics when he was first nominated for the Federal Reserve Board, and that Lane said he was an Independent in politics.

Dec. 20, 1925. 70

Dr. Miller tells Charles Warren that Sec. Lane, during the dispute in the Board over cutting down the number of Federal Reserve banks, and said president Wilson was sorry he favored cutting down the number of Federal Reserve banks, and that he told Lane he was mistaken, that he was on the President's side in the dispute.

Jan. 17, 1926. 88

Sec.- Miller

Lansing, Sec.

Ishii tells K.P.H. that when he came to the U.S. with the Japanese Commission in 1917, he told Lansing about the secret agreement with Great Britain and the others powers as to Shantung, although he believes Lansing never told Wilson.

Sept. 12, 1925. 1, 2.

He also said that after he came to the U.S. as Ambassador in 1918, he had a talk with Lansing as to sending a very prominent Japanese to China as financial adviser; that Lansing fully approved this at the time, but after the appointment Lansing, then in Paris, cabled a protest and insisted on the appointment of an American; that he went to Frank Polk and showed his notes as to his talk with Lansing; that Lansing denied any recollection of any such conversation; that he thereupon asked his Gov't. to relieve him of his post, as he felt he never again could have any intercourse with Lansing; that later, his friend Dr. Teusler, a cousin of Mrs. Wilson, wrote Mrs. Wilson fully about the matter and that she told the President.

Sept. 12, 1925. 1, 2.

We told Ishii that Lansing at that time was very ill with diabetes and that we thought it had partially affected his mind, as was shown by his book in which he almost in so many words proclaimed his disloyalty to Wilson.

Sept. 12, 1925. 2

C.S.H., in speaking of Lansing's hatred of Japan, told Ishii he thought it came from Gen. Foster who had been counsel for China.

Sept. 12, 1925. 2

C.S.H. told him a story Dennison, of the Japanese Foreign Office, told him of Lansing's father-in-law demanding an audience with the Japanese Emperor and Empress, for himself, Mrs. Foster and all their party, and how indignant Gen. Foster was when it was declined.

Sept. 12, 1925. 2, 3.
Breckinridge Long lunched with C.S.H. at the Metropolitan Club and said he had just explained to Lansing that he could not find time to write his life, as he had been requested to do.

He said there had been many matters in the State Department on which he could not agree with Lansing.

Nov. 18, 1925. 39

Long explains the refusal to agree to the appointment of a Japanese financial adviser to China.

C.S.H. believes Long feels that Lansing did agree just as Ishii said.

Nov. 18, 1925. 33, 38, 39

See - Ishii

Long says Wilson was in error in stating that he first heard of the secret treaties in Paris in 1919; that he knew that Balfour told Wilson about them in May, 1917, at a secret conference in the White House; that he did not know whether Balfour told Lansing about them or not.

Nov. 18, 1925. 39, 40

C.S.H. told Long that Lansing told him he did know of these secret treaties and had so recorded it in his diary, but that shortly afterwards, he told the Senate Committee he did not know of them.

Nov. 18, 1925. 39, 40.

Breckinridge Long tells C.S.H. that from 1919 to 1921, Wilson never communicated with Lansing; that he, Long, really managed the State Department during that period; that at one time the question arose whether we should withdraw our troops from Russia to avoid an open conflict with the Bolsheviks; that Lansing could not help him; that finally he wrote Tumulty to get Wilson to advise him what to do and that, shortly after a cable came from Wilson ordering the withdrawal.

Nov. 18, 1925. 40

Mrs. Wilson tells us that Mrs. Lansing had come up and spoken to her the other day at the Woman's Democratic Club.

April 3, 1926. 140

Lantern slides

We bought 50 slides of the L. of N. at the Secretariat and had them sent in care of Mr. Mitchell, Manager of the Red Star Line at Antwerp.

Sept. 17, 1925. 7

Lawrence, Bishop

Mr. Wile tells C.S.H. he has sent Carter Glass's editorial on Bishop Lawrence's eulogy on Lodge (written by C.S.H.) to the Pulitzer judges and believed it would win the $1000 prize.

Feb. 4, 1926. 97
Lawrence, Bishop (Cont'd.)

While also wrote Sen. Glass who replied that Bishop Lawrence evidently did not attach much importance to the editorial as he had never answered the indictment.

Feb. 4, 1926. 98

Lawrence, David

States in Washington Star of Jan. 18, 1926, that Coolidge had redesignated Marvin as Chairman of the Tariff Commission to please Sen. Butler and help him in his senatorial campaign, although he wanted to designate Dennis, a Democrat, and a personal friend.

Jan. 20, 1926. 98

Sen. Glass said that he had come across Lawrence's statement in House's book, p. 166, that he (Lawrence) asked House to let him tell the people about his activities in "making the bill" (the Federal Reserve Act), but that "Col. House was obdurate in his insistence on silence."

Glass said he had just written Lawrence asking him to be good enough to tell him just what Col. House had done in "making the bill."

April 3, 1926. 141

League of Nations

We tell Ishii we want to see the Treaty Book in the Secretariat and he said he would ask Dr. Mifflin to show it to us.

Sept. 13, 1925. 3

Dr. Zimmern intimates that Chamberlain at heart would like to shelve the L. of N. as did the other guests at Mr. Sweetser's lunch.

Sept. 12, 1925. 4

Dr. Zimmern said the L. of N. was fighting for its life over the proposed Protocol; that the Assembly would never consent to the Protocol being shelved. All agreed that if Lord Cecil had been Minister of Foreign Affairs the Protocol, in principle at least, would have been accepted, perhaps with some modification, such as the right to suggest reservations, etc.

Sept. 13, 1925. 4

We buy 50 lantern slides of L. of N.

Sept. 17, 1925. 7

Dr. Shotwell said he believed that the present British delegation, excepting only Lord Cecil, had little sympathy for the L. of N., except in so far as they could dominate it; that they were
League of Nations (Cont'd.)

opposed to any present consideration of disarmament, although 
the other Nations favored immediate consideration; that very 
likely they might have to yield in part, but from no desire 
on their part; that there was a possibility that the British-
French-German agreement might soon be reached; that Germany 
would enter the L. of N., but not until after the Assembly had 
adjourned.
Sept. 17, 1925. 7, 8

Dr. Shotwell also said that Lord Cecil had no influence in his 
devolution, although he was the titular head in Chamberlain's 
absence.

He was very bitter against Sir Cecil Hurst for his opposition to 
the present consideration of Disarmament plans.
Sept. 17, 1925. 8

Dr. Shotwell said that both Root and Scott wanted the appropriation 
that the Carnegie Board made for the International Committee 
reconsidered, but finally gave up the attempt.

Dr. Shotwell also said that Butler, now President of the Carnegie 
Foundation might press the L. of N.; that Butler and Pritchett 
very nearly dominated the Executive Committee; that Pritchett 
was a Democrat and, although very quiet, favored the L. of N.; 
that Koppel, of the Executive Committee, also favored it as 
did Austen Fox, although the latter looked on the Carnegie 
Foundation as rather a joke.

Sept. 17, 1925. 8

Mrs. Andrew Carnegie told C.S.H. that the L. of N. had wonderfully 
impressed her; that she wished her husband was alive as he 
would have been full of enthusiasm for the L. of N. and would 
have pushed it with all his energy.
Sept. 17, 1925. 8

Cong. A. Piatt Andrew spoke very sympathetically about the L. of N. 
and C.S.H. believes that ultimately he will come out for it. 
Oct. 3, 1925. 18

Mr. Wile tells Lawrence Evans that he believes Coolidge is getting 
ready to accept the L. of N.; that he (Coolidge) saw evidences 
of a wave of favoring public opinion for it; that he was about 
satisfied that in opposition it in the past, he had put his money on 
the wrong horse.
Jan. 1, 1926. 73, 74
League of Nations (Cont'd.)

James Brown Scott tells Carnegie Board that the great Powers in the L. of N. did not want a codification of International Law, as they did not want to be bound by law, but by themselves. April 16, 1926. 160

Butler tells Carnegie Board that the L. of N. had cut down its Library Budget, necessitating the dismissal of several of its best employees.

He told C.S.H. there would be no objection to his writing Viscount Ishii telling him how deeply the Carnegie Board regretted this. April 16, 1926. 160

Leaks in Federal Reserve Board.

Miller intimates some one in Board might leak if the new discount rate at Boston is held up too long.

Nov. 6, 1925. 33

Gov. C. believes that Miller leaked to Hoover who helped Sen. Lenroot write his two letters to the Board on Federal Reserve funds in call loan market.

Jan. 4, 1926. 74

C.S.H. tells Sec. Mellon that he believes but can not prove that there is a pipeline from the Board to the evangelists. He said grimly, "I know it also and feel sure we have the same person in mind at each end," - meaning Miller and Hoover.

Mar. 11, 1926. 122, 123

Winston tells Gov. C. that he and Sec. Mellon believe that Hoover is dominating Miller; that he had proved that Hoover had gotten Board information from Miller; that Sec. Mellon was much disturbed over it. Mar. 24, 1926. 124

Ledyard, Mrs.

On invitation of Mrs. Ledyard we went up to her room and attended a seance with Valiantine.

There were present C.S.H., H.P.H., Mrs. Ledyard, Mr. Remy and Dr. Morse.

Valiantine we found to be a modest appearing, pleasant man, rather uneducated man, showing not the slightest external evidence of having psychical power.

The room was absolutely darkened and we sat around in a half circle, about 10 feet or more in diameter. Valiantine sat by the window next to an electric lamp covered with a shade, and absolutely under his control. Next to him was a graphophone. In the center were two long trumpets, one belonging to Valiantine and the other
Ledyard, Mrs. (Cont’d.)

to Mrs. Ledyard, with a faint spot of aluminum, so that it was faintly visible. The latter was collapsible and Valiantine took it away with him.

When every light was extinguished Valiantine started. The graphophone which played, very low, a selection from Mascagni. We then all recited the Lord’s Prayer. After a short interval the trumpet with the aluminum spot could be seen moving slowly around the circle and later up into the air. Soon after this a voice spoke through the trumpet in quite a loud voice, saying - “Good evening, souls!”

We were told this was the voice of a Dr. Barnet, a Scotchman, who died in the 60’s.

He spoke for some time quite interestingly but gave out nothing of special importance.

Then a voice, said to be that of Dr. Morse’s father, dead for some years, spoke in a low voice and Dr. Morse talked with him. He asked Dr. Morse, among other things, what the instrument was which he was carrying in his pocket. He replied - a thermometer and stethoscope. Then some more desultory conversation which we could not hear.

Then another voice, said to be that of Blackfoot, an Indian, spoke in quite a loud voice.

Mrs. Ledyard asked him to help find Anna for us and he said he would. Presently he said Anna was there and wanted to talk with us. The trumpet then moved over very near us, and a very thin, faint voice, not recognizable as that of Anna, spoke through the trumpet, saying, “This is Anna!”

Then followed some words from her but so faint we could not hear them with any distinctness. We told her how we loved her and how happy we were to hear her. Anna said she was so glad, too, as she had often tried to get in touch with us.

C.S.H. told her he always felt she was near us and with us and that feeling kept him up. Anna said she knew C.S.H. felt so.

H.P.H. asked her if any one had “gone over” from Mattapoisett recently? Anna said “he is here and I see him often.”

H.P.H. said - “Don’t you remember he taught you to drive the pair of horses, to which Anna said Yes. James Rafael was in H.P.H.’s mind but his name was not specifically mentioned.

Anna then said she was tired and must rest.
The same one—I think Dr. Barnett—said James is here and wishes to speak. Then James began to speak in a very low voice. H.P.H., though she could recognize the voice, but I could not. James asked H.P.H. to send his love to his wife and to tell her he still lived and was well.

H.P.H. asked him if any one from Mattapoisett had gone over recently and he said, "Farmer" (meaning DeLong) (C.S.H. thinks it probable that H.P.H. had mentioned DeLong and Hafner's name incidentally during the above conversation.)

Then Dr. Morse said, "How do you do, James. Do you know me?"

James said, "You are Dr. Morse." (Dr. Morse's name had been mentioned during the evening so this is not as surprising as it might otherwise seem.)

Then a young girl called "Honkey", colored, spoke for a minute or two.

Then an Indiana, "Kokum" spoke in a loud shout; they asked him to sing, as he often did, but he would not.

Then Dr. Barnett spoke again saying that Anna was here again.

Anna then began to speak through the trumpet in a slightly stronger voice, but still very weak.

Anna said she was so glad to get in touch with us again.

H.P.H. asked her if she remembered her reading to her every night at 6 p.m., and she did, and that she was now with her Mother every night at 6 p.m. H.P.H. asked Anna if she did not inspire and help her to write "Fa, Ma, and Me". She said she did and had tried to impress her.

Anna then said to Mrs. Ledyard, "Father isn't talking to me at all! C.S.H. explained to her that he had great difficulty in hearing her and asked if she had any request to make which she wished us to carry out.

Anna made a short reply but we could not distinguish a word she said.

H.P.H. asked Anna if she would help her write again, and Anna said something with the word "impress" in it.

Anna then said she was tired and bade us good night.
Each time after stopping Anna gave a kiss to her Mother through the trumpet and H.P.H. said it was absolutely characteristic of her.

H.P.H. said the few words she could hear were in a voice like Anna's.

C.S.H. is not prepared to affirm or deny that it was Anna's voice, it was so thin and feeble; her pronunciation of "Father" did seem to him characteristic.

There followed a conversation between Mr. Remy and a Persian voice, said to be Abdul Bahia, carried on in Persian, Mr. Remy being able to speak in that language.

Dr. Barnett then spoke again for some 15 minutes, often very humorously, discussing, among other things, Homoeopathy with H.P.H.

Dr. Barnett predicted another world war in 1927 brought by Germany, Russia, and Japan against Great Britain and the U.S., unless the Powers prevented it, as they could.

He said the L. of N. would not last, that President Wilson was a good man; that the spirits of some of the martyred Presidents were trying to impress upon President Coolidge that he must take part in the effort to keep peace; that there were four spiritual leaders, now living, who could lead the People, - two abroad and two in the U.S. but he would not name them.

H.P.H. asked if any of them were women, and he laughed sarcastically and said No, that she was evidently strong for the women.

He said Great Britain, Italy and the U.S. were honestly striving to avert war. He then bade us good-night and the seance closed.

During the evening H.P.H. believed that she saw the trumpet going around on the ceiling and blue lights around Dr. Morse. C.S.H. did not observe this. Several times those present were touched lightly and C.S.H. felt this once.

Several of those present at times felt very cold draughts but C.S.H. did not.

To sum up:

C.S.H. went to the seance with a mind absolutely open, in fact he wanted to believe; what impressed him was that he saw nothing that could not easily have been produced by a magician in a normal manner. With all lights out it would have been easy for any one to
We attend another seance with Valiantine in Mrs. Ledyard's rooms.

Present:
Mrs. Ledyard, Dr. Morse, Mrs. Smoot and her son
Mr. McNeil (friends of Dr. Morse) H.P.H. and C.S.H.

It lasted from 8 to 10:30 p.m.

Just before it began, Mrs. Ledyard suggested to Valiantine that if he felt too warm, he had better remove his coat, which he proceeded to do although the room was not warm. Dr. Barnett spoke first and predicted a world war as in the former seance.

Dr. Morse's father then spoke and incidentally told Dr. Morse of the death of an old friend, giving her name, whom he had not heard of for many years.

Anna then spoke in a thin, feeble voice but stronger than at the first seance.

H.P.H. asked her to describe just what the paper was in our house at Mattapoisett to which she had referred in Geneva, but the response was not satisfactory nor intelligible.

H.P.H. asked Anna if she had yet met some one who had "just gone over" from Albany, N.Y. (referring to Mrs. Peets) and Anna said No but I will look her up, and H.P.H. said, "Anna, that sounds so like you!"

H.P.H. asked Anna what she was doing over there.

Anna replied, "I am teaching, teaching children to progress. I am so happy and am so glad you know I am happy."

C.S.H. asked if there was anything she wanted us to do for her, but she said No.

H.P.H. asked if she had any messages for her friends, but she replied, "No, they would not understand."

Mrs. Smoot's dead son then began to speak of his brother, Mr. McNeil. Mr. McNeil, to test him, spoke of a memorandum signed by himself, his dead brother and one other person, also dead, and asked him where it was hidden. His "brother" began...
Ledyard, Mrs. (Cont'd.)

to fence, saying "You know where it is hidden," but finally said it was hidden in the wall of the house. C.S.H. was sure from Mr. McNeill's manner that the answer was not correct and later, Dr. Morse confirmed C.S.H.'s suspicion.

Finally "Dr. Barnett" bade us all good-night and the seance was apparently over.

Suddenly Dr. Morse said he saw light around H.P.H. and some vague form surrounding her. C.S.H. saw nothing. H.P.H. said she was feeling a cold draught of air.

Then Anna's voice was heard, saying "Mother, Mother."

Valentine said his controls had left him and that the voice must have been produced through Dr. Morse's psychic power. Nothing further developed.

Previously, Dr. Barnett had told Dr. Morse he should sit alone for and hour every day and that he would soon be able to converse with spirits, which Dr.Morse said he would do.

Dr. Barnett also advised all of us to begin by sitting around a table and waiting for knocks which would surely come.

C.S.H. forgot to aid that H.P.H. asked Anna if she saw anything of Margaret (Harding) and she said "Ms, all the time" (This was in direct contradiction to what she said in Geneva.)

There were also other phenomena, - the trumpet moved about the floor - which C.S.H. saw, - and H.P.H. said it also moved around the ceiling, - which C.S.H. did not see.

H.P.H. feels she really got in touch with Anna.

C.S.H. still has an open mind, and feels nothing was done which a magician of ordinary skill could not have done, except the announcement of the death of Dr. Morse's friend, which remains to be verified.

At the close, Mr. McNeill pointed out that the mouth of was wet and that water had collected on the floor under it, as if a human voice had been using it.

April 3, 1926. 143 to 145
Leffingwell, Russell

Miller says, invented the term "Direct pressure"  
Oct. 27, 1925. 30

Lenroot, Sen.

Some days ago, Sen. Lenroot wrote the Board asking for data as to the use of Federal Reserve money in stock speculation to which the Board replied.

Gov. C. told C.S.H. that he had written another letter on the same subject, stating almost exactly the language the Board used when it considered the reply to Lenroot's first letter. Gov. C. said it was evident that some member had "leaked" and he believes Miller talked with Hoover who gave Lenroot the data which he used.

Jan. 4, 1926. 74

Winston tells C.S.H. that he is satisfied that Miller and Hoover are working together and had urged Lenroot to write him two letters, as they contained arguments and statements he could not have made without inside help.

Jan. 9, 1926. 79

A draft of reply to Sen. Lenroot's second letter was read at the meeting and it was voted to send it.

All voted Aye except Miller who asked to be recorded as not voting.

Jan. 13, 1926. 81

Lilac sprig

See - Wilson

Lodge, Constance

Cong. Andrew said the opposition of, in his campaign helped him.  
Oct. 2, 1925. 18

Lodge, Sen.

Mrs. Wilson said she bought a copy of Lodge's book — "The Senate and the League of Nations," — on the train; that Henry White was on the train and was furious at Lodge's attack on him and that he had always supposed Root and Lodge were his friends.  
(See scrap book)  
Nov. 15, 1925. 36, 37

See - Lawrence, Bishop
Lam, Breokinridge

C.S.H. lunched at Metropolitan Club sitting next to a table at which were Sec. Lansing and Long. After Lansing left, Long came over and sat with me. He said he had just explained to Lansing that he could not find time to write his life. He said frankly there were many questions on which he had not agreed with Lansing while in the State Department.

I cautiously mentioned having met Viscount Ishii in Geneva, and Long said he feared Ishii did not like him.

He then explained how he objected to the appointment by Japan of a Japanese financial adviser for China in 1919. He said Japan had loaned large sums to China and that the State Department was decidedly averse to having a Japanese financial adviser in China and that he cabled our Ambassador in China to protest.

He said that shortly after Ishii called and expressed deep regret at this protest, saying that Lansing had told him he had no objection. Long said he then reminded Ishii of a talk he had with him on this subject a year ago, and showed Ishii his notes taken at the time, showing that he objected.

He said that Ishii remembered this perfectly, but said that, a week later, he had talked with Lansing who then agreed to the appointment; that later Ishii showed him his dispatch to the Japanese Foreign Office based on Long’s talk with him, which correctly stated their conversation; that Ishii then showed him and read him his dispatch to his Government following his talk with Lansing, in which it was stated that Lansing had agreed to the appointment.

Long said that Lansing was then in Paris (1919); that he looked up Lansing’s diary of appointments but it contained no reference to a talk with Ishii at that time; that he then cabled Lansing who replied that he had no recollection of any such conversation with Ishii, but that anyway conditions had radically changed.

Long said this latter statement as to changed conditions troubled him and C.S.H. believes Long thinks Ishii.

Nov. 18, 1925. 39, 39.

Long said Wilson was in error in stating that he first heard of the secret treaties abroad in 1919; that he knew that Balfour told Wilson of them in May 1917 at a secret conference at the White House; that he did not know whether Balfour told Lansing or not.

(The Shantung secret treaty was dated Jan. 21, 1917)

Nov. 18, 1925. 39

Digitized by FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Long, Breckinridge (Cont'd.)

C.S.H. told Long that Lansing once told him he did know of these secret treaties and that he had put this down in his Diary, but that, shortly after, Lansing told the Senate Committee he did not know of them.

Nov. 18, 1925. 40

Long said that from 1919 to 1921 Wilson never communicated with Lansing in any way; that he, Long, practically managed the State Department during this period; that at one time the question arose whether we should withdraw our troops from Russia to avoid open conflict with the Bolsheviks; that Lansing could not help him; that finally he got Tumulty to cable Wilson just what to do and that shortly after a cable came from Wilson ordering the withdrawal.

Nov. 18, 1925. 40

Long said Ray Stannard Baker was to have visited him at Nantucket this last summer, but had to go West; that he was glad to talk with him but would write nothing; that his Diary showed the correctness of what he had to say.

C.S.H. asked Long if he would object to his writing Baker urging the importance of a speedy talk with him, and he said he had no objection.

Nov. 18, 1925. 40

London, Mr.

We meet, Dutch Minister to Paris, at dinner with Sir Herbert and Lady Ames at Geneva. In 1919 he was Minister to U.S. and spoke in Albany. He was to have stayed with Mrs. Pruyn but because of her death he stayed with Robert Pruyn.

Sept. 15, 1925. 6

Luxemburg

Had passport visaed by the Consul of the Grand Duchy of. The charge was 5 francs.

Sept. 17, 1925. 7

We arrive at Luxemburg at 6:30 p.m. Hotel Brassens. Very Comfortable. Sept. 20, 1925. 10
We left Luxemburg for Brussels at 10 a.m.
Sept. 21, 1925. 10

MacDonald, Ramsay
Criticises work of Carnegie Board, saying it had spent $750,000
for no practical purpose. Delano agreed with him.
Dec. 5, 1925. 57

MacVeagh, Sec. 15, 16, 17
See - Andrew, Cong.

Maloney, Mr.
President of Federal Trust Co. tells Gov. C. that there is some
feeling in Boston that the Senatorial fight in Mass. may
injure C.S.H. chance for reappointment, intimating that
Butler might insist on putting some Republican politician
in my place.
May 12, 1926. 187

Martin, Dr. T. C.
C.S.H. is examined by. Everything normal.
Feb. 2, 1926. 96

Martin, Edward S.
See - Arnold, Mrs.

Marvin, T.
David Lawrence says Coolidge has redesignated Marvin as Chairman
of the Tariff Commission; that he wanted to designate
Dennis, a Democrat, and a personal friend of his, but that
he yielded to Butler's wishes to help him in his Senatorial
campaign.
Jan. 20, 1926. 92

Mattapoisett
We reach Mattapoisett Sat. evening, Oct. 3, from abroad.
Oct. 3, 1925. 15

C.S.H. delivers address on L. of N. at the Congregational Church.
Oct. 22, 1925. 29
McAdoo, Sec.  
Willis says in his book that the suggestions of, for revising the preliminary draft of the Federal Reserve Act, were abandoned.  
April 4, 1926.  150

McCoy, Chief Justice  
Tells C.S.H. Judge Covington is a first class lawyer.  
Nov. 16, 1925.  37

See - Wilson

McCrary, Mr.  
Comptroller of Currency moved that the Special Committee investigate the conduct of Director McCrary in connection with the shipment of Federal Reserve notes to Havana and to report whether he should be eliminated from the Federal Reserve System.  
Passed unanimously.  
May 20, 1926.  193

James wanted the Board, at once to remove McCrary and said he was ready to move to that effect.  
C.S.H. pointed out that there was absolutely no evidence in James's report justifying such action, and most of the Board agreed with C.S.H.  
James insisted that the bare fact of his going with the Party justified his removal.  
C.S.H. replied that, conceivably, he might have been directed to go by the Atlanta Board, and that we should take evidence before acting.  
May 20, 1926.  193

James bitterly attacked McCrary saying that in 1924 he used his position as a Director of the Atlanta Bank to coerce member banks into buying bonds from him and that they did not dare to refuse lest he might cut down their rediscounts; that a representative of the Attorney General's office made an investigation for the Board and reported that 'bile he had strong suspicions the charges were true, he could not find evidence enough to convict him.  
C.S.H. remembers this.  
May 20, 1926.  199

McDonald, J. G.  
Invites C.S.H. to a dinner to be given by the Committee on International relations to Lord Cecil who was to address them and answer questions.  
C.S.H. regretted, - another engagement.  
Sept. 15, 1925.  5
McDougal, Gov. 134, 147

See - Federal Reserve Bank, Chicago

Olsen

McFadden, McFadden bill

Board sends a letter suggesting certain changes in McFadden bill, especially that part relating to Sec. 5200, U.S.R.S.

Made no mention of the Branch bank features.

Unanimous

Prof. Sprague was present and Board's letter was based on his report. Jan. 7, 1926. 76

Glass says Edge agreed to fight with him to a finish to back up the Senate Committee report on the McFadden bill but that Pepper was evasive. Mar. 21, 1926. 126

McFadden quotes Gov. C.'s interview as to business recession. April 1, 1926. 139

See - Crissinger, Gov.

Sen. McLean asks Board to express its opinion on the McFadden bill as reported by the Senate Committee. Platt said he had talked with McLean and Glass and that they both hoped the Board would express a favorable opinion as in that event the Senate would quickly pass it.

The Board met at 3 p.m.

Present:

Sec. Mellon, Gov. C., Platt, James and C.S.H.

C.S.H. said, viewed as a compromise, it was a fair compromise and read an endorsement of the bill prepared by him and O.K.'d by Wyatt.

Mr. Collins, representing the Comptroller of the Currency, at a meeting with the Board in the morning expressed his and the Comptroller's approval.

Miller and Cunningham were away.

The Board voted unanimously to advise Sen. McLean of its approval of the bill as reported by the Senate Committee.

(See scrap book) April 23, 1926. 169, 170
McFadden bill (Cont'd.)

C.S.H. called up Glass to see if he approved, before the meeting, but Glass was in Richmond. C.S.H. then wrote him that the Board would undoubtedly approve the bill in the afternoon and sent him a copy of his memorandum comparing the House and Sen. Committee bill.

April 23, 1926. 170

Milton Elliott tells C.S.H. that at one time Comptroller Williams seriously thought of bringing McFadden before the grand jury for his violations of the National Bank Act as President of the First National Bank of Canton, Pa., and for certain omissions in his bank's accounts; that he made many bad loans as President, on his own endorsement to certain concerns in which he was interested; that he violated the 10% limit.

He also spoke of McFadden's suit vs. Comptroller Williams alleging a conspiracy to wreck his bank and said the state judge, controlled by Penrose, held up his decision for over a year.

He said that recently the Canton bank had forced McFadden to resign as President and had brought suit against him for over $50,000 as bad paper indorsed by him; that the bank had petitioned him into bankruptcy; that his debts were $250,000 and his assets not over $50,000.

April 29, 1926. 174

Deputy Comptroller Kane, in his book "The Romance and Tragedy of Banking" devotes a chapter to McFadden and his suit against John Skelton Williams. He gives a copy of his sworn affidavit filed in the suit of McFadden vs. Williams.

He stated in the affidavit that long before Williams took office the First National Bank of Canton, Pa. had been repeatedly criticized, based on the reports of four different examiners; that these criticisms covered excessive loans, unlawful holdings of real estate, improper cash items, defective bookkeeping methods, unlawful investments in and purchase of stock, statutory bad debts, concentration of loans to interests in which McFadden was interested, and excessive liabilities of directors and other interests.

Kane also stated that the bank had been subject to criticism for a number of years and had been placed on the "Special List" because of its generally unsatisfactory condition due to excessive loans, reserve deficiencies, unlawful real estate holdings, law and unsatisfactory loans, irregular cash items, unsatisfactory methods of reconciling bank balances, and persistent disregard of the National Bank Act and the admonitions of the Comptroller's office.
McFadden bill (Cont'd.)

Kane also said that on May 24, 1918, the Comptroller's office sent a letter to the Board of Directors to the effect that if President McFadden is not inclined to observe the instructions of this office, he should be required to resign....; that he wrote this letter and Williams did not know of it before it went out.

Kane further added that the frequent reports and special examinations were not made from any ill will of Williams, but because of the continued unsatisfactory condition of the bank, and the attitude of the dominant management, who, because of the fact that he was a member of Congress, seemed to be under the impression that he was superior to law and the regulations of the Comptroller of the Currency. (See pages 461 to 463 of Kane's book.)

May 8, 1926. 182, 183, 184

Gov. C. says McFadden's appointment to the Federal Reserve Board would be so purely political that he could not believe it would be made. May 12, 1926. 187

McIntosh
See - Comptroller of Currency

McLean, Sen.
Platt tells C.S.H. that he talked with, a few days ago and that he strongly favored C.S.H.'s reappointment. April 20, 1926. 166

Asks the Board to express its opinion on the McFadden bill as reported by the Senate Committee. Platt said he saw McLean and that he hopes that the Board will give a favorable expression and if given, he said the Senate would quickly pass the bill. April 23, 1926. 169

The Board unanimously voted to advise Sen. McLean that it approved the bill as a step in the right direction. April 23, 1926. 170

Medium
See - Arnold, Mrs. Ledyard, Mrs. Gavit, J. P.

Mallon, Allis
Mrs. Bruce acknowledges H.P.H.'s letter congratulating her on the engagement of her son to Allis Mallon. May 7, 1926. 180
Sec. Mellon is opposed to any present increase in discount rates at Boston.
Oct. 19, 1925. 28

Directors of Federal Reserve Bank of Boston still favor higher rates but all not inclined to press the matter in view of the attitude of the Board and of Sec. Mellon.
Oct. 21, 1925. 29

It was voted, at a discussion before the Board and the Open Market Committee, that Gov. C. and Gov. Strong inform Sec. Mellon of the agreement to increase rates at Boston, Phila. and Cleveland before any increase at New York.
Oct. 27, 1925. 30

On the approval of the Boston rate, Gov. C. did not mention the opinion of Sec. Mellon, but C.S.H. assumed it was favorable and that Gov. C. had consulted him as voted above.
Nov. 6, 1925. 33

Gov. Strong tells C.S.H. that he had gone over the matter of the Boston increase with Sec. Mellon, who approved it.
Nov. 7, 1925. 33

Richard Olney tells C.S.H. that Sec. Mellon is very liberal as to debt settlements; that Sec. M. made an agreement with Caillous as to the French debt, but that the Republicans on the Commission would not stand for it; that Sec. M. received more help from the Democrats on the Commission than from the Republicans.
Nov. 7, 1925. 34

Sec. Mellon sits with Board to hear Gov. Strong on proposed purchase of bills from the Bank of Belgium.
Nov. 25, 1925. 44

Sec. Mellon pointed out that Gov. Strong would secure a proper guarantee for payment.
Nov. 26, 1925. 45, 46

Gov. Strong points out that the Board had allowed a month to elapse before acting on the recommendation of the Open Market Committee, and that meantime Sec. Mellon had completed his financing plans on the feeling that the 38 million of Govt. securities would be replaced.
Dec. 1, 1925. 50
Gov. Strong says Miller is trying to put the Board and the Open Market Committee in a false position and that he will take up the matter with Sec. Mellon and the President.
Dec. 22, 1925. 66, 67

Gov. C. says that Sec. Mellon believes that Miller is acting with Hoover and trying to embarrass the Board; that Sec. Mellon was very indignant at Hoover, etc., he said had criticized the Open Market policy of the Board; that Sec. Mellon was very indignant at Miller and asked him when Miller's term expired; that Gov. C. told him it had only just begun.
Dec. 22, 1925. 69

The Board agreed to reconsider the tie vote on abolishing 15-day collateral notes and to take it up again when Sec. Mellon could be present. Miller moved the vote.
Jan. 8, 1926. 78

Winston tells C.Z.H. that Sec. Mellon is very much disturbed at Miller's motion, as it would seriously interfere with Treasury operations; that Sec. Mellon was very angry with Miller; that they believed that Miller and Hoover were working together and had egged on Sen. Lenroot to write his two letters, as they contained statements and agreements Lenroot could not have written without help and knowledge of what had passed in the Board.
Jan. 9, 1926. 78, 79

Sec. Mellon sends word to Board that he is absolutely opposed to Miller's motion to abolish 15-day collateral notes.
Jan. 13, 1926. 81

Sec. Mellon presided at the meeting of the Board to consider the draft of Miller's letter to the Federal Advisory Council asking for its advice and assistance in helping the Board to curb or eliminate the use of Federal Reserve money in stock transactions.

Sec. Mellon critcised the action of the Board taken a week ago, in directing Federal Reserve Agents to send to the Board regularly a report of all member bank borrowings from the Federal Reserve Bank of New York exceeding 3 million. It was pointed out to Sec. Mellon, however, that this called for no report from member banks, but that it merely directed the Federal Reserve Agent to segregate the gross figures regularly sent to the Board, that it was merely for the information of the Board, and that member banks would not necessarily even know of this order.
Mar. 11, 1926. 119
Mellon, Sec. (Cont'd.)

Sec. Mellon said that Sen. Glass had just told him that he and
Sen. Pepper were to try to secure an addition to the
McFadden bill, extending indefinitely the Federal Reserve
Bank charters and he feared this would be imperilled if the
proposed letter of Miller should leak out or it should be
made known that the Board was contemplating radical control
over stock exchange transactions. On C.S.H.'s motion it
was finally tabled.

Mar. 11, 1926. 119 - 122

C.S.H. later explained to Sec. Mellon, in his office, the danger
from having such a letter become known, and further pointed
out that Miller, in his Boston speech, took the position
that Federal Reserve banks should refuse discounts to member
banks which had made speculative loans.

C.S.H. said the letter was sure to leak and added that for a long
time he had believed, but could not prove, that there was a
pipe line running from our Board. Sec. Mellon grimly replied
"I know this and feel sure we have the same persons in mind
at each end of the line," referring to Miller and Hoover.

Mar. 11, 1926. 123, 124

Gov. Harding tells C.S.H. not to have his reappointment mentioned
to Sec. Mellon until after the Pennsylvania primaries, as
sec. Mellon is fighting for Pepper and might be induced to
trade off C.S.H.'s position to help Pepper.

Mar. 21, 1926. 126

Gov. C. went to ask Sec. Mellon to come into the meeting, but he
was in Philadelphia.

Mar. 24, 1926. 130

Sec. Mellon presides at meeting of Board to act on recommendation
of Open Market Committee to increase the System's holdings
of Government securities to 300 millions up to April 15.

Sec. Mellon said there was undoubtedly some recession in business
and that no one could say it might not suddenly increase;
that a policy of liberality looking towards more credit and
easy money conditions would be of great advantage at the
present time.

Sec. Mellon voted to give the requested authority. Passed.

Aye: Sec. M., Gov. C., James, C.S.H.

No.: Platt, Miller, Cunningham

Mar. 26, 1926. 131 to 133
Mellon, Sec. (Cont'd.)

C.S.H. suggests to Mr. Bowman that the Attorney General speak to Sec. Mellon before he speaks with Coolidge as to C.S.H.'s reappointment.
April 1, 1926. 140

Sen. Glass says he will confer with Sec. Mellon as to C.S.H.'s reappointment and urge him to have it made at once.
April 4, 1926. 148

Sen. Glass says he will see Sec. Mellon as soon as he returns to Washington.
April 8, 1926. 155

C.S.H. suggests to Glass that it might be well for Sen. Bruce to see Sec. Mellon and the President.
April 11, 1926. 157

Winston tells Platt he will tell Sec. Mellon that C.S.H. should be reappointed.
April 12, 1926. 157

Gov. Strong tells C.S.H. that Sec. Mellon told him that Miller said he (Governor Strong) was influenced by the needs of the stock market in his open market operations.
April 13, 1926. 158

Sec. Mellon presides and votes to write Sen. McLean approving the McFadden bill as reported by the Senate Committee.
April 23, 1926. 169

Sen. Glass goes into Sec. Mellon's office and returns saying, in confidence, that Sec. Mellon said C.S.H. deserved reappointment and that he would strongly urge it on Coolidge.
May 5, 1926. 177

Curtis says Sen. Butler told Wing that Sec. Mellon would control in the matter of C.S.H.'s reappointment and that he thought he had some Pennsylvania men in mind; that Wing thought it might be Gov. Norris.
May 7, 1926. 179

Gov. Harding says Sen. Bruce should see Sec. Mellon at once; that Bruce had supported his policies.
May 7, 1926. 179

C.S.H.'s only fear is that Sec. Mellon may find it hard to resist Sen. Reed (Pa.).
May 7, 1926. 179

Gov. Harding writes that Mr. Bowman will write the Attorney General to see Sec. Mellon at any time. C.S.H. deems it advisable.
May 7, 1926. 180
Mellon, Sec. (Cont'd.)

May 6, 1926. 181

C.S.H. is inclined to think that Sec. Mellon may have told Glass in confidence that the matter was settled in favor of C.S.H.
May 6, 1926. 182

Comptroller of Currency tells C.S.H. that Sec. Mellon is much disturbed about conditions in the Board.
May 11, 1926. 185

Comptroller says Sec. Mellon spoke very appreciatively of C.S.H. and said he had always found him cooperative and helpful; he said Sec. M. asked him if he did not believe C.S.H. should be reappointed and that he told him he certainly should be. He told Sec. Mellon that C.S.H. was very independent in voting but always helpful and courteous; that he believed every member would be pleased to have him reappointed. He said that Sec. Mellon said he considered C.S.H. as a close friend.
May 11, 1926. 185, 186

C.S.H. tells Gov. C. that he felt confident Sec. Mellon would have the decision in the matter of reappointment.
May 12, 1926. 187

The Comptroller told C.S.H. that Sec. Mellon was much disturbed as to the suggestion of Miller that Federal Reserve banks should be forbidden to discount for banks making speculative loans; that Sec. M. said he had made a great mistake in recommending Miller for reappointment two years ago.
May 14, 1926. 188

Sec. Mellon has no use for Platt, the Comptroller said.
May 14, 1926. 188

Gov. Harding tells C.S.H. that Butler told Wing that the matter of reappointment of C.S.H. had been taken out of his hands and left with Sec. Mellon and the President.
May 17, 1926. 190
Mellon, Sec. (Cont'd.)

C.S.H. insists that Sec. Mellon be consulted before action on James' report that the Cuban Agency of Boston be discontinued. May 20, 1926. 197

The Comptroller tells C.S.H. that Sec. Mellon knows the whole situation as to the Boston Cuban Agency and will quiet James. May 20, 1926. 197

Miller moves to ask the State Department its opinion as to any Cuban Agency in Havana.

C.S.H. objects to going over the head of Sec. Mellon.

C.S.H. moves that Sec. Mellon be asked to ascertain the opinion of the State Department.

Passed unanimously. May 20, 1926. 198

Member bank collateral notes.

Sen. Glass tells C.S.H. he has no objection to the proposed sentiment to the Federal Reserve Act as to member banks collateral notes. Jan. 6, 1926. 76

C.S.H. and Platt report favorably on amendment to Federal Reserve Act permitting member bank collateral notes secured by eligible paper (but not by Govt. securities), up to 90 days.

The amendment had been suggested by McFadden, approved by the Federal Reserve Agents and Governors, and also by Dr. Warburg with slight modifications, and also by Sen. Glass.

The Committee made the authority contingent upon conditions, restrictions and limitations to be imposed by the Federal Reserve Board.

The Committee pointed out that this privilege was not needed by the large banks, but would induce the small banks, who were now borrowing from their correspondents, to rediscount with the Federal Reserve banks; that these banks now can rediscount only the paper they offer, and if any technical defect is found in a piece of paper, it takes time to correct it and the banks have to wait for their rediscounts.

The Committee felt that if the banks could give a direct note secured by the pledge of eligible paper of say, 120% of the face of the note, the defect of any one piece of paper could be eased without delaying the rediscount.

Dr. Miller moved to amend the Federal Reserve Act so as to abolish 15-day collateral notes.
Sember bank collateral notes (Cont'd.)

Failed by a tie vote:

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

It was agreed to take this up again when Sec. Mellon could be present.

Jan. 8, 1926. 76, 77, 78.

Miller's motion to abolish 15-day collateral notes, defeated.

Aye: Miller, Cunningham
No: Gov. C., C.S.H., Platt, James, Comptroller of the Currency.

Jan. 13, 1926. 80

Gov. C. changed his original vote although he said he did not believe in these notes. Miller tried to persuade him how illogical he was.

Sec. Mellon sent in word that he was absolutely opposed to Miller's motion.

The report of C.S.H. and Platt was then adopted by the Board.

Aye: Gov. C., Platt, C.S.H., Cunningham, James, Comptroller of Currency.

Mercantile Trust Co., San Francisco, 59, 60

Mercier, Cardinal

We call on, in Malines, but he was engaged in a conference. His secretary showed us over his Palace.

Sept. 23, 1926. 12

Merritt, Dr.

Dr. Ruffin makes an appointment with, to examine C.S.H.'s gallbladder at the Garfield Hospital.

Dec. 4, 1925. 56, 57

C.S.H. has gall bladder tested at Garfield Hospital. Spent a day and night there.

Dec. 9, 1925. 62

Metcalf, gen.

C.S.H. suggests to Glass to speak to, about his reappointment.

April 3, 1926. 141

Glass writes that, was unqualified in his advocacy of C.S.H. and earnestly hoped he would be reappointed.

April 8, 1926. 155
Mots
Arrived at Grand Hotel where we had a very good room and bath for 60 French francs ($3.00) per day.
Sept. 19, 1925. 10

Drove from Mets to Verdun and return. Left for Luxembourg at 4:30 p.m.
Sept. 20, 1925. 10

Miller, Dr. Adolph
Believes discount rates at New York should be increased.
Oct. 12, 1925. 25

Says term "direct pressure" was invented by Leffingwell.
Oct. 27, 1925. 30

Gov. Strong told Platt and C.g.H. that he felt keenly the lack of courtesy and attacks on certain Board members, Miller and James, especially - and that some months ago he got Gov. Crissinger to ask Miller to come into his room and that he then and there told Miller and Gov. Crissinger that henceforth his relations with the Board would be purely official. He added that he had received invitations from Miller to lunches and dinners but that from now on he should decline them.
Oct. 28, 1925. 30, 31

Miller says that as between rate increases proposed for Boston, Philadelphia and Cleveland as opposed to New York remaining where it is he decidedly favored an immediate increase at New York and should vote for Cunningham's motion to put in a 4% rate at New York in spite of the New York directors' opposition.
Nov. 6, 1925. 31

James reminded Miller that the whole Board voted for the agreement with the Open Market Committee, - on Oct. 27, - that rates should first be increased at Boston, Philadelphia, and Cleveland.

Miller denied this and said he had never agreed to this, but on being questioned admitted he had never said a word at the meeting of Oct. 27th to indicate any disapproval of the understanding reached. As a fact, at the close of the
conference it was voted that Gov. C. and Gov. Strong should inform Sec. Mellon of the agreement and Miller certainly did not vote against it or indicate any disapproval.

Nov. 6, 1925. 32

Miller said that if Cunningham’s motion were voted down he would then vote for the increases at Boston, Philadelphia, and Cleveland.

Miller evidently believes Cunningham’s motion will be defeated and that he can safely vote for it as a “gesture.”

Nov. 6, 1925. 32

On vote, Cunningham’s motion was defeated.

Aye: Miller, Cunningham

No: Gov. C., James, C.S.H.

Nov. 6, 1925. 32

Miller voted for the Boston increase.

Nov. 6, 1925. 32

Miller objected to having the new rate take effect only at close of business on Monday instead of today, Friday, and intimated that if held up so long some of the Board might “leak.”

Nov. 6, 1925. 33

Miller voted against postponement of effective date from today, Wednesday, until next Monday.

Nov. 11, 1925. 35

Miller, while Board was considering a report of Open Market Committee said that 100 millions of Government securities should be sold at once, but moved that 50 million be sold, including the 38 millions maturing Dec. 15th.

Lost. Miller voted Aye, as also Platt and Cunningham

Nov. 23, 1925. 43

Votes in favor of C.S.H. motion that Board approves in general the report of Nov. 2, but calls an immediate meeting of the Open Market Committee to consider whether changed conditions do not now call for a change in Open Market policies.

Nov. 23, 1925. 43

Voted for Platt’s motion that the question of replacing the 38 ‘millions maturing on Dec. 15th be considered at this meeting.

Nov. 23, 1925. 43
Miller, Dr. Adolph (Cont'd.)

Insists that the form of guaranty by the Bank of Belgium of bills bought by Federal Reserve Bank, New York, be submitted to Board for approval.
Nov. 25, 1925. 45

Finally withdrew his objection and voted for approval of the purchase from the Bank of Belgium.
Nov. 25, 1925. 46

At the meeting of Open Market Committee C.S.H. explained that his resolution calling the meeting was a compromise between Miller's and Platt's views. C.S.H. said Miller said at the Board meeting that 100 millions of Govt. securities should be sold as credit was most redundant and he feared an era of inflation, while Platt had moved that the 38 millions maturing Dec. 15th be not renewed.

Nov. 25, 1925. 48

Miller denied C.S.H.'s statement as to 100 millions and said his motion called only for the sale of 50 millions.

James insisted on having the minutes read which shared Miller's statement as to 100 millions and his motion as to 50 millions
Dec. 1, 1925. 48

Gov. Strong said that what Miller really desired was deflation, pure and simple, and that the only way to accomplish this was to increase discount rates, which would bring about further importation of gold.
Dec. 1, 1925. 49

Miller votes against approval of Gov. Strong's plan to replace the 38 millions of Govt. securities.

Aye: Gov. C., C.S.H., James
No: Miller, Platt.
Dec. 3, 1925. 50

Miller tells Board he had told Federal Reserve Agent Perrin that the opposition in the Board to him was so great that he ought to resign.
Dec. 3, 1925. 51

C.S.H. asked Miller if he said this to Perrin in behalf of the Board, and he said he said it only personally.
Dec. 3, 1925. 52

Miller expressed deep regret at Perrin's resignation; that he considered him one of the ablest chairman in the Federal Reserve System; that his conflict with Gov. Calkins had practically ceased.
Dec. 3, 1925. 52
Miller, Adolph (Cont'd.)

C.S.H. feels Miller’s statement to Perrin is extraordinary and that he will place his protest on the record.

Dec. 8, 1925. 63

Miller opposes settling the application of Mercantile Trust Company for branches at Burlingame and Palo Alto by extending the boundary of “adjacent territory.”

Dec. 8, 1925. 61

Miller moves that the Board grant the application as Drum had substantially complied with the Board’s regulations.

Passed:

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

Dec. 8, 1925. 62

Miller votes for motion that examination Committee consider and report on advisability of extending definition of “contiguous territory” to Burlingame and Palo Alto.

Dec. 8, 1925. 62

Miller votes against many increases of salaries recommended by Examination Committee.

Dec. 15, 1925. 63

Miller opposes Gov. Strong’s request that Open Market Committee buy from 15 to 20 millions of Govt. securities, saying it would directly be feeding the stock market.

Dec. 21, 1925. 65

C.S.H. asks Miller if he objected to the banks rediscounting to aid the money market and he said No.

Dec. 21, 1925. 65, 66

Gov. Strong tells C.S.H. that he is very indignant with Miller; that Miller was trying to put the Board and the Open Market Committee in a false position and that he should take up the matter with Sec. Mellon and the President.

Dec. 22, 1925. 66, 67

The Board took up the question whether the Open Market Committee should be authorised to buy 15 or 20 millions of Government securities.

Miller stated, in reply to Governor Crissinger that he had no motion to make but would merely vote against approval.

C.S.H. moved approval, saying that Miller had said too much as to the stock market.

Passed:

All voted for it except Miller and Cunningham.

Dec. 22, 1925. 67, 69
Miller, Dr. Adolph (Cont'd.)

Miller made no comment on Gov. Crissinger's statement that the New York directors voted unanimously to buy from 15 to 18 millions of Gov't. securities.

Dec. 22, 1925. 68

Gov. C. says Miller is acting with Hoover and is trying to embarrass the Board; that Sec. Mellon said the same and was very indignant at Miller and asked Gov. C. when his term expired, but Gov. C. said it had but just begun.

Dec. 22, 1925. 69

James thinks Miller is not loyal to the Board.

C.S.H. believes Miller is intriguing with Hoover.

Dec. 22, 1925. 69

Miller attends the Wilson dinner at the Mayflower, presided over by Delano.

Dec. 20, 1925. 70

Gov. C. says that on the morning of Dec. 31st Miller entered his room and found Gov. Norman of the Bank of England there; that Miller very severely criticized the rubber export duties of Great Britain; that Gov. Norman told Gov. C. he was much disturbed and amazed at what Miller said.

Miller presumably was quoting Hoover.

Jan. 4, 1926. 73

Miller moves to recommend an amendment to Federal Reserve Act abolishing the 15-day member bank collateral note.

Failed by a tie vote:

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

Agreed to take this up later when Sec. Mellon was present.

Jan. 8, 1926. 78

Winston tells C.S.H. that he and Sec. Mellon are very much disturbed at Miller's motion; that if enacted it would seriously interfere with Treasury operations; that Sec. Mellon was very angry with Miller; that they were satisfied that Miller and Hoover were working together and had egged on Sen. Lenroot to write his two letters, as they contained statements and agreements which he could not have made without help.

Jan. 9, 1926. 78, 79.
Miller, Dr. Adolph (Cont'd.)

Miller's motion to abolish 15-day collateral notes taken up and defeated.

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

Jan. 13, 1926. 81

Gov. C. changed his vote to No.

Miller tried to persuade him how illogical he was.

Jan. 13, 1926. 81

Sec. Mellon sent in word that he was absolutely opposed to Miller's motion.

Jan. 13, 1926. 81

Miller votes against proposed amendment permitting member bank collateral notes secured by eligible paper (but not by Govt. securities) up to 90 days.

Jan. 13, 1926. 81

The Board agreed on a reply to Mr. Lenroot's second letter.

All voted for it except Miller who asked to be recorded as not voting.

Jan. 13, 1926. 81

Miller told the Board that Gov. Norman, when here, told him that the New York call loan high rates made the discount rate negligible and that he could not understand why the New York discount rate had not long ago been increased.

Jan. 13, 1926. 81, 82

Charles Warren tells C.S.H. that he met Miller at dinner a few days ago; that he was so loquacious that he thought he must have taken an extra cocktail; that Miller began to talk of the fight in the Board in 1915 over the proposed reduction in number of the Federal Reserve banks; that he said he was the saviour of the situation; that he defeated the attempt by his vote; that Sec. Lane told him that President Wilson was very sorry that he favored reducing the number; that he told Lane he was very much mistaken, as he was on the President's side in the dispute, and always had been: that after the attempt had been killed by his vote, the President sent him a most grateful letter.

This is the most extraordinary statement C.S.H. has ever heard. As Vol. 3 of C.S.H.'s diaries will show, the committee which favored reduction consisted of Warburg, Delano and Harding. The Committee secretly got Miller to sit with them, thus constituting a majority of the Board.
In the bitter discussion of the report favoring cutting down, Miller sided unequivocally with the Committee and even voted against C.S.H.'s motion that the Committee report the evidence on which their report was based. Miller at first denied that he had been sitting with the Committee, but finally, in answer to questions from Williams and C.S.H. admitted that he had sat with the Committee and that he had even written the report.

Delano several times during the debate stated that the Committee report was favored by a majority of the full Board, which could only mean that Miller had promised the Committee his vote, and at no time did Miller deny the accuracy of Delano's statement, although later he claimed that he had an open mind throughout.

The matter was not settled by Miller's vote for no vote was taken on the merits, as during the debate, an opinion was sent to the Board from the Attorney General, asked for by C.S.H. at the suggestion of Maddox and President Wilson, that the Board could not legally cut down the number, and this ended the matter.

Delano finally moved, after the opinion was received, to table the whole matter, and very likely Miller may have voted for this.

At this very meeting Miller bitterly criticized Wilson for his executive interference.

Very likely Lane did speak to Miller, for it was apparent that Miller was weakening during the debate, and we thought he might finally "welch" on the Committee and desert them, but the occasion did not arise, for the reasons above stated.

Lane may have reported to Wilson that Miller was ready to "welch" and Wilson may have written Miller thanking him, but I do not see how he could, as only shortly after this Maddox told C.S.H. that Wilson was seriously considering asking Miller to resign, and it was only C.S.H.'s protest that saved him.

Glass understands all the above and told me a few days ago that Wilson had asked him to take Miller's place.

(See vol. 3, diaries, p. 60, 63, 66, 157.)

Miller votes to refuse permission to Federal Reserve Agent Jay to publish at once his figures as to stock exchange loans.

Feb. 6, 1926. 98, 99.
Miller, Dr. Adolph (Cont'd.)

Miller moves that all Federal Reserve banks be required to report, for approval of Board, all sums paid counsel for claims, collections, etc. although the Supreme Court of U.S. had decided that an Attorney was neither an "officer" or "Employee."

Passed:
Aye: Miller, James, Cunningham
No: Platt, C.S.H.
Feb. 9, 1926. 106

Miller later moved that a sum be fixed under which no report need be made. Passed. Feb. 9, 1926. 106

Miller bitterly attacked the draft of Annual Report prepared by Dr. Stewart, especially the reasons given for not approving an increase in discount rates at New York and said he might file a minority report.

Believing that the New York rates should have been increased long before they were he naturally did not like the reasons given by the Board for not increasing them.

He particularly objected to the statement that higher rates might have brought about further imports of gold, evidently not wanting such a good reason to appear in the report.

C.S.H. reminded Miller of Gov. Norman's statement that the high New York call loan rates threatened his gold.

Dr. Stewart told Miller that increasing to 4% would put a higher base under the call loan rate and tend to keep it up, and would tend to increase customers rates, at a time of crop moving.

Miller said higher discount rates would reduce call loans and that the credit thus released would lower customers rates.

Dr. Stewart and the Board disagreed with Miller.

Miller kept saying, "if you will only change this and that it will enable you to 'get by' as if the Board was trying to bolster up a clearly indefensible case.

Miller also said that Dr. Stewart was taking a particular date so that his reasoning would tally with the figures.

Dr. Stewart was very obstinate at this and replied that he took figures of the date under discussion on by the Board.

C.S.H. believes Miller will not dare to file a minority report.

Mar. 2, 1926, 106, 109, 110
The Board considers the draft of a letter, prepared by Miller, to the Federal Advisory Council asking for advice and assistance in controlling or eliminating security loans on call.

Sec. Mellon thought that the chance of extending the Federal Reserve bank charters would be imperilled if it should leak out that the Board was contemplating radical control over stock exchange operations.

C.S.H. said he had no objection to a letter to the council for advice as to what control the Board legally could exercise in respect to excessive use of Federal Reserve funds in the call loan market, but that Miller's letter stated that the Board is trying to develop a procedure which will check or altogether eliminate the misuse of Federal Reserve credit facilities; that this seemed to imply that the Board had already decided that it had the power to refuse discounts to a bank having any speculative loans, either in the call loan market or on real estate.

C.S.H. said this was a very doubtful estimate of law; that member banks were not solely commercial banks, as Miller's letter seemed to imply; that they could lawfully make security loans as well as agricultural or commercial loans; that they are bound to carry a reserve with the Federal Reserve against every lawful loan resulting in a deposit liability; that if their reserves became deficient they had to pay a penalty; that when a bank borrowed from the Federal Reserve bank to make good its reserves and prevent a deficiency, it made good its net reserves and not the reserve against any specific loan, whether commercial, agricultural, or on securities.

C.S.H. said the Board should carefully consider how far any undue diversion of credits into speculative channels could be corrected by direct pressure on the officers of the bank before resorting to the drastic expedient, even if legal, of refusing discounts altogether.

C.S.H. feared that Miller's letter would be construed as a determination by the Board, in advance of the Council's advice and assistance, to destroy the call loan market;

C.S.H. and Cunningham suggested many changes in the letter.

C.S.H. said he had no objection to a properly drawn letter, but that he deplored this letter.

Miller then moved to approve the letter as originally drafted, although he said he would entertain certain amendments.
C.S.H. moved to table the letter, at least for the present until the recharter matter was settled.

Passed:
All voted Aye except Cunningham who voted No, and Miller, who would not vote.

The Comptroller was present and voted Aye.

Mar. 11, 1926. 119, 120, 121, 123

(See Vol.156, Scrap book, for a copy of this letter.)

C.S.H. after the meeting, went into Sec. Mellon's office and explained further as to the danger of sending the above letter, and called to his attention Miller's Boston speech, delivered Nov. 27, 1925. C.S.H. said the letter would surely leak out if sent, and added, "For a long time I have believed, but can not prove, that there is a pipeline running from our Board."

Sec. Mellon grimly said, "I know it also, and feel sure we have the same persons in mind at each end of the pipeline," meaning Miller and Hoover.

Mar. 11, 1926. 122, 123

The following is a quotation from Miller's Boston address delivered before the Commercial Club on Nov. 17, 1925:

"The use of Federal Reserve credit for speculative or investment purposes is precluded by specific provisions of the Federal Reserve Act. It is clear, therefore, that no bank has a proper status as an applicant for reserve bank accommodation which is supplying credit for speculative uses. It is the duty of the Federal Reserve banks to hold true to the course plotted for them in the fundamental provisions of the Federal Reserve Act."

Mar. 11, 1926. 123

Miller objects to Gov. Strong's statement that the Board and Open Market Committee should be ready to buy more Govt. securities, if the business recession should suddenly increase.

Mar. 20, 1926. 125, 126
Miller, Dr. Adolph C. (Cont'd.)

Miller votes against C.S.H.'s motion to authorize the Open Market Committee to enlarge the System holdings to 300 millions up to April 15, should an emergency arise, provided that the Board reserved the right to put an end to such purchases at any time.

Mar. 22, 1926. 129

Miller votes against James motion, the same as C.S.H.'s without the proviso.

Lost on tie vote.

Aye: Gov. C., C.S.H., and James

No: Platt, Miller, Cunningham

Miller said that if the Board passed this vote (before the vote was taken) we would within a week be hauled before a Congressional Committee and severely catechized.

C.S.H. thinks Miller must have known of the hearings before the Banking and Currency Committee which were held a little later and which degenerated into a catechizing of the Board.

Miller aid Gov. Strong's talk about business depression was all rot and not borne out by the figures.

Miller said the real motive (undoubtedly referring to Gov. Strong) was to help the stock market.

Mar. 24, 1926. 131, 132

Sec. Mellon presides at Board meeting to consider the vote lost by a tie yesterday.

C.S.H. stated Gov. Strong's position.

C.S.H. stated that one member (meaning Miller) had stated that he never would consent to delegating authority to the Open Market Committee to either increase or decrease the amount of money in the market.

Miller made no response.

Miller said he entirely disagreed with Gov. Strong and the Committee and believed no emergency existed or would exist.

Miller did not answer C.S.H.'s statement as to delegating authority as he knew C.S.H. could show he had done so many times, - especially two months ago.

Mar. 25, 1926. 131, 132

Miller said he knew from a reliable source that the whole trouble in New York arose from the fact that certain banks were loaded
up with new issues of securities which they could not place.

Gov. C. asked Miller who his informant was, — meaning Hoover, but Miller declined to reveal the source.

Gov. C. told Miller he would pay no attention to information from a source Miller would not reveal.

Mar. 25, 1926. 133

James then renewed his motion of approval which was passed. Miller voting No.

Aye: Sec. Mellon, Gov. C., James, C.S.H.

No: Miller, Platt, Cunningham.

Mar. 25, 1926. 133

Winston tells Gov. C. that he and Sec. Mellon perfectly well understand that Hoover was dominating Miller; that they had proved that Hoover got information from Miller as to Board action; that Sec. Mellon was much disturbed as to this.

Mar. 26, 1926. 134

Miller objected to C.S.H.'s proposed redraft of the order of the Board that hereafter meetings of the Open Market Committee shall be held in Washington.

Miller said if offered as the original order he would have accepted it, but he would not vote for it as a means of placating the committee.

Mar. 29, 1926. 134

Board discussed its power to regulate Open Market purchases.

Miller claimed that the resolution of April 7, 1923, which he read, did regulate such purchases.

C.S.H. feels that it did purport to regulate such purchases and that he was in error when he said (supra p. 131) that the Board had never passed a regulation on Open Market purchases.

Miller and James said if there was any doubt as to the Board's power, we should go to Congress which would quickly give it to us.

Miller said he would welcome this issue and would say so to the Banking and Currency Committees when he testified on the stabilisation bill.

Miller finally suggested some changes in C.S.H.'s resolution which C.S.H. accepted as the best he could get.

Mar. 29, 1926. 134, 135, 136

See — Open market
Miller said that if he had read a report stating that Gov. Strong had said the business recession he would probably have voted to give the authority he asked, but that the discussion had developed that Gov. Strong was absolutely wrong; that production was not recession; that carload distribution was at its peak. He did not refer, however, to Gov. Strong's testimony as to falling off in retail sales.

Mar. 29, 1926. 137

 Miller also said that one member of the Open Market Committee told him that he did not agree with Gov. Strong.

Miller said Gov. Strong had a way of suppressing dissent within the Committee.

Mar. 29, 1926. 137

Votes against approving the appointment of Olsen as Assistant Secretary of the Federal Reserve Bank of Chicago.

He seemed shocked at having a Secretary or Assistant Secretary take the operative side of the bank.

April 6, 1926. 147

Miller moved that appointment of an Assistant Secretary, who was also confidential secretary of Gov. McDougal, was against the Board's policy and that it should be suspended pending final action of the Board.

Passed:

Aye: James, Miller, Gov. C.

No: Platt, C.S.H.

An extraordinary vote as 6 of the Federal Reserve banks not have Secretaries of the Board of Directors taken from the operative side of the bank.

April 6, 1926. 148

Board votes to reconsider and strike out all from above vote except that the appointment is against the policy of the Board.

Miller and C.S.H. voted No. Miller because he wanted the appointment disapproved, and C.S.H. because he felt the Board had a right to appoint any one it wished.

April 8, 1926. 152

Miller moves a resolution that the Federal Reserve Board shall establish a credit Bureau and direct our statistical and Research Division to report as to its scope and expense.

C.S.H. asked Miller if he wished to create an independent system of credit files at Washington such as the Board contemplated in
Miller, Dr. Adolph (Cont'd.)

1915, through Assistant Federal Reserve Agent Hackney, but abandoned as impracticable.

Miller said he intended only that copies of the existing credit files of the Federal Reserve banks be sent to Washington. Miller said his resolution was confined to the treatment of long continued borrowers from Federal Reserve banks, or banks in an extended condition.

C.S.H. asked Miller to limit his resolution to such conditions, but he said it was necessary to have data as to all banks to know which were extended or continuous borrowers.

Miller said Prof. Sprague favored such a Bureau, and C.S.H. suggested that the Board ask Sprague's views but Miller would not consent to this.

C.S.H. asked Miller if he desired to have credit files of every borrower from a member bank in the proposed Bureau, but he gave an evasive answer.

Miller finally split his resolution into 2 parts:

1. That a Bureau be established.
2. Report as to scope and expense.

Finally Miller agreed that 1. should lay on table pending a report, 2.

C.S.H. does not really know what Miller has in mind, but suspects he wants a kind of centralized force to examine into all loans of member banks, and admonish them, etc.

April 8, 1926. 152, 153, 154

C.S.H. writes Sen. Brine as to the political affiliations of the present Federal Reserve Board, pointing out that Miller was appointed as an economist and an independent, as stated by Col. House in his book, p. 171.

April 13, 1926. 158

Gov. Strong is very impatient with Miller because of his alleged statements in Board meetings that Gov. Strong was influenced by the needs of the stock market in determining Open Market policies. He said Sen. Miller and others had told him this.

C.S.H. has heard Miller say this also.
Miller, Dr. Adolph (Cont'd.)

Gov. Strong said he intended to refer to this in his testimony before the Banking and Currency Committee on the stabilization bill, and that there would be an explosion.

C.S.H. begged Gov. S. not to do this as it would show up divisions in the Board which would injure the Federal Reserve System.

C.S.H. told Gov. S. that Miller, perhaps unconsciously, was a rabid deflationist.

Gov. Strong said that Miller, Dr. Welles, and the New York Commercial and Financial Chronicle were all aligned together in the cause of radical deflation, and that he should certainly answer the Commercial and Financial Chronicle in his testimony.

April 13, 1926. 158, 159

Miller is very indignant because Harrison has offered Mr. Warren, of our Research Division, $6000 per year to leave the Federal Reserve Board and accept a position in the Foreign Division of the Federal Reserve Bank of New York.

Miller seemed to think Warren was to join the Research Division of the Federal Reserve Bank of New York, as he said our Board could do much better research work than the Federal Reserve Bank of New York, which had practically absorbed our work; that we might as well let it do all our research work. Miller also said this had been done behind his back as Chairman of the Research Division and declared that he now resigned from that Committee. Gov. C. explained that Harrison had asked permission to speak with Warren and he had granted it; that Harrison complied with the Board's regulation in speaking to him, which regulation he read.

Miller said he should file a copy of Harrison's letter with the Banking and Currency Committee.

It was explained to Miller that Warren was to be in the Foreign Division of the Federal Reserve Bank of New York and that he would go to Dr. Stewart at $8000 per year if he was not allowed to accept the $6000 offer of the Federal Reserve Bank of New York. The Board voted to grant him permission.

Age: Gov. C., Platt, C.S.H.
No: Miller, James

April 20, 1926. 163, 164, 165
Miller then again resigned from the Committee on Research

Gov. C. got very angry and said to Miller:

"The trouble with you is you are too damned jealous; you act as if you were the Governor of the Federal Reserve Board; I want you to understand that I am the Governor!"

Miller made no reply.

April 20, 1926. 165, 166

Miller was absent when the Board approved reduction of New York rate from 4% to 31/4%; but said later that if present he would have voted against it as premature.

April 23, 1926. 166

Miller was away when the Board wrote Sen. McLean approving the McFadden bill as reported by the Senate Committee.

April 25, 1926. 169

Miller has been testifying before the Banking and Currency Committee on the strong stabilization amendment to the Federal Reserve Act (strong of Kansas). On April 21st he told the Committee that the dirt farmers, Campbell (now dead) and Cunningham were the ablest members of the Federal Reserve Board.

April 29, 1926. 174, 175

Miller told Govern. Harding that even if the Federal Reserve Board should discontinue the Cuban Agencies of Boston and Atlanta, he would not consent to designating the Federal Reserve Bank of New York, as that bank had enough foreign business already.

April 30, 1926. 176

Mrs. Julius Kahn dines with us at the Lee House. She said Miller's father was a very respectable retail grocer in San Francisco; that he waited on customers and made deliveries et al. in his wagon.

She said she believed that Miller got his appointment on the Federal Reserve Board because Miller loaned his house to Edward Elliott who married a sister of the first Mrs. Wilson; that Elliott was ordered to California for his health, and Miller, before leaving for the East, found a place for Elliott in the University of California.

She said that Sec. and Mrs. Lane gave a series of elaborate, expensive dinners in order to introduce the Milners into Washington society, all of which she believed the Milners paid for, as the Lanes could not possibly have afforded to pay for them.
Miller, Dr. Adolph (Cont'd.)

She said that one day, during the Harding administration, she met Miller in the street and said to him, "How is my Democratic friend?" - to which Miller replied, "Why do you call me a Democrat? I am a Republican!"

She said Miller was very poor when in the University of California, - that she was his classmate, - and that the Harvard Club of San Francisco raised a scholarship fund to send Miller to Harvard.

May 6, 1926. 178

The Comptroller told C.S.H. that Sec. Mellon is much disturbed over conditions in the Federal Reserve Board, - referring to Miller.

May 11, 1926. 185

The Comptroller tells C.S.H. that Sec. Mellon is very much disturbed as to the suggestion made by Miller to the Banking and Currency Committee that the Law should be amended so as to prohibit Federal Reserve banks from discounting for banks carrying speculative loans; that he said he made a great mistake in recommending Miller for reappointment two years ago.

May 14, 1926. 188

Miller speaks of the report in the newspapers that Gov. Strong and Gov. Norman had given an ultimatum to France as a condition of receiving pecuniary help from Great Britain and U.S., - quarrelling of the Budget, the resignation of the Governor of the Bank of France, etc. C.S.H. had not heard of this before.

May 18, 1926. 191

Miller moves that the Board write the secretary of State asking the present opinion of the President and Cabinet as to continuing a Federal Reserve Agency in Cuba:

C.S.H. objected to going over the head of Sec. Mellon.

C.S.H. finally moved that Gov. C., Miller, and James see Sec. Mellon and ask him to ascertain as to above. Passed.

May 20, 1926. 197, 198

Miller entertains the Federal Advisory Council at supper at his house.

May 20, 1926. 200

See - Alexander

Federal Advisory Council

Open market

Mitchell, Red Star Line

We call on, at Antwerp.

He changed our rooms on the Pittsburg from C24 to 349, - a large comfortable room but without a bath.

Sept. 23, 1926. 12
Moore, Cong.
We meet, at dinner with Admiral and Mrs. Helm. Mrs. Wilson also present.
Jan. 5, 1926. 75

Moore, Mr.
We ask Mr. Moore and Mr. Sproule to look around and give us the name of a good man for Chairman of Federal Reserve Bank of San Francisco.
Nov. 19, 1925. 41

Moore, Mr. and Mrs. John
Call on us at Geneva.
sept. 14, 1925. 5

Morgan interests. 16

See - Andrew, Cong.

Morris, Rowland
We meet Mr. and Mrs. , at dinner with Miss Squire.
Feb. 1, 1926. 96

- Morrison, Dr. 19, 20, 21, 53
See - Joslin, Dr.
X-ray

Nowar, Mr.
We meet, correspondent of Chicago News at dinner with Mrs. Bagg at Geneva.
Sept. 16, 1925. 6

Myer, Canon and Miss
C.S.H. dines with, at Mayflower Hotel.
Nov. 7, 1925. 34

Declined invitation to lunch with, because of previous engagement.
Dec. 25, 1925. 70

Nansen
Dr. Ruffin lunches at International Club to hear Nansen speak.
sept. 12, 1925. 1

National Bank of Belgium
C.S.H. leaves card on Governor of.

Phillips said he would be glad to arrange an official interview, but C.S.H. preferred to call informally.
National Bank of Belgium (Cont'd.)

The Secretary said the Governor was just leaving to attend an official meeting, but would be very glad to see me at any time tomorrow. The Secretary said he had been in Washington with the Belgian Debt Commission.

Sept. 22, 1925. 11

National City Bank, New York

James wanted a hearing as to the Cuban Agency at which the Cuban branch officers of the would be present.

May 20, 1926. 197

See - Cuban Agency

National Grange

C.S.H. gives lunch at Cosmos Club to Louis J. Taber, Master of Present:

Sec. Jardine, Earl Vrooman, Platt, Cunningham.

Jan. 23, 1926. 94

New Bedford Mercury

Publishes article by Gratham attacking the Walter Hines Page "myth"

Sept. 13, 1925. 1

New York

We reach quarantine at 6:30 a.m.

Oct. 3, 1925. 15

See - Discount rates

Federal Reserve Bank of New York

New York Stock Exchange

Strong, Gov.

New York Stock Exchange

Gov. C. says the Directors of Federal Reserve Bank of New York have brought direct pressure to bear on the N. Y. banks to reduce loans on, and have been successful; that the greater part of the funds used on, came from interior banks.

Oct. 16, 1925. 24

Dr. Stewart says direct pressure, as in New York, will cure the speculative situation.

Oct. 16, 1925. 25

C.S.H. believes commercial paper rediscounts are to some extent feeding the, but believes direct pressure should be used to prevent this.

C.S.H. does not like to penalize agriculture and commerce by increasing rates solely for the purpose of checking speculation on the.

Oct. 16, 1925. 26
New York Stock Exchange (Cont'd.)

C.B.H. tells Gov. Harding the Federal Reserve Bank of New York holds the situation well in hand as to New York banks, by direct pressure.

Oct. 15, 1925. 97

Gov. Harding says large sums are being loaned by Boston banks on call on the.

Oct. 27, 1925. 99

Gov. Strong suggests preliminary increases at Boston, Philadelphia and Cleveland as a means of sobering down the speculation on the.

Oct. 27, 1925. 99, 100

Gov. Strong said that to refuse discounts to any bank having call loans on the, would be tantamount to a rationing of credit, which would be disastrous.

Oct. 27, 1925. 100

Gov. Strong says that speculation on the, is now under control; that prices of stocks, allowing for the 50% increase in general prices, are not much above the 1913 pre-war level.

Dec. 1, 1925. 109

Mr. Wetmore told the Federal Advisory Council that speculation on the, had increased customers rates by 1%. Gov. Strong said this was nonsense.

Dec. 3, 1925. 111

Gov. Strong says that the interior banks, loaning money on call in the, were withdrawing large sums and that as a result call loan rates had risen to 6%; that the New York banks had to meet the situation but did not want to rediscount further because of the Controller's coming call. He therefore advised buying 10 or 20 millions of Govt. securities.

Miller was very ugly and said this would be directly feeding the stock market, and that we should refuse.

Dec. 21, 1925. 129

Miller later said he did not object to the banks rediscounting for this purpose.

Dec. 21, 1925. 130, 131

Sen. Lenroot writes two letters to the Board as to feeding speculation on the, by use of Federal Reserve funds.

Jan. 4, 1926. 139

Gov. C. said the First National Bank, New York, had borrowed 115 millions from the Federal Reserve Bank of New York, on its direct note and was making it at from 6 to 7% on the.

Jan. 8, 1926. 143
Board refuses permission to Federal Reserve Agent Jay to publish at once his figures on member bank loans on.
Feb. 4, 1926. 99, 99

The New York Stock exchange gives out its figures tomorrow.
Feb. 4, 1926. 99

Miller presents draft of letter to Federal Advisory Council asking its advice and assistance in checking or altogether eliminating the use of Federal Reserve funds on call loan market of.
Mar. 11, 1926. 119

See - Miller

Newton, Federal Reserve Agent
Tells Board that the collapse of the Florida real estate boom will probably involve 50 Florida banks in insolvency; that Gov. Wellborn and others of the Directors favored a policy of assisting these banks to the limit without too careful scrutiny of the paper offered for rediscount; that he and some of the directors opposed this policy; that these banks were in an insolvent condition; that any further rediscounts would be used by them to meet the withdrawal of public deposits (county road bonds, etc.) at the expense of their general depositors; that these public deposits were guaranteed by surety companies, which, however, could release themselves on 30 days notice; that if these banks should close now the surety companies would have to pay up, to the benefit of the general depositors; that if insolvent, they should close now; that, in his opinion, if the Federal Reserve Bank took the course favored by Gov. Wellborn, it might conceivably have its capital and surplus wiped out.

In response to a question from C.S.H. he said it was perfectly conceivable that the issue might be - the insolvency of the 50 banks or of the Federal Reserve bank.

The Board were all impressed with his view of the situation.

He asked the Board if it would authorize him to say that the Board concurred in his views.

C.S.H. pointed out that this was a confidential talk with him as our representative; that it was one thing to give him an opinion, but an entirely different thing to instruct the directors; that whatever our power might be it should not be exercised prior to a full discussion with the directors, who had the responsibility for action, and who had not asked our advice.

The Board all agreed to this.

April 21, 1926. 167, 168
Newton, Federal Reserve Agent (Cont'd.)

C.S.H. tells Comptroller about Newton's talk with the Board. He said he would like to have a list of these banks and would ask Newton to send him one.

May 17, 1926. 189

Mow 17, 1926. 189

Nitobe, Dr.

Ishii will ask to show us the Treaty book of the League of Nations in which the agreement to return Shantung to China, made in Washington is recorded. Sept. 12, 1925. 3

Non-Partisan League

Mrs. Wilson is to send "Pa, Ma and Mae" to Miss Baruch in the hope that she can induce the Non-partisan League to publish it.

Jan. 13, 1926. 92

Miss Baruch tells Mrs. Wilson that the reader of the, like "Pa, Ma and Mae" very much but feared it was too partisan for the League to publish, but would report definitely later.

Jan. 23, 1926. 94, 95

Norman, Gov.

Meets the Board, with Gov. Strong and talked for over an hour, answering all questions.

He said unemployment was still bad in England, although a little improved; that there were 1,200,000 men out of work; that emigration seemed the only hope; that most of those out of work were not fit to emigrate; that it would cost about $1200 per man to send them out of the country.

He said there were faint signs of industrial revival:

1. The successful maintenance of the gold standard, at discount rates not over 5%, although everyone predicted 7 or 8%.

2. The Locarno treaty.

3. The settlement of the Irish boundary line, North and South.

He said, on the other hand, that the coal situation was bad.

Gov. Norman said prices had fallen but slightly since the adoption of the Gold standard but that, sooner or later, they must fall.
He said that the high New York call loan rates seriously affected Great Britain's gold holdings as they made the discount rate negligible.

He explained the Belgian situation which he said, was caused by Belgium taking over the francs issued by Germany during the occupation.

He said he did not favor a controlled gold standard, that it was good only for poor countries, and that he hoped Austria and Hungary would soon adopt a real gold standard.

Dec. 31, 1925. 71, 72

Gov. C. tells C.S.H. that Gov. Norman told him he was very much disturbed and annoyed at what Miller said in criticism of the rubber export tax. Jan. 4, 1926. 73

Miller said Gov. Norman told him when here that the high call loan rates made the New York discount rate negligible and that he could not understand why the New York discount rate had not long ago been increased.

Jan. 13, 1926. 81, 82

Col. Rice tells C.S.H. that he met Gov. Norman recently in Albany, N.Y., at Mr. Wadsworth's house; that Gov. Norman spoke a lot about Anna and his acquaintance with her at Bar Harbor in 1921; that he said he had met C.S.H., but not H.P.H., in Washington. Jan. 15, 1926. 86


She said that Gov. Norman called on Anna almost every day at the Bar Harbor Hospital and they became very close friends; that he was frequently at our house in Washington for family dinners; that when he came to Washington with Stanley Baldwin, the then Chanceller of the Exchequer, we gave them both a large official dinner; that one night when he was taking family dinner with us, C.S.H. told him Anna was very anxious to go over the Bank of England when next in London; that he said to surely let her know when there and he must be only too delighted to show Anna over the Bank; that when H.P.H. and Anna were in London, she telephoned Gov. Norman at the Bank but could only get his Secretary; that she told the Secretary to tell the Governor that Anna wanted to go over the Bank, and he said he would tell the Governor and would make an appointment and let her know at once, H.P.H. giving him her address in London; that she heard nothing more for about ten days when he sent his card to H.P.H.'s apartment, but did not call - or this ended the matter.

Anna was terribly disappointed.
Norman, Gov. (Cont'd.)

Gov. Norman's scant courtesy was in marked contrast to that of Mr. and Mrs. Baldwin who fairly outdid themselves in entertaining H.P.H. and Anna, having Anna at lunch and inviting H.P.H. and Anna to attend an official parade at their Downing Street residence, etc. etc.

When H.P.H. and Anna were presented at Court and were waiting in the throne room, Mr. Baldwin, in full uniform, went over and talked with them for nearly 20 minutes.

Jan. 15, 1926. 86, 87

When Gov. Norman was in Washington on Dec. 31, 1925, C.S.H. was perfectly courteous to him. When the conference was over C.S.H. shook hands with him. He acted as if he wanted to say something about Anna but C.S.H. gave him no opportunity.

Jan. 15, 1926. 88

C.S.H. reminds Miller that Gov. Norman said the high New York call loan rates threatened his gold in London.

May 18, 1926. 191

Sen. Owen tells C.S.H. he is much interested in the report in the papers that Gov. Norman and Gov. Strong had given an ultimatum to France, as a condition of receiving financial assistance, - balancing the budget, requiring the Governor of the Bank of France to resign, etc. etc.

C.S.H. had not seen this but Miller said he had.

May 18, 1926. 191

Norris, Gov.

Attends meeting of Open Market Committee.

May 22, 1926. 134


May 7, 1926. 179


May 17, 1926. 190, 191

Norton, Charles 16, 18

See - Andrews, Cong.
Oliver, Marion

Arranges a service in memory of Anna at St. Anges Church, Washington.
April 26, 1926. 171

See - Hamlin, Anna

Olney, Richard

C.S.H. meets, at dinner at Mayflower Hotel with Canan and Miss Myer.

Olney said Sec. Mellon was very liberal as to the allied debt settlements; that Mellon made an agreement with Gallien but the Republicans on the Debt Commission would not accept it; that the Democratic members helped Mellon more than the Republican members; that the Italian agreement was hanging fire; that Mellon, Hurley, Crisp and he favored liberal settlements but that the Republicans, for purely political reasons, held back.

Nov. 7, 1925. 34

Calls on C.S.H. Said he had no doubt but that C.S.H. would be reappointed.
April 23, 1926. 170

Olney, Sec.

House in his book said McAdoo wanted C.S.H. for Federal Reserve Board, but that Wilson said, "I prefer Olney and it happens that I am President;" that later, on Olney's refusal C.S.H. was appointed in accordance with McAdoo's wishes.

This is a half truth. McAdoo undoubtedly wanted C.S.H., but Olney strongly urged Wilson to appoint him.

(See earlier diaries)

Feb. 9, 1926. 105

Open market Committee

Open market operations

Board meets with Open Market Investment Committee.

Discusses discount rates and direct pressure.

Oct. 27, 1925. 29, 30, 33

See - Discount rates

Strong, Gov.

Board considers report of Open Market Committee.

The report said that conditions pointed to an increase of discount rates rather than a sale of Govt. securities.

Miller said 100 millions of Govt. securities should be sold.
Open Market Committee (Cont'd.)

Miller moves that 50 millions be sold at once, to include the
38 millions maturing Dec. 15, 1925.

Lost by the vote:

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

Nov. 23, 1925

Platt moved that the 38 millions maturing December 15th be allowed
to run off.

C.S.H. finally moved as a substitute that the Board approves in
general the Open Market Committee report of Nov. 2, but that
a meeting of the Committee be called immediately to consider
whether changed conditions do not now call for a change in
open market policies.

Passed. Platt only voted No.

Platt moved that the question of allowing the 38 millions to run off
on Dec. 15th be considered at the Open Market Committee meeting

Passed unanimously.

Nov. 23, 1925. 42,43

Board meets with Open Market Committee.

The record of the Board calling the meeting was read.

Miller said C.S.H. introduced the resolution calling for the meeting
and Gov. C. asked C.S.H. to explain it.

C.S.H. said he introduced it as a compromise between Miller's views
and Platt's; that Miller said at the meeting that 100 millions
of Govt. securities should be sold at once, as credit was
redundant and he feared an era of inflation; that Platt wanted
the 38 millions maturing Dec. 15 to be allowed to run off; that
the Open Market Committee report was against any sales; that
he felt it advisable to call a meeting to decide what was the
best course, and whether changed conditions demanded any change
in open market policies; that the Board should take the evidence
before acting.

Miller denied C.S.H. statement as to 100 millions of Govt. securities
and said his motion called only for 50 millions.

James demanded reading of the record which showed that Miller stated
that 100 millions should be sold, but in his motion limited
it to 50 millions.
Gov. Strong said it would be wiser to hold the 38 millions and replace them; that the sale of 50 millions would have little effect now, but if sold after the first of the year, when the expected liquidation has set in, it might have great effect.

Gov. Strong said we must face the fact squarely, that Miller's desire is deflation, pure and simple.

He then gave a picture of conditions: stock speculation is under control; the prices of stocks, allowing for the general increase in all prices of 50%, are not far from the 1913 pre-war level; that production is increasing and prices are fairly stabilised.

He pointed out that customers rates are not low, but are really high.

He said that the deflation Miller desired could be brought about only by increasing discount rates; that this might cause a resumption of gold imports, and would also result in an increase of customers rates; that resumption of gold imports would tend to defeat Great Britain's resumption of gold payments, and uncertainty in domestic business.

He said his directors were a unit in opposing higher discount rates at the present time, although some time they must be increased; that the Bank of England must soon increase to 5%, but that our rates and our open market policy should not be changed at the present time, and that the Open Market Committee all agreed with him.

He also pointed out that the Board had allowed a month to elapse before taking up the Committee report of Nov. 3rd, and that, meantime, the Treasury had perfected its financial plans on the theory that the 38 millions would be replaced.

Gov. Strong stated that Belgium would probably issue her 100 millions within a month as her budget difficulties were being cleared up.

The Board voted to approve the plan of replacing the 38 millions maturing Dec. 15, 1925.

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

Dec. 3, 1925. 50
Open Market Committee (Cont'd.)

Mr. Wetmore said the stock exchange speculation had lifted up customers rates 1%. Gov. Strong said this was nonsense.
Dec. 3, 1925. 51

Gov. C. calls special meeting of Board.

Gov. Strong had called him up to say that the interior barks were withdrawing large amounts of money loaned on call; that call loan rates had gone up to 6%; that the New York banks had to meet the situation; that the New York banks had rediscounted heavily already and did not wish to increase these rediscounts in view of the expected Comptroller's call, and in view of the inevitable liquidation after the first of the year.

Gov. Strong said the Open Market Committee had voted unanimously to buy 15 or 20 millions of Govt. securities to tide over the matter; that he asked the approval of the Board of such purchase.

Miller was very ugly and said this would be directly feeding the stock market and should be refused.

C.S.H. suggested it made no difference whether the needed credit was procured by rediscounts or by open market transactions, so far as the stock market was concerned, which in any event would be indirectly benefited.

C.S.H. asked Dr. Miller if, objecting to open market purchases, he would also object to rediscounts for the same purpose, and he said he would not object.

C.S.H. said he talked with Gov. Strong over the telephone before this meeting; that Gov. Strong said his request was made and based on existing business and industrial conditions; that high, bulging call loan rates were very bad for business and ultimately would lift up customers rates.

C.S.H. reminded the Board of Mr. Wetmore's opinion that the high call loan rates had lifted up customers rates 1%.

Board finally adjourned until tomorrow.
Dec. 21, 1925. 66, 66

C.S.H. again talks with Gov. Strong over the telephone. He again said that his request was based primarily upon business rather than stock market conditions. He was very indignant with Miller, who, he said, was trying to put the Board in a false position, as also the Committee; that he intended to take this up with Sec. Mellon and with the President.
Gov. C. told the Board again the attitude of Gov. Strong and of the Committee and asked the pleasure of the Board; at first there was no response.

Finally, Gov. C. said to Miller, "Have you any motion to make?" Miller said No; that he felt sure the Board would vote approval and he would merely vote in the negative.

There was some further discussion in which Miller took no part.

C.S.H. then moved approval. He said Miller had said too much about the stock market; that this was a condition, not a theory; that large sums were being drawn from the market by interior banks, thus increasing the call loan rates to 6%; that this condition was certain to cause customers rates to be advanced and a liquidation of loans; that to save this situation, further credits must be provided for, either by rediscounts or by open market purchases; that all agreed as to this, even Miller; that the banks did not want to rediscount further until after the Comptroller's call; that Gov. Strong said that bulging interest rates would react on business and commercial interests; that the Open Market Committee was unanimous, and that he moved approval as a means of conserving business and commercial interests.

The Board voted approval.

Aye: Gov. C., C.S.H., James, Comptroller
No: Miller, Cunningham
Dec. 22, 1925. 66, 67, 68

Before the above rate, Gov. C. stated that the directors of the Federal Reserve Bank of New York had voted unanimously directing the purchase of from 15 to 18 millions of Govt. securities.

Miller made no comment on this.

Dec. 22, 1925. 68

The Board voted to dissolve the Board's Open Market Committee and to consider open market questions in Committee of the Whole Board.

This had in fact been done since Feb. 4, 1925, although not formally voted until now. (See Diaries, Vol. X, p. 77)
Open Market Committee (Cont'd.)

Board holds meeting with Open Market Committee.

Gov. Strong protested against a recent order of the Board designating Washington as the place of meetings of the Committee in future, unless otherwise ordered.

Gov. S. said the Committee was a voluntary one and that the Board had no authority to issue such an order, couched in peremptory terms.

C.S.H. explained that the former Committee of the Board, - Miller and Cunningham - had been abolished and that the Board henceforth was to consider all open market matters in Committee of the Whole; that the Board felt it would be easier for the voluntary Open Market Committee to come to Washington than for our whole Board to go to New York; that there was no intention to issue an arbitrary order.

A long discussion followed.

C.S.H. finally said he would offer at the next meeting of the Board the following substitute:

"Meetings of the Open Market Investment Committee shall be arranged by the Governor and the Chairman of the Committee at such times and at such places as may be necessitated by the business involved and as may suit the convenience of the Board and of the Committee."

The members of the Committee all said that this would be satisfactory.

Mar. 20, 1926. 124, 125

Gov. Strong then read the Committee report which asked for no immediate changes in investments.

Gov. S. said a business recession had set in all over the country; that no one could tell whether it will continue; that one large company in New York placed orders based on an estimated increase of 20% in retail sales; that the actual increase was only 5%.

Gov. S. said we must be prepared to cope with this recession if it continued; that we ought to be ready to make further purchases of Govt. securities to ease any situation which might arise.

Miller dissented from this view.

Mar. 20, 1926. 126, 127

At the Governor's conference, Gov. Strong spoke of conditions in New York.
He said the member banks were borrowing heavily, - 142 millions - from the Federal Reserve bank; that a recession of business had set in all over the country; that the heavy rediscounts brought about a tendency to force liquidation of customers' loans; that conditions in Europe looked bad; that he feared a sudden increase in business depression.

He further said we ought to begin to buy Government securities to ease the money market; that the money so paid out would come back, as the banks would use it to pay off their rediscounts, and thus give larger opportunity for enlarging credits to customers; that reducing discount rates would merely help member banks carry their loans at the Federal Reserve bank and would not be an inducement to make them pay them off.

He said it was the unanimous opinion of the Committee that power should be given it, in case of emergency, to buy, between now and April 15, not to exceed 90 millions of Govt. securities, in addition to replacing the March 15 securities, all but 15 millions of which had already been replaced.

Gov. S. said the Board at its last meeting had merely authorized this replacement of the Mar. 15 maturities, but had not acted on the above recommendation which, at least in general terms, was contained in their report.

The matter was discussed at length.

Miller vigorously objected.

The Committee finally put the question in concrete form:

"If developments in the money market indicate any need for doing so, the amount of securities in the System may be increased to 300 millions, but no purchases shall be made after April 15th without further consideration.

The Board then withdrew into Platt's room to consider this.

C.S.H. moved approval but with the addition, "on the express understanding that the Board, at any time, may terminate the authority to make such purchases."

James said this implied that without this reservation the Board could not revoke its consent, which James said it clearly could do at any time.

James begged C.S.H. to give up this condition, but C.S.H. said if not so expressed the question of moral commitment might arise in the future.
On vote, C.S.H.'s motion was defeated.

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

James then moved approval, without C.S.H.'s condition.

Lost by a tie vote.

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

Before the vote was taken, Miller said that if we passed it we would be haled before a Congressional Committee and severely criticized.

Miller must have referred to the hearings before the Banking and Currency Committee, of which the Board knew nothing at the time, but of which Miller must have known.

Platt said he did not believe there was any necessity for further purchases.

Miller said the talk of business recession was all rot, and that the real motive was to help the stock market.

C.S.H. said he feared a sudden increase in business recession; that European conditions might cause an acute collapse in U.S.; that the Open Market Committee were our Generals in the field and that if we could not give them discretion to meet an emergency for 3 months, we should disband them.

C.S.H. pointed out that if a sudden emergency should arise, instant action might be necessary and that the Board, as often had happened, might not have a quorum.

C.S.H. also reminded Miller that he had voted to give the Committee authority to replace the 60 millions of Mar. 15 maturities.

C.S.H. asked to be recorded that he voted for this general approval only after his motion had been defeated.

C.S.H. then went to Sec. Mellon to have him come in.

Miller refused to stay for this and left the meeting.

Sec. Mellon was in Philadelphia and the meeting adjourned.

Mar. 24, 1926. 127, 128, 129, 130
Open Market Committee (Cont'd.)

Sec. Mellon presided at Board meeting.

The minutes of the last meeting were read.

Sec. Mellon asked someone to explain the status of the matter.

C.S.H. explained what Gov. Strong and the other members of the
Open Market Committee desired.

C.S.H. incidentally referred to the fact that a yesterday's meeting
one member (meaning Miller) stated that he never would consent
to delegating authority to the Committee to increase or
decrease the amount of money in the market.

Miller made no reply to this.

C.S.H. pointed out that the Board is asked to give discretion to the
Committee for only about 3 weeks; that the Board could not
properly insist that it must decide every emergency for itself,
as it might not have a quorum; that we should give some
discretionary power to the Committee, - our Generals in the
field.

C.S.H. said he felt that a Federal Reserve bank has the right to buy
or sell in the open market subject only to regulations of
the Board; that the Board had only published, in 1923, - general
regulations as to the manner of operating but not as to the
amount.

C.S.H. also pointed out that the Board had frequently, in the past,
given discretionary power to the Committee, e.g., only 2
months ago it gave it discretion to repurchase Mar. 15
maturities, about 67 millions; that every member acquiesced
in this, that to insist on passing on every emergency would in
effect turn the Board into an operative Board, which it
clearly was not intended to be.

Cunningham said he did not object to delegating authority to the
Committee on principle, but he believed no present emergency
warranted it.

Platt expressed the same views.

Miller said he entirely disagreed with Governor Strong and the
Committee and believed no present emergency existed or was
threatened. He said nothing as to the views he expressed
yesterday as being opposed to delegating any discretion to
the Committee, because, C.S.H. thinks, he knew that he had
often voted for such delegations.
Miller said he had information that the whole trouble in New York arose from the fact that certain banks were loaded up with securities which could not be placed.

Gov. C asked Miller who his informant was but Miller refused to state.

Gov. C said he should pay no attention to information from a source which Miller would not reveal.

Sec. Mellon said there was undoubtedly a recession in business and no one could say it might not suddenly increase; that he felt that a policy of liberality looking towards easy credit conditions would be of great advantage at the present time.

James then renewed his motion of approval which was passed.

Aye: Sec. Mellon, Gov. C., James, and C.S.H.

No: Miller, Platt, Cunningham

At the Board meeting, C.S.H. brought up his proposed new resolution as to future meetings of the Open Market Committee.

Cunningham, before this, had told C.S.H. that while the first resolution of March 9 should not be repealed at the demand of the Open Market Committee, he would not object to having it somewhat amplified.

C.S.H. read his resolution.

Miller said if originally offered in this form he would not have objected to it, but he declined to vote for it as a means of placating the Open Market Committee.

James also opposed it.

A long discussion followed as to the power of the Board to control Open Market purchases.

Miller had read the resolution of April 7, 1923, which, however, placed no limit upon the amount but merely upon the manner of such purchases.

Miller and James said if there was any doubt as to the Board's power, we should go to Congress which would quickly give it to us.

Miller said he would welcome this issue and would say so to the Banking and Currency Committee.
It seems that Governor Crissinger said Harrison said the Federal Reserve Bank of New York denied our power and Gov. C. said he had no doubt that if any specific case should arise, the Federal Reserve Bank of New York would go ahead in spite of us.

Miller finally suggested some changes in C.S.H.'s resolution which he accepted as the best he could obtain and it was unanimously passed, as follows:

"Whereas etc. (same preamble)

Now therefore, the Governor is directed to advise, from time to time, after consultation with the Chairman of said Committee, when in his opinion it is desirable from the nature of the business to be transacted that meetings of the Committee be held at other places than Washington."

Miller, speaking of the Open Market Committee report, said that if he had merely read a report containing what Gov. Strong had said at our meeting, he would probably have voted off hand to grant the authority; but that the discussion developed that Gov. Strong was absolutely wrong; that production was not receding; that car load distribution was at its peak.

He said nothing of retail purchases which all of the Governors on the Open Market Committee said were falling off.

Miller also said that one member of the Open Market Committee told him that he did not agree with Gov. Strong, although he had voted with him.

Miller said Gov. Strong had a way of suppressing dissent within the Committee.

March 25, 1925.

154, 155, 156, 157

C.S.H. goes over the Open Market resolution of April 7, 1923.

The resolution laid down three principles:

1. Primary regard to the accommodation of commerce and business and to the effect on the general credit situation.

2. Careful regard as to the bearing upon the market for such securities.

3. Open market purchases to be primarily commercial investments, except that Treasury certificates may be dealt in, as at present, under so-called repurchase agreements.
Open Market Committee (Cont'd.)

The Board under this resolution put an end to the old Committee of Governors and created a new Committee, - the Open Market Investment Committee, consisting of the same members, -

"To be under the general supervision of the Federal Reserve Board --- the duty of this Committee to devise and recommend plans for the purchase, sale, and distribution of the Open Market purchases of the Federal Reserve banks, in accordance with the above principles and such regulations as may from time to time be laid down by the Federal Reserve Board.

This resolution simply lays down certain principles and is a proper, lawful regulation.

It also refers to future regulations but none such have yet been promulgated by the Federal Reserve Board.

The Federal Reserve banks, therefore, if they certified that the purchases were in accordance with the above principles, could at any time buy or sell Govt. securities in the open market, until, at least, some future regulations to the contrary have been promulgated by the Board.

Mar. 30, 1926. 138, 139

Open Market rates

Dr. Stewart says that N. Y. Federal Reserve rates are 1% below the commercial open market rates.

Oct. 16, 1925. 35

Gov. Harding tells C.S.H. that their bill purchasing rates were higher than their discount rate.

Oct. 19, 1925. 27

Gov. Strong says that an increase in discount rates would be followed by an increase in the open market rates for customers paper.

Dec. 1, 1925. 49

Owen, Sen.

Sen. and Mrs. Owen arrive at Geneva.

Sept. 13, 1925. 5

They take tea with us. Sept. 14, 1925. 5
Owen, Sen. (Cont'd.)

Sen. Owen calls on C.S.H. at Lee House. He said he was much interested
in the items in the papers as to the conference of Gov. Strong
and Gov. Norman and their ultimatum to the French Government, as
to levying equal taxation, etc.

He said he fully approved it and would like to get into the negotiation.

C.S.H. said it had not been discussed by the Board, but if it should
be and he should ask to be heard, he thought the Board would be
glad to hear him.

May 18, 1926. 191

Oxford University

Mrs. Wilson said that, offered Mr. Wilson an honorary degree but that
he could not leave Paris to receive it, and as the University
never gave degrees unless the recipient was present, he had to
forgo the honor; that he had always said he should appreciate a
degree from Oxford more than from any other University.

Feb. 25, 1926. 108

Pa, Ma and Mae

H.P.H. reads to Mrs. Wilson, who said she would send it to Miss Baruch
for publication by the Non-Partisan League.

Jan. 13, 1926. 82

Mrs. Wilson tells H.P.H. that the reader of the Non-Partisan League
enjoyed her sketch very much but fears it is too partisan for
publication by the Non-Partisan League, but will report
officially later.

Jan. 23, 1926. 94, 95

See - Pennington, Mrs. Louis

Paderewski

Attends private dinner in his honor, also the Wilson dinner, N. Y.

Jan. 13, 1926. 85, 86

Page, Walter Hines

Mr. Graham attacks the Page "myth" in the New Bedford Mercury.

Sept. 12, 1925. 1

Palace Hotel, Brussels

We arrive 5:30 p.m.

We paid 120 francs ($4.50) for a room and bath.

Sept. 21, 1925. 10, 11
Palo Alto, California. 59, 60, 61

See - Branch banks

Pan American codification of International Law. 159, 160

See - Carnegie Foundation

Patten, Miss

Gertrude Myer says the Pattens say that Mrs. Wilson was engaged to Dr. Ruffin when she first met President Wilson and that when she became engaged to the latter she merely wrote Dr. Ruffin to that effect.

Nov. 7, 1925. 34

Peace proposal of 1916.

Mrs. Wilson said Mr. Wilson did not want to meet Lord Grey when last he came to the U.S.; that she firmly believes, but does not know, that he was angry with Lord Grey because of the manner in which he treated the Peace Proposal of 1916.

Nov. 29, 1925. 47

Peck, Mrs.

Mrs. Cleveland (Preston) told Harry Tucker there was absolutely nothing in the Peck letters discreditable to Mr. Wilson; that he was always interested in bright women.

Jan. 24, 1926. 95, 96

Pennington, Mrs. Lois

Calls on C.S.H. and H.P.H. Says she wants a short statement of what Mr. Wilson had done prepared and that she would publish it.

She had spoken of this before to H.P.H. saying that Mrs. Bannister had suggested the Secretary of Sen. Glass as a good person to prepare it, but that Mrs. Wilson did not want him, as he once had shown her a proposed sketch of Mr. Wilson which she found full of errors and advised him not to publish it, which he did notwithstanding.

Mrs. Wilson confirmed this to C.S.H.

Mrs. Pennington and Mrs. Wilson begged C.S.H. to prepare such a sketch and he finally agreed.

Jan. 23, 1926. 95

Mrs. Pennington tells C.S.H. she will gladly give $150 towards the expense of printing "Pa, Ma and Mae" in the Bulletin published by the Woman's Democratic Club, to be inserted as a supplement, and also for printing 1000 copies in pamphlet form, to be sold for the benefit of the Woman's National Democratic Club.
Mrs. Cunningham, representing the National Committee told H.P.H. that although she said it would cost $350 she had arranged to print it on the faith of the above subscription and $25 we said we would give, as she had some money in reserve held for an earlier number of the Bulletin which, in fact, had not been printed.

Feb. 4, 1926. 97, 98

We dine with Mrs. Pennington.

C.S.H. explains as above as to printing "Pa, Ma and Me."

She said she would give H.P.H. a check for $150.

Feb. 5, 1926. 98

We dine with Mrs. Pennington.

Mrs. Wilson and Mr. Bolling were also there and we discussed the chronological table of Mr. Wilson, which C.S.H. was preparing.

Feb. 25, 1926. 108

Mrs. Pennington and Mrs. Wilson call on us at the Lee House to discuss the chronological table of Mr. Wilson.

Mar. 13, 1926. 124

We dine with Mrs. Pennington. Mrs. Wilson and Mr. Bolling were also there. We discussed the chronological table.

April 0, 1926. 146

Mrs. Pennington called on us at the Lee House.

She said Mr. Bolling, the other day, asked her if she was going to give all the royalties on the chronological table of Wilson to the Women's Democratic Club, that she thought he had it in his mind that Mrs. Wilson should have a part of the royalties.

Mrs. Pennington asked us if we would object to her giving Mrs. Wilson one-half and the other half to the Women's Democratic Club. We both said of course we did not object.

Mrs. P. originally told Mrs. Wilson, Mr. Bolling and ourselves that she was to give all the profits to the Club.

May 11, 1926. 186

Penrose, gen.

Elliott tells C.S.H. that a decision on the suit of McFadden vs. Controller Williams was held up over a year by a State judge who was controlled by Gen. Penrose.

April 29, 1926. 174
Pepper, Sen.

Sen. Bruce tells C.S.H. that Pepper is a very agreeable man, but had no convictions; that he was shifty, evasive, and intellectually not honest.

Dec. 17, 1926. 64

Sen. Andreas Jonas says Pepper had already lost all reputation he had when he entered the Senate.

Dec. 20, 1926. 64

Sen. Pepper and Sen. Glass are to try to have the Federal Reserve bank charters extended by an amendment to the McFadden bill.

Mar. 11, 1926. 120

Glass tells Gov. Harding that Sec. Mellon is fighting for Pepper's renomination; that he feared Sec. Mellon might be induced to trade off C.S.H.'s office in order to help Pepper.

Mar. 21, 1926. 126

Glass said Pepper was shifty, - like a flea; that Sen. Edge agreed to fight with Glass to a finish for the Senate amendments to the McFadden bill, but that Pepper was evasive.

Mar. 21, 1926. 126

Sen. Bruce says Pepper is evasive, shifty, and intellectually dishonest; that he had made a complete failure in the Senate.

April 10, 1926. 156

Mrs. Bruce said Pepper recently told her he was not a prohibitionist, smi did not believe in prohibition, but that it was good politics for him to be "dry" in Washington.

April 10, 1926. 156

Sen. Bruce says Pepper can not be renominated.

April 10, 1926. 156

Sen. Pepper beaten in the primary contest by about 85,000.

May 19, 1926. 192

Ferrin, John, Federal Reserve Agent

Mr. Spruille, Class C Director of Federal Reserve Bank of San Francisco said the real reason for Ferrin's resignation (to take effect Mar. 1, 1926) was the issue between himself and Calkins, the Governor; that the directors considered Ferrin's job limited to presiding at directors meetings, and that the chairmanship meant nothing more ... that his resignation raised the issue squarely, and that the Board must settle it before it appoints his successor.

Nov. 19, 1925. 41
At the Board meeting a motion was made to accept Perrin's resignation.

C.S.H. moved to postpone until he received a reply to his letter asking if his resignation was final.

Miller said he had told Perrin that the opposition to him in the Federal Reserve Board was so great that he ought to resign.

James said he had taken Perrin to lunch and expressed the same views.

C.S.H. said this was the first he had heard of this and asked if Miller and James spoke for the Board.

They both said they spoke only personally.

Gov. C. said Comptroller McIntosh was bitterly opposed to Perrin.

C.S.H. said we should have to give the new appointee instructions which would sustain Perrin's position.

Miller said he deeply regretted Perrin's resignation; that he considered him one of the ablest chairman in the Federal Reserve System; that his controversy with Calkins had practically ceased.

C.S.H. feels that Miller's and James' action in practically forcing Perrin's resignation is most extraordinary, and he will have his protest recorded.

The reason for the Comptroller's opposition grows out of the many unfavorable reports Perrin had made on the formation of new national banks.

Perrin's successor, Mr. Newton, when here 2 weeks ago, said that within a certain period there had been 33 applications for national bank charters, of which the Federal Reserve bank approved 10 and disapproved 23; that most of these 23 had been rejected for state charters by the state superintendent; that, nevertheless, the Comptroller had granted charters to the greater part of the 23 rejected by the Federal Reserve bank.

Dec. 3, 1925. 51, 52

Perrin gave an adverse opinion on the application of the Mercantile Trust Company for branches at Burlingame and Palo Alto, solely on the ground that they were beyond the area of contiguous territory.

Dec. 8, 1925. 59
Pershing, Gen.

Ex-Congressman Dick Whalley tells C.S.H., at luncheon at Mrs. Cowdin's, that he went abroad with Sen. Glass as one of the Congressional Committee of investigation. He said that Glass, Cong. Byrnes and he lunched with Gen. Pershing at Chau mont, at the time an armistice was first being talked of; that Pershing was vehemently in favor of taking Sidan and of going into Berlin; that he said this would mean the death of at least 250,000 American soldiers but that he wanted to do it, especially, he said to turn the American soldiers loose upon the women of Germany and give them a taste of what the German army had done to the women of Belgium and France.

Whalley said Glass wrote down in his diary, after going over it with Byrnes, every word Pershing said.

Phillips, William

Made an appointment with, at the Embassy at Brussels.

He sent me in his auto to leave a card on the Governor of the Bank of Belgium. He said he would be glad to arrange a personal interview if C.S.H. desired it.

He said the Governor could not speak English and C.S.H. said he would merely leave a card out of courtesy.

At 5 p.m. we both took tea at the Embassy.

Pittsburg, S. S.

We embarked on the S. S. Pittsburg at Antwerp. Mr. Mitchell the Manager of the Red Star Line showed us every courtesy and had our room changed from C24 to B 49, a large comfortable room but without bath.

Platt, Edmund

Platt and Miller believe the Board should approve Boston's application to increase discount rates from 3 1/2 to 4%.

Says the Board will be attacked for keeping a 3 1/2% rate at New York for the benefit of speculators while farm paper throughout the country earned 4% at Federal Reserve banks.

C.S.H. tells Gov. Harding that most of the Board, except Platt, thought the Boston increase should be deferred for the present.
Gov. Strong tells Platt and C.S.H. that he felt keenly the lack of
courtesy and attacks of certain members of the Board.

Oct. 26, 1925. 30

See - Strong, Gov.

Votes in favor of Miller's motion that 50 millions of Govt. securities
be sold at once. Lost by a tie vote.

Aye: Platt, Miller, Cunningham
No: Gov. C., S.H., James
Nov. 23, 1925. 42

Moves that the 38 millions of Govt. securities maturing Dec. 15 be
allowed to run off.

Votes against C.S.H. substitute motion calling for a meeting of the
Open Market Committee to consider the whole question.

Nov. 23, 1925. 43

At meeting of Board with the Open Market Committee C.S.H. explained
that his resolution was because of the different views of Miller and
Platt.

Dec. 1, 1925. 48

Votes against granting request of Open Market Committee to replace
the 38 millions of Govt. securities maturing Dec. 15.

Aye: Gov. C., C.S.H., James
No: Platt, Miller
Dec. 3, 1925. 50

Joins with James in suggesting that the Committee on Examinations
consider and report on advisability of extending the contiguous
territory about San Francisco to include Burlingame and Palo Alto.

Dec. 8, 1925. 59

Votes in favor of Miller's motion to grant application of Mercantile
Trust Company to take over banks in Burlingame and Palo Alto
as branches.

Aye: Gov. C., Miller, Platt, C.S.H.
No: McIntosh, James, Cunningham
Dec. 8, 1925. 62

Votes in favor of examination committee reporting on expediency of
extending area of contiguous territory around San Francisco
so that other banks may have same privileges as Mercantile Trust Co.

Cunningham alone voted No.
Dec. 8, 1925. 62
Platt, Edmund (Cont'd.)

Reports, with C.S.H., a proposed amendment to Federal Reserve Act
permitting member bank collateral notes up to 90 days secured
by eligible paper, not including Govt. securities.
Jan. 8, 1926. 76, 77

Votes against Miller's motion favoring abolishing of 15-day member
bank collateral notes.
Aye: Gov. C., Miller, Cunningham
No: C.S.H., Platt, James
Lost by a tie vote. Jan. 8, 1926. 78

Votes against Miller's motion.
Defeated.
Aye: Miller, Cunningham
No: Gov. C., Platt, James, Comptroller
Jan. 15, 1926. 80

Votes for member bank collateral notes up to 90 days when secured
by eligible paper, but not by Govt. securities.
Aye: Gov. C., Platt, C.S.H., Cunningham, James
No: Miller
Jan. 15, 1926. 81

Votes in favor of proposed answer to Sen. Lenroot's second letter
to Board. Jan. 15, 1926. 81

Attends lunch at Cosmos Club given by C.S.H. to Louis J. Tabor,
Master of National Grange.
Jan. 23, 1926. 94

Votes, with C.S.H., to permit Federal Reserve Agent Jay to give out
at once his figures as to brokers loans by New York banks.
Defeated.
Aye: Platt, C.S.H.
No: Miller, James, Cunningham, Comptroller
Feb. 6, 1926. 99

Votes, with C.S.H. against requiring Federal Reserve banks to report
for approval all sums paid Counsel for claims, etc.
Aye: Miller, James, Cunningham
No: Platt, C.S.H.
Feb. 9, 1926. 106
Votes against C.S.H. motion of approval of extending system purchases of Govt. securities, up to April 15, provided the Board reserves right to forbid further purchases at any time.

C.S.H. alone voted Aye.

Mar. 24, 1926. 129

Votes against James motion of approval without C.S.H.'s condition. Lost by the vote.

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

Mar. 24, 1926. 129

Says he does not believe any further purchases are necessary.

Mar. 24, 1926. 129

Says no present emergency nor danger of further emergency would justify giving to open market committee the above power.

Mar. 25, 1926. 132

Votes against James motion of approval.

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

Mar. 25, 1926. 132

States that a Federal Reserve bank has a right to appoint as Secretary of the Board of Directors anyone it sees fit from the operating side or the Federal Reserve Agents side.

In re Olsen, Federal Reserve Bank, Chicago.

April 6, 1926. 147

Votes, with C.S.H., against disapproving the appointment of Olsen.

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

April 6, 1926. 148

Moves to strike out all of the Olsen resolution except the statement that it is inconsistent with the policy of the Board. Passed.

April 8, 1926. 152

Tells C.S.H. he had a talk with Under Secretary Winston last week, who said that while ordinarily he would like to see a Republican in C.S.H.'s place, yet in this case he believed C.S.H. deserved reappointment and he would say so to Sec. Mellon.

April 12, 1926. 157
Tells C.S.H. that he spoke to Sen. Mellon about my reappointment and that he agreed with him it should be made.
April 20, 1926. 166

Tells C.S.H. he told Sen. Gillett that, as a life-long Republican, he believed C.S.H. should be reappointed, that it would be a terrible mistake not to reappoint him and that Sen. Gillett agreed with him unequivocally.
April 20, 1926. 166

Favors the McFadden bill as reported by the Senate as a fair compromise.
April 23, 1926. 169

Votes in favor of so advising Sen. Mellon.
April 23, 1926. 170

The Comptroller tells C.S.H. that Sec. Mellon has no use for Platt.
May 14, 1926. 188

Tells C.S.H. that Gov. Harding told him in Boston that Gov. C.’s designation as Governor expired in April and that he was now merely holding over as Governor.
May 18, 1926. 191

Platt amendment, Cuba. 198

See - Cuban Agency

Politics

C.S.H. tells Comptroller that even if the Board wanted to discontinue the Cuban Agency of the Federal Reserve Bank of Boston, to do so now would be to plunge the whole matter into a political controversy, and that it might conceivably even cause the defeat of Sen. Butler.
May 17, 1926. 190

Folk, Frank. 2

See - Ishii

Prices

Gov. Norman said prices had fallen only a little since the resumption of the gold standard in Great Britain but that a further fall was inevitable.
Dec. 31, 1925. 71

Pritchett, Dr.

Dr. Shotwell says Butler and, dominate the Executive Committee of the Carnegie Foundation; that Pritchett was a Democrat and, though very quiet about it, favored the League of Nations.
Sept. 17, 1925. 8
Production
Dr. Stewart says production is increasing with prices practically stationary.
Oct. 16, 1925. 25

See - League of Nations

Pruyn, Hendrick
We told Mrs. Wilson about the letters to her from, as to Anna, she did not seem at all disturbed about them.
Sept. 17, 1925. 9

Pruyn, Mrs. J. V. L.
We meet at dinner at Lady Ames's in Geneva, Mr. and Mrs. Louden, Dutch Minister to Paris.

In 1909 when Minister to the U.S. he was to speak in Albany, N.Y. and was to have stayed with Mrs. Pruyn, but because of her death, he stayed with Robert Pruyn.
Sept. 15, 1925. 6

Pruyn, Robert. 6
See supra - Pruyn, Mrs. J. V. L.

Pruyn tomb, Antwerp
We visit the Proenen tomb in the Cathedral at Antwerp.
Sept. 23, 1925. 12

Pulitzer award
Mr. Wise tells C.S.H. he has sent Glass's eulogy of Lodge (written by C.S.H.) to New York entering it for the Pulitzer prize.
Feb. 4, 1926. 97

Ratchecky, Mr.
Gov. Harding said that at a dinner in Boston a few days ago, the statement in the Boston Herald that Republicans wanted C.S.H.'s job was discussed and Mr. Ratchecky said, "Don't pay any attention to that. Hamlin will surely be reappointed; good care will be taken to keep him out of the Mass. campaign next fall."
April 29, 1926. 173, 174.
Reappointment of C.S.H.

See - Baker, Newton. 187
Bruce, 155, 156, 180, 181
Buller, 74, 75, 105, 141, 142, 146, 176
Controller of Currency. 185, 186
Crisinger, Gov. 188, 187
Curtiss, Federal Reserve Agent. 23
Evans, Lawrence. 189
Fitzgerald. 74, 75, 106
Glass, 141, 148, 155, 157, 173, 177, 180, 181.
Hamil, C. S.
Harding, Gov. 54, 74, 140, 179, 180, 181.
Hichborn. 192
Hollis. 106
Kahn, Mrs. 187
Luce. 189
Maloney. 187
McFadden. 182
McLean, Sen. 166
Mellon, sec. 177, 185, 186
Nettalf, Sen. 141, 155
Miller. 158
Olney, Richard. 170
Platt. 105, 157, 166
Ratchisky. 173
Seners, 166
Sargent, Attorney General. 139, 140, 141, 155, 180
Strong, Gov. 54
Washburn, Charles. 176
Wilson, Mrs. 172
Wing. 176
Winston. 157

Red Star Line
We sail on the Pittsburg, Red Star Line. 12

Reed, Sen. (Pa.)
Glass tells Gov. Harding that C.S.H.'s name should not be pushed until after the Pennsylvania primaries; that Sen. Reed had complained because Pennsylvania was not represented on the Federal Reserve Board and other commissions; that he feared Mellon might trade off C.S.H.'s place to help Pepper.

Mar. 21, 1926. 126

Sen. Bruce says Sen. Reed is a good lawyer, but somewhat evasive politically. He implied that Penna. politics was making its mark upon him and not to his advantage.

April 10, 1926. 156
Reed, Sen. (Cont'd.)

Gov. Harding fears Sen. Reed may demand his place on the Federal Reserve Board for some one in his state, and that Mellon may find it hard to resist him. Sen. Reed's particular complaint was connected with the Interstate Commerce Commission and the Federal Trade Commission, but shortly before the confirmation of Woodlock for the Interstate Commerce Commission, Coolidge made a general announcement that in making further appointments he would recognize Penna.

May 7, 1926. 179, 180

Regulations of Board. Open Market 68
see - Open market

Republicans

Swettzer tells C.S.H. that the Federal Council of Churches is merely an adjunct to the Rep. machine.

Sept. 13, 1926. 4

Richard Olney says the Republicans on the Debt Commission refused to agree to Mellon's agreement with Cailloux, and that the Democrats on the Commission have helped Mellon more than the Republicans.

Nov. 7, 1925. 34

Miller tells Mrs. Eakins, during the Harding administration, that he is a Republican and not a Democrat.

May 6, 1926. 178

Resolution, April 7, 1923. 135, 138, 139
see - Open market

Reynolds, Geo. M. 17, 18
see - Andrew, Cong.

Rhoads, Ex-Gov.


Sept. 17, 1925. 7

Rice, W. G.


Jan. 16, 1926. 86, 87

see - Norman, Gov.

Visits Washington with Mrs. Rice.

May 6, 1926. 178
Rogers, Col. and Mrs.  
We take Christmas dinner with.  
Dec. 25, 1925.  70

Root, Elihu  
Dr. Shotwell said Root and Scott wanted the Executive Committee of the Carnegie Foundation to reconsider the appropriation for the Geneva Committee, but finally gave up the attempt.  
Sept. 17, 1925.  8

Harry White is very angry at the references to his cable by Root and Lodge in Lodge's book.  
Nov. 15, 1925.  37

Speaks at Carnegie Board meeting.  
April 16, 1926.  129, 160

see - Carnegie Board

Roper, Mr. 104  
See - Burleson, Mrs.

Rubber  
Miller offends Gov. Norman by his criticism of the British export tax on rubber.  
Jan. 4, 1926.  73

Ruffin, Dr. Sterling  
Arrives at Geneva with Mr. Esterline, last evening, but leaves for Paris this afternoon via Lausanne. He drove with Mrs. Wilson and lunched at the International Club to hear Nansen speak. He gave C.S.H. a prescription.  
Sept. 12, 1926.  1

The Doctor on the Pittsburg agreed with Dr. Ruffin that my only trouble was intestinal indigestion.  
Sept. 23, 1926.  12, 13

Gertrude Myer tells C.S.H. she knew that Mrs. Wilson is engaged to Dr. Ruffin; that it was scandalous for Dr. Ruffin to go abroad to see her at Geneva and visit her in Paris.  
C.S.H. told her he was in Geneva only one day and did not visit Mrs. Wilson in Paris, but went to Charbourg to sail for home.  
She said the Pattens said she was engaged to Dr. Ruffin when she first met President Wilson, and when she became engaged to him she merely wrote Dr. Ruffin a casual letter to that effect.
Ruffin, Dr. Sterling (Cont'd.)

She further said it was scandalous for her to have Dr. Ruffin as her physician.

She also said she and Rev. Anson Phelps Stokes were joking as to whether the marriage would be at Bethlehem Chapel, and that the Rev. Stokes said he could almost hear Mr. Wilson protesting like Hango's ghost.

C.S.H. told her there was not a word of truth in this silly rumor, but she insisted she knew it was true.

C.S.H. said he was satisfied that she must be in love with Dr. Ruffin herself and was wildly jealous!

She is certainly a malingerer gossip.

Nov. 7, 1925. 34, 35

Makes appointment for C.S.H. to be X-rayed so as to check up Dr. Morrison's examination in Boston.

Dec. 3, 1925. 53

Goes over Dr. Christie's report with C.S.H. Report was very much like that of Dr. Morrison. Gall bladder also negative.

Makes appointment with C.S.H. and Dr. Merritt.

Dec. 4, 1925. 56

Makes appointment for C.S.H. with Dr. T. C. Martin.

Feb. 2, 1926. 96

Salaries Committee

Board takes up salaries and, among others, approved increase of Federal Reserve Agent Jay from $40,000 to $40,000; Harrison from $25,000 to $30,000, etc. etc.

The Federal Reserve Bank of New York has effected a great decrease in expenses. It costs now, under the new building, less than last year under the old buildings, whereas we expected a great increase.

Miller and Cunningham voted No on many increases.
Salaries Committee (Cont'd.)

The Board rejected the proposed salary of $18,000 for the Manager of the Buffalo branch and substituted $15,000.

C.S.H. alone voted against this and James did not vote.

C.S.H. said $18,000 seemed too high but we ought to take evidence of the Directors of the Federal Reserve Bank before voting. Dec. 15, 1925. 63

Saunders, Mr. Platt met, Secretary to the President, who expressed the hope that C.S.H. would be reappointed. April 22, 1926. 166

Sargent, Attorney General

Mr. A. C. Bowman, Class B Director of the Federal Reserve Bank of Boston, called on C.S.H. He said he came down to see Attorney General Sargent, an old friend of his, at the unanimous request of Gov. Harding and the directors to request the Attorney General to ask President Coolidge to reappoint C.S.H.; that Gov. Harding asked him to say also to the Attorney General that the Governors, at the conference in Washington last week, were unanimous in the wish that C.S.H. be reappointed.

C.S.H. asked him to tell the Attorney General that he and H.P.H. had been active members of the Grange for 30 years; that C.S.H. owned a farm and had devoted himself to the interests of agriculture since becoming a member of the Federal Reserve Board.

C.S.H. also suggested that Sargent speak to sec. Mellon before he spoke to the President. April 1, 1926. 139, 140

Mr. Bowman writes C.S.H.:

Springfield, Vt. April 5, 1926.

"Just a line to let you know that I had a most friendly talk with Mr. Sargent along the lines we had talked when I called on you at your office on Thursday. I am sure the matter will have his attention within a reasonable time...."

C.S.H. sent Glass a copy. April 7, 1926. 151
Sargent, Attorney General (Cont'd.)

Glass replies that he is glad Attorney General Sargent will soon take up the matter at the White House.

April 8, 1926. 155

Gov. Harding writes that Mr. Bowman is in Boston today and will write Attorney General Sargent to see Sec. Mellon at any time C.S.H. thinks advisable, and to let him know whether to write now or after the 18th (the Penna. primaries).

May 7, 1926. 180

C.S.H. replies that everything looks well and to let everything rest until he hears from C.S.H. again.

May 7, 1926. 181

Scidmore, Miss
We meet Miss Scidmore at dinner with Viscount Ishii.

Sept. 12, 1926. 1

Scott, James Brown
Dr. Shotwell says Root and Scott tried to induce the Executive Committee of the Carnegie Foundation to reconsider the $4000 appropriation to the Geneva Committee made by the Foundation, but finally abandoned the attempt.

Sept. 17, 1926. 8

Delano says the Carnegie Foundation appropriated $7,000 for the Geneva Committee this year.

H.P.H. asked Delano if Scott did not object.

He replied, "No, He knows his new Master's voice!"

Dec. 5, 1925. 58

Mrs. Wilson tells C.S.H. that Scott has just written her enclosing a copy of the Wilson resolution of the Carnegie Foundation which was voted in April 16, 1926. C.S.H. same days before had told Scott it had never been sent.

Mrs. Wilson read to C.S.H. her proposed reply.

It seems extraordinary that Scott, in spite of his dislike of Wilson, could not have sent this before. If C.S.H. had not called him up he probably never would have sent it.

Jan. 20, 1926. 91, 92, 93, 94

Scott addresses the Carnegie Board on the subject of codification of International Law.

He said the great Powers in the League of Nations did not want to
be governed by law but by men, - by themselves.

April 16, 1926. 159,160

See - Carnegie Board

Seances
See - Arnold, Mrs.
Gavit, John Palmer
Ledyard, Mrs.

Secret Treaties of Allies
Ishii says he told Lansing about the Shantung secret agreement when he came to Washington in 1917 on the Japanese Commission, but that he believes Lansing never told President Wilson.

Sept. 12, 1925. 1, 2.

Long tells C.S.H. that Wilson was in error when he said he first heard of the Allied secret treaties when in Paris in 1919; that he, (Long) knows that Balfour told Wilson in May, 1919, at a secret conference in the White House, but that he did not know whether Balfour told Lansing.

Nov. 16, 1925. 39

Shantung
See supra - Secret treaties

Scheider, Mr.
C.S.H. calls on, Vice President of the Swiss Natl. Bank, in Berne.

Sept. 16, 1925. 9, 10

Shotwell, Dr.
Tells C.S.H. that the British delegation of the League of Nations, in their hearts, excepting only Lord Cecil, have little sympathy for the League of Nations; except in so far as they can dominate it; that they were opposed to any present consideration of disarmament plans, although the other nations wanted immediate consideration; that very likely they might have to yield in part, but it would be from no desire of their own; that there was a possibility that the pact between Great Britain, France, and Germany might be agreed upon; that Germany would enter the L. of N. but not until after the Assembly had adjourned; that Lord Cecil had no influence in his delegation, although Chamberlain was absent he was the titular head.

Dr. Shotwell was very bitter about Sir Cecil Hurst for opposing present consideration of disarmament plans.
Shotwell, Dr. (Cont'd.)

He said that both Root and Scott tried to induce the Executive Committee of the Carnegie Foundation not to give the Geneva Committee the $4000 appropriated by the Carnegie Foundation, but finally gave up the attempt.

He felt that Butler might now push the L. of N.; he said that Butler and Pritchett very nearly dominated the Executive Committee of the Carnegie Foundation; that Pritchett was a Democrat, and, although very quiet, favored the L. of N.; that Koppel, of the Executive Committee also favored it as did Austen Fox, although the latter looked on the Foundation as somewhat of a joke.  
Sept. 17, 1925. 7, 8

Smoot, Sen. 64
See - Butler, Sen.

Southampton
We arrive at, at 1:30 p.m. but did not dock; we left at 2:30.  
Sept. 24, 1925. 13

Speculation, Speculative loans
Gov. C. says the Federal Reserve Bank of New York by direct pressure had reduced, so far as the New York banks were concerned, but that the greater part of the funds came from interior banks which loaned on call either directly or through their correspondant banks.  
Oct. 16, 1925. 24

Gov. Strong said direct pressure could not succeed unless the Federal Reserve bank refused discounts to any bank loaning on Wall Street or making any speculative loans, even on real estate; that such a course meant rationing of credit which would be disastrous.  
Oct. 27, 1925. 30

Gov. Strong said some action must be taken as speculation in commodities was beginning to manifest itself.  
Oct. 27, 1925. 30

Board table a proposed draft of letter prepared by Miller to Federal Advisory Council asking its advice and assistance in curbing or altogether eliminating speculative loans through use of Federal Reserve credit.  
Mar. 11, 1926. 119 to 123

Alexander defends the call loan market as a legitimate secondary reserve for banks.  
May 20, 1926. 200

See - Alexander
Sprague, O. M. W.

Makes suggestions at meeting of Open Market Committee on subject of treatment of over-extended banks. Mar. 20, 1926. 126

See - McFadden bill

Miller objects to Board consulting Sprague as to proposed Federal Reserve credit bureau. April 8, 1926. 153

Sproule, Mr.

At the Board meeting, Mr. Sproule, Class C Director of the Federal Reserve Bank of San Francisco appeared.

He spoke of Perrin's resignation, - take effect Mar. 1, 1926 - and said the real explanation was the controversy as to the relative power of Chairman and Governor; that the directors considered Perrin's power limited to presiding at meetings of the Board of Directors. Mr. Sproule believes the Chairman should be the preponderant influence in the bank and should be consulted on all questions of policy; that Perrin's resignation raised the issue squarely and that the Board must decide it when it appointed his successor.

C.S.H. asked him to prepare a memorandum as to his views which he agreed to do.

The Board asked him and Mr. Moore to look around and suggest names for the new Chairman and Federal Reserve Agent. Nov. 19, 1925. 41

Squire, Miss

We dine with, and meet Mr. and Mrs. Roland Morris, of Phila. Feb. 1, 1926. 96

St. Agnes Church, Washington, D.C.

Marion Oliver arranges with her Rector, Father Anderson, of St. Agnes Church, Washington, for a short memorial service in memory of Anna. April 26, 1926. 171

St. Nicholas Bw. 172

See - Wilson, Mrs.

St. Peters Cathedral, Geneva

See - Cathedral

Stabilisation of prices

See - Banking and Currency Committee

Miller
State Department

Notifies 40 newspaper men that there will be an important conference at the State Department at 4 p.m. Houghton was there and gave his statement.

Mar. 29, 1926. 137

Stearns, Frank W.

Cong. Andrews says Stearns told a friend of his that he had moved his bed in the White House into President Coolidge's bedroom, as Coolidge liked to talk with him early in the morning before arising.

Oct. 3, 1925. 18

Stewart, Dr.

Told Board that production was increasing while prices were practically stationary; that he saw evidence that stock speculation was being fed by Federal Reserve rediscounts; that there was absolutely no reason for increasing discount rates from any industrial or commercial point of view, although the Federal Reserve rate at New York was 1% below the commercial open market rate; that direct pressure would meet the situation if it could be applied; that he was inclined to favor an increase at New York of 1/2 of 1% and he thought this would probably not result in higher open market rates.

Oct. 16, 1925. 25, 26

Comes down from New York to discuss with Board draft of its annual report which he has just finished.

Miller bitterly objected to reasons put in the report by Dr. Stewart for not having sooner favored an increase in the discount rate of Federal Reserve Bank of New York, especially the statement that higher rates might induce further gold imports.

Dr. Stewart said that an increase to 4% would put a higher base under the call loan rate and tend to keep it up and might increase customers' rates.

Miller practically accused Dr. Stewart of taking a particular date so that his conclusions would tally with the figures, which made Dr. Stewart very indignant. He said he took the dates which were under discussion by the Board.


Harrison tells the Board that Dr. Stewart will take Warren at $8000 per year if the Board will not allow the Federal Reserve Bank of New York to take him for its foreign division at $8000 per year.

April 19, 1926. 163, 164, 165
Gertrude Myer said she and the future marriage of Mrs. Wilson and Dr. Ruffin and that Stokes wondered whether it would be held at Bethlehem Chapel and said he could almost hear Mr. Wilson protesting, like Banquo's ghost!

Nov. 7, 1925. 35

Stokowski, L.

Mrs. Wilson tells C.S.H. that Miss Johnson is to marry Mr. Stokowski, leader of the Phila. symphony Orchestra; that Miss Johnson wanted her to come on for the wedding, but although a quiet wedding, she felt it might be somewhat conspicuous and she decided not to go.

Jan. 10, 1926. 30

Strong, Gov.

Gov. C. tells Board he is to have a conference with Gov. Strong in New York tomorrow, which fact should be kept quiet.

Oct. 12, 1925. 25

C.S.H. feels that Gov. Strong dominates Gov. C.

Oct. 13, 1925. 23

C.S.H. believes Gov. Strong is thinking more of the effect of a rate increase at the Federal Reserve Bank of New York on Great Britain than on the domestic situation.

Oct. 13, 1925. 23

Gov. C. tells C.S.H. that he will talk with Gov. Harding over the telephone as to the rate situation, as soon as he has talked with Gov. Strong.

Oct. 19, 1925. 26

Gov. Strong said it might be wise for Boston to increase its rate just before some meeting of the New York directors, to be followed in successive weeks by Phila. and Cleveland; that this would throw doubt on the speculative minds as to what New York was going to do, and have a sobering effect.

Oct. 27, 1925. 29

Gov. Strong told the Board that direct pressure could not succeed unless the Federal Reserve banks should refuse discounts to any bank having money invested on call, or carrying speculative loans, even on real estate; that this would mean the rationing of credit, which would be disastrous.

Oct. 27, 1925. 30
Gov. Strong said some action must be taken, as speculation in commodities was beginning. Oct. 27, 1925. 30

The meeting voted that Gov. C. and Gov. Strong should inform Sec. Mellon as to the agreement to increase rates at Boston, Phila., and Cleveland, before any action as to New York. Oct. 27, 1925. 30

Gov. Strong tells Platt and C.S.H. that he felt keenly the lack of courtesy and the attacks of certain members of the Board (meaning Miller and James) upon him; that some months ago he got Gov. C. to ask Miller to come into his office and that he then told Gov. C. and Miller, that, henceforth, his relations with the Board would be purely official.

He added that he had received many invitations to lunches and dinners (meaning Miller) but that henceforth he would decline them. Oct. 26, 1925. 30, 31.

Gov. Strong tells C.S.H. that he had gone over the matter of the increase in discount rates, at Boston etc. with Sec. Mellon who fully approved. Nov. 7, 1925. 33


He said there was grave danger that the Belgian franc would collapse out of sympathy with the French franc; that Belgium contemplated an issue of 100 millions in bonds, but the bankers would not put it through until the budget was balanced.

He said the Bank of Belgium needed about 150 millions and that the banks of England, Switzerland and Holland had agreed to buy trade bills and bankers acceptances, guaranteed for payment in the currencies of the loaning bank, by the National Bank of Belgium; that bankers in the U.S. were expected to buy 100 millions to be guaranteed payable in dollars; that the Belgian Finance Minister would write a letter that Belgium would not prevent the exportation of gold to make payments, if necessary; that remittals would be permitted but the whole transaction would be closed within one year.

Gov. Strong asked authority, in behalf of the Federal Reserve System to buy 5 millions of these bills, with the further authority, not to be made public, to buy 5 millions more, if necessary, as a maximum; he said his directors unanimously favored this.
Strong, Governor (Cont'd.)

C.S.H. moved that the Board will interpose no objection.

Cunningham begged to put the matter over until the next meeting, although he said he saw no objection to it.

Gov. Strong said quick action was necessary, as he might have to take action Friday morning.

Cunningham then reluctantly withdrew his request for delay.

The vote in favor was unanimous except that Miller said the form of guaranty must be submitted to the Board for approval.

Sec. Mellon pointed out that this would be a negative vote and that Gov. Strong could be trusted to secure a proper guaranty.

Miller finally withdrew his objection and on C.S.H.'s motion, seconded by the Comptroller, the vote was unanimous.

Winston, who was present, said that if the present Ministry were overthrown, the Belgian debt agreement would fall with it.

Gov. Strong said he thought the present Ministry would remain in power for a long time.

Nov. 25, 1925. 44, 45, 46

At a meeting with the Open Market Committee, Gov. Strong said it would be wiser to replace the 38 millions of Govt. securities maturing Dec.; that the sale of 50 millions, as advocated by Miller, would have little effect now, but might have great effect if sold after the first of the year, then normally there will be a considerable liquidation.

Dec. 1, 1925. 48, 49

Gov. Strong said we must face the issue squarely, that Miller desires deflation pure and simple.

Dec. 1, 1925. 49

Gov. Strong went over the domestic situation; he showed that stock speculation was under control; that stock prices were not far out of line with the 1913 pre-war level after allowing for the 50% increase in general prices; that production was increasing; that prices were fairly stabilized.

He pointed out that customers rates were not low, but fairly high.

Gov. Strong said that what Miller wanted, i.e. deflation, could be brought about only by an increase in discount rates, which would put up customers rates; that it might also result in
Strong, Gov. (Cont'd.)

further importation of gold, thus injuring stabilization in Great Britain; that it would also cause uncertainty in business.

Gov. Strong said his directors were a unit against any present increase in discount rates, although they all felt that in course of time they might have to increase.

Gov. Strong said the Bank of England must soon increase to 5%, but that our rates and open market policy should not now be changed.

The other members of the Open Market Committee all agreed with Gov. Strong.

Dec. 1, 1925. 47, 48, 49, 50

Gov. Strong tells the Board that Belgium will probably be able to issue the 100 millions within a month, as the budget difficulties were being cleared up.

Dec. 1, 1925. 50.

The Board voted to approve Gov. Strong's request to replace the 38 millions of Govt. securities maturing Dec. 15.

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

Dec. 3, 1925. 50

Gov. Strong says that Wetmore's statement that the stock speculation had increased customers rates by 1½% is all nonsense.

Dec. 3, 1925. 51

Gov. Harding says he talked with Gov. Strong and he was warmly in favor of C.S.H.'s reappointment.

Dec. 4, 1925. 54

C.S.H. begged the Board to ask Gov. Strong to explain as to the proposed $18,000 salary for the manager of the Buffalo Branch but the Board would not adopt the suggestion.

Dec. 15, 1925. 63

Gov. C. reports to a special meeting of the Board that Gov. Strong had called him up; that he said that large amounts were being withdrawn from New York by interior banks, much of which had been loaned on call; that call loan rates had risen to 6½; that the New York banks had met the situation; that they had rediscounted heavily and did not want to increase their rediscounts because of the impending Comptroller's call; that they did not want to appear as such heavy borrowers, especially in view of the liquidation which
would normally come within 10 days or so; that Gov. Strong and the Open Market Committee had voted unanimously to buy 15 to 20 millions of Govt. securities to tide the matter over; that Gov. Strong asked for the Board's approval.

Miller was very ugly and said this would be directly feeding the stock market and that we should disapprove.

C.S.H. said he had talked with Gov. Strong over the telephone before the meeting; that Gov. Strong based his request on business and industrial conditions which would be injured by these high call loan rates and that these bulging call loan rates would react on customers rates.

The meeting finally adjourned until tomorrow and Gov. C. was instructed to talk with Gov. Strong again.

Dec. 21, 1925. 65, 66

C.S.H. talks again with Gov. Strong-who again said their request was based on the possible injury to business conditions from these bulging, high call loan rates, and not from any desire to help the call loan market.

Dec. 22, 1925. 66

Gov. Strong was very indignant with Miller and said he was trying to put the Committee and the Board in a false position; that he intended to take up the matter with Sec. Mellen and with the President.

Dec. 22, 1925. 66

At the meeting Gov. C. stated Gov. Strong's position again.

Dec. 22, 1925. 67

C.S.H. restates Gov. Strong's position that bulging call loan rates are a menace to business.

Dec. 22, 1925. 68

Gov. C. told the Board that the directors of the Federal Reserve Bank of New York had unanimously voted to direct Gov. Strong to purchase for their bank from 15 to 18 millions of Govt. securities.

Dec. 22, 1925. 68

On vote, Gov. Strong's request was approved.

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

Dec. 22, 1925. 68

Gov. Strong appears before the Board with Gov. Norman.

Dec. 31, 1925. 71, 72

See — Norman, Gov.
C.S.H. points out that the borrowing of 115 millions from the
Federal Reserve Bank of New York by the First National Bank,
N.Y., could be corrected, as to any future case, by Gov. Strong
by direct pressure or by a special rate on member bank collateral
notes.
Jan. 8, 1926. 78

Gov. Strong came before the Board and we gave him authority to agree
to buy 15 millions of bills from the National Bank of Belgium,
along the lines of an amended credit agreement which he explained,
filing a copy of a cable from Gov. Norman Mac of his reply, --
the final details to be subject to approval of the Board.
Mar. 8, 1926. 111

At a meeting with the Open Market Committee, Gov. Strong protested
against a notice from the Board that future meetings shall be
held in Washington unless otherwise ordered.

Gov. Strong said the Committee was a purely voluntary one, and that
the Board had no authority to issue such an order couched in
such peremptory language.

C.S.H. explained its history and suggested a new draft which Gov.
Strong and the other members of the Committee said would be
perfectly satisfactory.
Mar. 20, 1926. 124

Gov. Strong than read the report of the Committee.

Gov. Strong said a business recession had set in all over the country;
that it was impossible to tell now whether it would continue;
that he knew of one large concern which had placed orders based
on an estimate of 20% increase in sales, only to find that the
actual increase was only 3%; that we must be prepared to cope
with this recession if it should continue.

Gov. Strong said the Committee should be given authority to make
further investments if any emergency should arise.

Miller objected.
Mar. 20, 1926. 125, 126

Gov. Strong speaks to Board as to conditions in New York. He said
the member banks were borrowing heavily from the Federal Reserve
banks, - 142 millions; that there was a recession of business
over the country; that the increased rediscounts tended to
create a pressure for liquidation of customers' loans; that conditions
in Europe looked bad; that there was danger of a sudden increase
of business recession; that we ought to begin to buy securities
to ease the money market; that the member banks would use this
money for reduction of their rediscounts, thus giving increased

Gov. Strong and the other members of the Committee said would be
perfectly satisfactory.
Mar. 20, 1926. 124

Gov. Strong then read the report of the Committee.

Gov. Strong said a business recession had set in all over the country;
that it was impossible to tell now whether it would continue;
that he knew of one large concern which had placed orders based
on an estimate of 20% increase in sales, only to find that the
actual increase was only 3%; that we must be prepared to cope
with this recession if it should continue.

Gov. Strong said the Committee should be given authority to make
further investments if any emergency should arise.

Miller objected.
Mar. 20, 1926. 125, 126

Gov. Strong speaks to Board as to conditions in New York. He said
the member banks were borrowing heavily from the Federal Reserve
banks, - 142 millions; that there was a recession of business
over the country; that the increased rediscounts tended to
create a pressure for liquidation of customers' loans; that conditions
in Europe looked bad; that there was danger of a sudden increase
of business recession; that we ought to begin to buy securities
to ease the money market; that the member banks would use this
money for reduction of their rediscounts, thus giving increased

Gov. Strong and the other members of the Committee said would be
perfectly satisfactory.
Mar. 20, 1926. 124
power of enlarging credit to customers; that reduction of discount rates would not result in member banks reducing their rediscounts but would make it easier for them to carry the rediscounts.

Gov. Strong said that the Committee were unanimous in asking authority, in case of emergency, to ease the market by purchasing, between now and April 15, not to exceed 90 millions of Govt. securities in addition to replacing the 60 millions maturing on March 15, all but 15 millions of which had already been replaced.

Gov. Strong said that the above recommendation was in the report read at the last meeting, but that the Board had then merely authorized the replacement of the March 15 maturities but had not acted on the above recommendation which, in general terms, was embodied in their report.

Miller strongly objected.

The Committee finally put their recommendation in concrete form:

"If developments in the money market indicate any need for doing so, the amount of securities in the System's account may be increased to 300 millions, but no purchases shall be made after April 15, without further consideration."

Lost by a tie vote.

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

Mar. 24, 1926. 128, 129

Board takes up the matter again, Sec. Mellon being present.

C. S. H. stated Gov. Strong's position.

Miller entirely disagreed with Gov. Strong.

On James's motion authority as above was voted.

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

Mar. 25, 1926. 131, 132, 133

See - Open market
Miller said that what Gov. Strong had said had been in a report without any discussion, he probably would have voted to give the authority but that the discussion brought out that Gov. Strong was absolutely wrong.

Miller also said that one member of the Open Market Committee told him afterwards that he did not agree with Gov. Strong although he voted with him. Mar. 29, 1926. 137

Miller said that Gov. Strong had a way of suppressing dissent within the Committee. Mar. 29, 1926. 137

Gov. Strong called up C.S.H. at the Lee House and asks him to stop in at H Street on his way to the Board.

C.S.H. found Gov. Strong very much incensed as to alleged statements of Miller at various times before the Board as to his (Gov. S.) being influenced by the needs of the stock market in determining purchases and sales of Government securities.

Gov. Strong told C.S.H. that he intended to speak of these charges in his testimony before the Banking and Currency Committee that morning.

He said Sec. Mellon had told him that he had heard Miller make such statements before the Board and that he (Sec. M.) was very indignant because of them.

C.S.H. has heard Miller several times make such statements.

Gov. Strong said he would bring Miller out into the open and that there would be a sensation before the Committee on Banking and Currency.

C.S.H. begged Gov. Strong not to do this as it would show up divisions in the Board which would seriously injure the Federal Reserve System.

C.S.H. said to Gov. Strong that Miller, perhaps unconsciously, is a rabid deflationist.

Gov. Strong said that Miller, Dr. Willis, and the editor of the Commercial and Financial Chronicle, were all leagued together in the interest of radical deflation, and that he certainly would have something to say about the Commercial and Financial Chronicle, before he finished his testimony.

April 13, 1926. 156, 159
The following statements have been made by Miller as to the above:

On Dec. 21, 1925, Miller opposed Gov. Strong's request for the Open Market Committee to buy 15 to 20 millions of Gov. securities, saying, in a very ugly manner, that this would be directly feeding the stock market.

On March 24, 1926, the Board withdrew into Platt's room to vote on Governor Strong's request that the Open Market Committee be authorized to buy between now and April 15th not to exceed 90 millions of Government securities. Gov. Strong had spoken of the business recession and of the necessity of being prepared to ease the situation if it should increase.

Miller said to the Board that Gov. Strong's talk about business recession was all rot and that the real motive was to help the stock market.

Another attack was made by Miller upon Gov. Strong on Mar. 29, 1926, when Miller said that Gov. Strong had a way of suppressing dissent within his Committee.


Sen. Owen is pleased at the newspapers report that Gov. Norman and Gov. Strong have delivered an ultimatum to the Bank of France.

Gov. Strong has never told the Board that his going abroad was to take up possible relief for the Bank of France.

Sweetser said the Federal Council of Churches was merely an adjunct of the Republican machine.

Several League of nations delegates were there, also Dr. Zimmern.

We lunch with Mr. and Mrs. Sweetser.
Taber, Louis J.
C.S.H. gives a lunch at the Cosmos Club to, Master of the National Grange.
Present:
Sec. Jardine, Platt, Cunningham and Carl Vrooman.
Jan. 23, 1926. 94

Taft, Ex-President. 15, 17
See - Andrew, Cong.

Tariff Commission. 92
See - Butler
Coolidge
Dennis
Marvin

Tariff Commission
David Lawrence states that President Coolidge had just redesignated Marvin as Chairman of the Tariff Commission; that he wished to designate his friend Dennis, a Democrat, but that the Mass. Republican said it was absolutely necessary to redesignate Marvin, but that to please Butler and help him in his campaign, he had designated Marvin.
Jan. 20, 1926. 92

Tausler, Dr.
Ishii tells C.S.H. that, sent to his cousin, Mrs. Wilson, a complete account of Ishii's dispute with Lansing as to sending a Japanese financial adviser to China, and that Mrs. Wilson showed it to President Wilson.
Sept. 12, 1926. 2

Ticknor, John W. 55, 56
See - Arnold, Mrs. E. W.

Treaties
See - Secret treaties

Treaty book, L. of N.
Ishii tells C.S.H. Dr. Hohbe will show us the, which contains the Shantung agreement.
Sept. 12, 1926. 3

Trotz Rots Hotel, Basel
We arrive at 7:30 p.m.

Very good room overlooking the Rhine for $6 per day, with bath.
Sept. 18, 1926. 10
Tucker, Harry St. George

Mr. Tucker calls on us at Lee House.

He said that some 18 months before Wilson was first nominated for President he was visiting Gen. Greely in New Hampshire and that Mrs. Preston (Cleveland) came over to lunch; that he praised Mr. Wilson very highly; that Mrs. Preston said he could not vote for "that man" as her husband, Ex-President Cleveland, had said he was intellectually dishonest.

Mr. Tucker also said he met Mrs. Preston again in California, in 1919, and that she told him there was absolutely nothing in the Peck letters discreditable to Mr. Wilson; that he was always interested in bright women.

Jan. 24, 1926. 95, 96

Tumulty, Joseph. 40

See - Long, Breckinridge

Valantine
See - Ledyard, Mrs.

Valley Bank of Fresno
See - Branch banks

Vanderlip, Frank

Tells Andrew of proposed loan being negotiated by Charles Norton, Secretary of President Taft. 16

See - Andrew, Cong

Article in Bankers Magazine praising the Federal Reserve Act and favoring the extension of Federal Reserve bank charters.

Says the Federal Reserve Act has proved 95% good.

He also says the personnel of the Board has deteriorated noticeably; that the members paid more attention to expenses and minor administrative matters, than to the major problems they were appointed to consider, and that, if some great crisis should arise their ability to cope with it was held in grave doubt.

May 14, 1926. 188
Verdun

We drove from Metz to Verdun, about 40 miles, returning to Metz the same day. We visited Fort Vaux and saw the bayonet trench.

Sept. 20, 1925. 10

Votes, Federal Reserve Board

Motion of Cumingham to put in a rate of 4% at New York over the heads of the directors.

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

Nov. 6, 1925. 32

Motion of James to approve Boston increase from 3 1/2 to 4%.

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

To approve Cleveland increase from 3 1/2 to 4%.

Unanimous

C.S.H. and Miller voted against its being held up until Monday.

Nov. 11, 1925. 30

Motion of Miller that 50 millions of Govt. securities, including the 38 millions maturing Dec. 15, be sold at once.

Lost by tie vote.

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

Nov. 23, 1925. 42

Motion of Platt that the 38 millions be allowed to run off.

Substitute motion of C.S.H. to approve generally the report of the Open Market Committee, but to call another meeting to determine whether changed conditions demand a change in open market policy.

Passed.

Platt alone voted No.

Nov. 25, 1925. 43

Motion of Platt that the question of allowing the 38 millions to run off be taken up at the meeting with the Committee.

Passed unanimously.

Nov. 23, 1925. 43
1. Motion of C. S. H. that Board will not object to purchase of 5 millions of bills, with 5 millions additional, from the National Bank of Belgium.
Passed unanimously.

2. Motion of C. S. H. to approve allowing the 35 millions of Govt. securities maturing Dec. 15th to be replaced.
Aye: Gov. C., C. S. H., James
No: Miller, Platt.
Dec. 3, 1925

3. Motion of Miller to permit Mercantile Trust Co. to take over as branches banks in Burlingame and Palo Alto.
Aye: Gov. C., Miller, Platt, C. S. H.
No: Comptroller, James, Cunningham
Dec. 8, 1925

4. Motion that Examination Committee report on advisability of extending the area of contiguous territory to embrace Burlingame and Palo Alto so that other banks be given privileges similar to those given to the Mercantile Trust Co.
Passed.
Cunningham, No.
Dec. 8, 1925

5. Motion to reject proposed salary of $18,000 for Manager of Buffalo Branch and substitute $15,000.
Passed.
C. S. H. No.
Dec. 15, 1925

6. Motion of C. S. H. that Open Market Committee be authorised to purchase from 15 to 20 millions of Government securities.
Passed.
Aye: Gov. C., C. S. H., James, Comptroller
No: Miller, Cunningham
Dec. 22, 1925

7. Board approves increase of Federal Reserve Bank, New York, from 3 to 4½%, effective Jan. 1.
Unanimous.
Jan. 7, 1926.
Votes, Federal Reserve Board (Cont'd.)

Motion of Miller favoring amendment of Federal Reserve Act to abolish 15 day collateral notes.

Lost by tie vote.

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

Jan. 8, 1926. 78

Above motion of Miller again voted on.

Lost

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

Jan. 13, 1926. 80

Motion of C.S.H. recommending amendment of Federal Reserve Act to permit member bank collateral notes up to 90 days, secured by eligible paper (but not by Govt. securities) passed.

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

Jan. 13, 1926. 81

The Board voted to approve a proposed reply to Sen. Lanroot's second letter to the Board on Federal Reserve aid to stock speculation.

All voted Aye, except Miller, who asked to be recorded as not voting.

Jan. 13, 1926. 81

Board voted to refuse permission to Federal Reserve Agent Jay to publish at once in New York his figures on brokers loans.

C.S.H. and James voted in favor of granting permission.

Feb. 6, 1926. 99

Board voted that Federal Reserve banks must report for approval of Board all sums paid to Counsel for collecting claims, etc., altho Wyatt advised us that the U.S. Supreme Court had ruled that Attorneys are not "officers or employees."

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

Feb. 9, 1926. 106

Motion of Miller that a sum be fixed within which the Federal Reserve banks need not report.

Passed unanimously.

Feb. 9, 1926. 106
Votes, Federal Reserve Board (Cont'd.)

Motion of C.S.H. to table draft of letter, presented by Miller, to Federal Advisory Council, asking its advice and assistance in checking or altogether eliminating the use of Federal Reserve credit in and of speculative loans.

Passed.

All except Cunningham voted Aye.

Cunningham voted No.

Mar. 11, 1926. 122

Motion of C.S.H. to permit Open Market Committee to increase System holdings of Govt. securities, prior to April 15th, up to 300 millions, provided that the Board reserves right to prohibit further purchases at any time.

Lost.

Aye: C.S.H.

No: Miller, James, Platt, Gov. C., Cunningham

Mar. 24, 1926. 129

Motion of James, same as above but without the proviso.

Lost by tie vote.

Aye: Gov. C., C.S.H., James

No: Platt, Miller, Cunningham

Mar. 24, 1926. 129

James renews above motion.

Passed.

Aye: Sec. Mellon, Gov. C., James, C.S.H.

No: Miller, Platt, Cunningham

Mar. 25, 1926. 133

Motion to permit Valley Bank of Fresno to take over and operate as a branch bank in Prescott, 60 miles away.

No branch bank condition was imposed on entry of Valley Bank. All agreed no injurious changes in assets.

Passed.

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

No: James

April 6, 1926. 146

Motion of Miller to disapprove and suspend the appointment of Olsen as Assistant Secretary of Federal Reserve Bank of Chicago, because not on Federal Reserve Agents department of the Bank.

Passed.

Aye: Gov. C., Miller, James

No: Platt, C.S.H.

April 6, 1926. 146
Votes, Federal Reserve Board (Cont'd.)

Motion of Platt to strike out all of above relating to disapproval and suspension, and leave in merely a declaration that the Board adheres to its policy that the Secretary and Assistant Secretary should be taken from the Federal Reserve Agents side of the Bank. Passed.

Miller and C.S.H. voted No, Miller because he wanted the appointment disapproved and C.S.H. because he believed the directors had a right to appoint anyone whom they chose. April 8, 1926. 152

On motion Board approved absorption by Federal Reserve Banks of 1/3 of expense of cafeterias.

Miller alone voted No. April 6, 1926. 154

Board voted to permit Federal Reserve Bank, New York, to employ Warren, of our Research Division, for its foreign division at $6000 per year. Aye: Gov. C., Platt, C.S.H. No: Miller, James

April 20, 1926. 156

Board approves lowering of Federal Reserve Bank, N.Y. discount rate from 4 to 3 1/2.

Platt said it was premature but would not vote against it.

Miller was absent but later said it was premature and intimated he would have voted against it. April 22, 1926. 156

Board votes unanimously to inform Sen. McLean that it approves the McFadden bill as reported by the Senate Committee as a step in the right direction. April 23, 1926. 170

C.S.H. moves to lay on the table, temporarily, pending another motion he will offer, the first recommendation of James on the Cuban Agency — that it is the sense of the Board that Deputy Governor Campbell should be eliminated from the Federal Reserve System. Defeated.

Aye: C.S.H., Platt
No: Gov. C., Miller, James, Cunningham
May 29, 1926. 153
Votes, Federal Reserve Board (Cont'd.)

Motion of Comptroller that Campbell be eliminated from Federal Reserve System.
Passed.
Aye: Gov. C., Miller, James, Cunningham, Platt
No. C.S.H.
May 30, 1926. 193

Motion of C.S.H. that a complete report be called for from the Federal Reserve Bank of Atlanta covering the whole transaction of that Bank in connection with the movement of currency to its Havana Agency on April 10, 1926, including all instructions given to the party which accompanied the currency shipment, including the personal conduct of the members of the Party.
Passed unanimously.
May 20, 1926. 193, 194

Motion of C.S.H. that James personally communicate the foregoing action of the Board to the Bank and the individuals concerned.
Passed unanimously.
May 20, 1926. 194

Motion of C.S.H. that Gov. C., Miller, and James see Sec. Mellon and ask him as to the present attitude of the Administration as to keeping a Cuban Agency in Havana.
Passed unanimously.
May 20, 1926. 198

Voyage on Pittsburg
We sailed from Antwerp Wednesday, Sept. 23; reached Halifax, Nova Scotia on Thursday, Oct. 3rd; landed at New York on Saturday, Oct. 3rd, at 10 a.m.
13, 14, 15.

Vrooman, Carl
At lunch given by C.S.H. to Louis J. Taber, Master of National Grave, at Cosmos Club.
Jan. 23, 1926. 94
Walsh, David I.
John F. Fitzgerald told Gov. Harding that Walsh wants C.S.H. to run for Governor.
Jan. 6, 1926. 74

Fitzgerald told Sen. Butler that C.S.H. would be nominated for Governor if not reappointed, and Walsh for Senator.
Jan. 5, 1926. 74

C.S.H. explains to Sen. Glass that the Wilson Democrats in Mass. are opposed to Walsh because he broke a pledge to support Wilson on the L. of N.; that they voted for Gillett; that C.S.H. if not reappointed, if he so desired, could probably induce these Democrats to vote for Walsh, thus imperilling Butler's chances.
April 3, 1926. 141, 142

Warburg, Paul
Favors, with some qualifications, member bank collateral notes up to 90 days, secured by eligible paper but not by Government securities.
Jan. 8, 1926. 77.

C.S.H. writes resume as to part played by Miller and Warburg, in trying to cut down the number of Federal Reserve banks in 1915.
Jan. 17, 1926. 89

Col. House showed his abstract of the proposed Federal Reserve Act to Warburg who severely criticised it in a letter written from Switzerland, in 1913.
April 4, 1926. 150

Warren, Charles
C.S.H. tells Mrs. Wilson that he would be a good man to act as her Counsel although Judge Covington also was good.

Mrs. Wilson asked C.S.H. which he would choose for himself and C.S.H. said he would choose Warren.

Mrs. Wilson said she had confidence in Warren, but thought it perhaps might be better to have an Attorney who could personally try cases, if necessary, and who had an office force large enough to handle any small matters, e.g. auto suits, etc; that she feared Warren would not want this kind of small business.
Nov. 15, 1925. 34
Mr. and Mrs. Warren invite us to Christmas dinner, but we were engaged to dine with Col. and Mrs. Rogems.

Dec. 25, 1925. 70

Warren said he met Miller at dinner a few days ago; that he was so loquacious he thought he must have taken an extra cocktail; that he began to talk about the fight in the Board in 1915 to cut down the number of Federal Reserve banks; that he said he was the savior of the situation, as he defeated the attempt by his vote; that Sec. Lane came to him and said President Wilson was very sorry he favored cutting down the Federal Reserve banks; that he told Lane the President was very much mistaken as he was on the President's side in the dispute and had always been so; that after the attempt had been killed by him, the President sent him a most grateful letter.

Jan. 17, 1926. 88, 89.

See - Miller

Warren said he had often heard the Millers abuse Mr. Wilson.

Jan. 17, 1926. 91

Warren tells C.S.H. that Mrs. Wilson had injured Mr. Wilson by refusing to allow Col. House to publish his letters, to which C.S.H. vigorously disagreed.

Mar. 4, 1926. 110

Warren, Federal Reserve Board

Some of Board were very indignant because Harrison of Federal Reserve Bank of New York offered Warren of our Research Division $6000 per year to go into the Foreign Division of Federal Reserve Bank, N. Y. It appeared, however, that Warren would go to Dr. Stewart at $8000 if he did not go to New York, and Board finally approved. April 19, 1926. 163, 164, 165

Washburn, Charles

Gov. Harding said that Charles Washburn, a director of Federal Reserve Bank of Boston, said he had written to Coolidge strongly urging C.S.H.'s reappointment.

April 30, 1926. 176

Weeks, John W.

Curtiss tells C.S.H. the only fear of C.S.H.'s friends is that Sec. Weeks may want his place.

Oct. 15, 1926. 23

C.S.H. calls on Sec. Weeks, by appointment, at Wardman Park Hotel. He looked well but had recently had a bad attack of angina pectoris, and he had a slight stroke about 3 weeks ago.

May 7, 1926. 181
Wellborn, Gov.

Federal Reserve Agent Newton tells Board that Gov. Wellborn and some of the directors favor a policy of assisting some 50 Florida banks, which are practically insolvent, to the limit without too critical scrutiny of the paper they would offer for rediscount.

April 21, 1926. 167

Newton said the Federal Reserve Bank of Atlanta might conceivably lose its capital and surplus if it followed the policy favored by Gov. Wellborn.

April 21, 1926. 168

See - Newton

James wanted the Board at once to remove Gov. Wellborn, for the reason that, recently, he was grossly intoxicated at a public dinner of Federal Reserve officers and bankers, and, later, at a private house.

He said Wellborn was utterly incompetent.

Cunningham asked, why, then, did the Board last January, increase his salary to $25,000?

James said this was given to the office and not to the man.

Cunningham said that, apart from the charge of intoxication, he should vote to retain Wellborn, as being as competent as the average Governor of a Federal Reserve Bank.

The Board all felt this was a separate issue not to be taken up in connection with the Campbell investigation.

May 20, 1926. 195, 196

See - Cuban Agency

Wetmore, Mr. F. O.

States at meeting of Federal Advisory Council that the New York Stock Exchange speculation has increased customer’s rates 1%.

Gov. Strong said this was nonsense.

Dec. 1, 1925. 61

Walley, Ex-Cong.

Tells C.S.H. at lunch with Mrs. Cowdin that he went abroad as one of the Congressional Committee during the war, with Carter Glass and others; that Glass, Bryan, and he lunched with Gen. Pershing at Chaumont, at the time the Armistice was first being talked of; that General Pershing vehemently favored taking Sedan and going on to Berlin, that he (General P.) said it would mean the death...
Whalley, Ex-Cong. (Cont'd.)

of 500,000 American boys, but that he desired to do it,
he said, in order to turn the American soldiers loose on
the women of Germany and give them a taste of what the
German Army had done to the women of Belgium and France;
that Glass wrote down every word in his diary and that
Cong. Byrnes checked it up.

Jan. 10, 1926. 79, 80

White, Henry

Met Mrs. Wilson on train; was furious at Lodge's reference to the
cable he sent him from Paris asking what reservations to
League of Nations he would accept. Lodge said Wilson must
have asked him to do this, which White denied. White said
he had supposed Root and Lodge were his friends.

Nov. 15, 1925. 36, 37

Wile, Mr.

Lawrence Evans says Wile told him that President Coolidge knew
more of what the people are thinking than any other President;
that his only policy was to hold his ears to the ground, find
out what the people want, and then proceed to do it; that
he believed Coolidge was getting ready to accept the l. of N.;
that Coolidge saw evidence of a wave of public opinion for it;
that he was about satisfied that, in opposing the L. of N.,
he had put his money on the wrong horse.

Jan. 1, 1926. 72, 73

C.S.H. lunches with Mr. Wile. He said H.P.H. had read him at the
Woman's Democratic Club Carter Glass's editorial and that he had
sent it to the Pulitzer award jury, and had received word
that it was in time; that he thought it one of the most
brilliant pieces of editorial writing he had ever seen and
felt it would prove a formidable competitor for the $1000
prize.

Feb. 4, 1926. 97

Sen. Glass wrote thanking Wile for his letter and added that Bishop
Lawrence could not have attached much importance to the
editorial as he had never answered the indictment.

Feb. 4, 1926. 98

Williams, John Skelton

Elliott says that, wanted to bring McFadden before a grand jury;
that there were reasons for doing this, but that he advised
against it, as it might be claimed that it was persecution.

April 29, 1926. 174
Williams, John Skelton (Cont'd.)

Deputy Comptroller Kane signs an affidavit giving a history of the McFadden matter and showing that the Comptroller's office had the same trouble with McFadden and his bank long before Williams took office. May 8, 1926. 182, 183, 184

Willis, Dr.
Gov. Strong says that Miller, Willis, and the Commercial and Financial Chronicle, were leagued together in the interest of radical deflation. April 13, 1926. 189

Wilson, Margaret
Mrs. Wilson says that Margaret Wilson has been a week in Washington lobbying for the Maternity bill, and that she was sorry to have a daughter of President Wilson doing this. Mar. 6, 1926. 110

Wilson, Miss
Dr. Butler says the L. of N. has cut down its budget and that Miss Wilson, the Librarian, has had to cut down her staff and may herself resign. April 16, 1926. 160

See - Carnegie Board.
Index

References are to Numbers Following.

Alderman, Dr. 6

Baker, Newton D. 33

Baker, Ray Stannard. 36

Balfour 22

Baruch, Miss. 5, 59, 60, 61, 62, 63

Baruch, Mr. R. N. 16, 19

Bethlehem Chapel. 13

Bolling, Bertha. 65, 66

Bolling, Mrs. 24, 25

Bolling, Randolph 9, 24, 25, 59, 60, 70, 79

Bolsheviki. 23

Briand. 36

Calls on us. 57, 63

Carnegie Board. 21, 44, 45, 46, 47

Cathedral, Geneva. 4


Cleveland, Ex-President. 52

Cleveland, Mrs. 56, 53

Covington, Judge. 16, 20, 25, 36

Davis, Norman. 40

Delano. 29, 33
Dinner, Wilson birthday. 29, 33, 41, 45, 46

Dinners. 6, 15, 27, 32 (regretted) 34 (A.M. Helm) 39, 59 (Mrs. Pennington) 68, 72 (regretted)

See - Teas

Doubleday, Page & Co. 40

Drives with. 30, 34, 58, 65, 73, 76, 78

Eliot, Rev. Samuel 33, 43, 48

Elliott, Edward. 77

Esterline. 1

Eustis, Mrs. William 17, 31

Federal Reserve banks. 42

Federal Reserve Board. 71

Gavit, John Palmer. 7

Glass, Sen. 50, 71, 75

Greco-Bulgarian dispute. 26

Greely, Gen. 52

Grey, Lord. 28, 61

Hamlin, Anna. 72, 74

Hamlin, Harriet. 58

Hamlin, H.P. 11, 31, 38

See - Pa, Ma and Mae

Harriman, Mrs. Bordam. 6

Honorary degree, Oxford. 60

House, Col. 55, 56, 62, 71

Household troubles, Geneva. 9

Houston, Sec. 40, 41

International Club. 1, 5, 6
Ishii, Viscount. 2, 3, 22, 23
See - Long
Johnson, Miss. 5, 37
Jones, Jesse. 21
Kahn, Mrs. Julius. 77
Lane, Nancy. 19
Lansing, Mrs. 69
Lansing, Sec. 2, 3, 22, 23
Leesburg, Va. 31
Letters from Mrs. W. 12, 20, 43
Letters to Mrs. W. 25, 26
Lodge. 18
Long, Breckinridge. 22, 23
McAdoo, W. G. 55
McCoy, Judge. 20
Miller, Adolph. 42, 77
Moore, Cong. 34
Myer, Gertrude. 13
Non-partisan League. 39, 49
Olney, Sec. 55
Oxford University. 60
Pa, Ma and Mae. 26, 39, 40
Paderewski. 41
Paris. 10, 13
Patten, The Misses. 13
Peace proposal. Wilson. 28
Peck letters. 53
Pennington, Mrs. 51, 59, 66, 70, 79
Pool. 15
Preston, Mrs. (Cleveland) 52, 53
Pruyn, Hendrick. 8
Reappointment. C.S.H. 75
Rogers, Col. & Mrs. 32
Root, Elihu. 18
Royalties, Chronological table. 79
Ruffin, Dr. 1, 13
Russia. 23
Scott, James Brown. 44, 46, 46, 47
Secret allied treaties. 2, 22
Shantung agreement. 2
Stokes, Rev. Anson Phelps. 18
Stokowski, L. 37
Teas with Mrs. W. 30, 65
Templer, Dr. 3
Treaties
   See - Secret allied treaties
Tucker, Harry St. George. 52, 53
Tunstall. 23
Warren, Charles. 16, 42, 62, 67
White, Henry. 18
White lilac sprig. 74
Wilson, Margaret. 64
Wilson, Woodrow. 2, 22, 23, 26, 28, 29, 33, 40, 42, 44, 46, 47, 53, 55, 60, 62, 64, 71, 77.

See - Chronological table.

Women's Democratic Club. 79

Wytheville, Va. 24, 25

5. Miss Johnson and Miss Johnson are to give a dinner at the Women's Club next week. Miss Johnson and Miss Johnson are giving a dinner at the Women's Club next week.

Sept. 17, 1890.

8. Mrs. Wilson tells us she is feeling better.

Sept. 17, 1890.
Wilson, Woodrow and Mrs.

1. Mrs. Wilson takes Dr. Ruffin and Mr. Esterline to drive and to lunch at the International Club.
   Sept. 12, 1925. 1

2. Ishii says he told Lansing in 1917 of the secret Shantung treaty but believes that Lansing did not tell Wilson.
   Sept. 12, 1925. 2

3. Ishii says Dr. Teusler wrote his cousin Mrs. Wilson about the dispute between Lansing and himself as to sending a Japanese financial adviser to China. Sept. 12, 1925. 2

4. Mrs. Wilson offers us tickets to the Cathedral ceremonies but we already had some.
   Sept. 13, 1925. 3

5. Mrs. Wilson says Miss Baruch and Miss Johnson are to give a dinner at the International Club tomorrow, that she could not go but wants us to dine with her.
   Sept. 16, 1925. 6

6. We dine with Mrs. Wilson, Dr. and Mrs. Alderman and Mrs. Harriman were there. Miss Johnson and Miss Baruch were giving another dinner at the International Club.
   Sept. 17, 1925. 9

7. C.S.H. goes over Mrs. Gavit's writings with Mrs. Wilson and she really seemed impressed.
   Sept. 17, 1925. 9

8. We told Mrs. Wilson about Hendrick Pruyn's letters to her which Mr. Bolling had not forwarded; she was not at all disturbed about them.
   Sept. 17, 1925. 9

   Sept. 17, 1925. 9

10. Mrs. Wilson said they would leave next Monday for Paris, as their lease in Geneva was only for one month; that she would probably be back in Washington by the end of October.
    Sept. 17, 1925. 9

11. Mrs. Wilson said we must stay with her in Washington until we fixed our winter plans.
    Sept. 17, 1925. 9
12. Mr. Mitchell, of the Red Star Line, gave us a delightful letter from Mrs. Wilson forwarded in his care.

Sept. 23, 1925. 12

13. Gertrude Myer tells C.S.H. she knows that Mrs. Wilson is engaged to Dr. Ruffin; that it was scandalous for Dr. Ruffin to go abroad to see her and to visit her in Paris.

C.S.H. told her Dr. Ruffin was in Geneva only one day, and saw very little of Mrs. Wilson, and that he did not visit her in Paris.

She said the Pattens told her that Mrs. Wilson was engaged to Dr. Ruffin when she first met President Wilson, and that when she became engaged to Mr. Wilson she wrote Dr. Ruffin a most casual letter to that effect.

She said it was scandalous for Mrs. Wilson to keep Dr. Ruffin as her physician.

She also said she and Rev. Anson Phelps Stokes were joking, the other day, as to whether the marriage would be held at Bethlehem Chapel, and that the Rev. Stokes said he could almost hear Mr. Wilson protesting, like Banquo’s ghost.

C.S.H. very sternly told her there was not a word of truth in this rumor, that it was silly gossip, and that he believed she herself was in love with Dr. Ruffin, and mad with jealousy.

She still insisted she knew the rumor was true.

She is a malevolent gossip!

Nov. 7, 1925. 34, 35

14. Mrs. Wilson asks us to dinner for Saturday.

Nov. 15, 1925. 35

15. We dine with Mrs. Wilson, and C.S.H. later plays pool with her.

Nov. 15, 1925. 35

16. Mrs. Wilson tells C.S.H. she wishes to retain a lawyer to look after her affairs, and to advise her, from time to time.

She said Mr. Baruch had suggested Judge Covington, who had acted for him.

C.S.H. said Covington was a first-class man but that he would make some quiet inquiries about him, and let her know.
Mrs. Wilson then asked about Charles Warren, and C.S.H. said she could not get a better man. She then asked C.S.H. which he would choose if it were his own matter.

C.S.H. said he personally would choose Warren, and added that if questions of copyright, contracts, etc. should ever arise, Warren would be an invaluable man.

Mrs. Wilson said she had confidence in Warren, but was inclined to think that it might be better to have some lawyer who had an office force large enough to handle small matters and who would try cases personally when advisable. She feared Warren might not want to handle small matters such as might come up. She said she would not make up her mind until C.S.H. reported on Covington.

Nov. 15, 1925. 35, 36

17. Mrs. Wilson said Mrs. Rustie had been in Johns Hopkins Hospital since she returned from Europe.

Nov. 15, 1925. 36

18. Mrs. Wilson said that when in New York she bought a copy of Lodge's book on the Senate and the League of Nations to read on the train; that while reading it Henry White suddenly came up and spoke to her; that he was furious at Lodge's reference to the cable he had sent him from Paris, and said he had always supposed that Root and Lodge were his friends.

(See scrap book as to White's published letter.)

Nov. 15, 1925. 36, 37

19. Mrs. Wilson said that Nancy Lane had come to New York and had asked Mr. Baruch to help her obtain a movie engagement; that she had a bad case of goiter.

Nov. 16, 1925. 37

20. C.S.H. called up Chief Justice McCoy and asks about Judge Covington without mentioning Mrs. Wilson's name.

Judge McCoy praised him in the highest manner and C.S.H. wrote Mrs. Wilson receiving a most grateful letter in reply.

Nov. 16, 1925. 37


Nov. 16, 1925. 37
Wilson, Woodrow and Mrs. (Cont'd.)

22. Breckinridge Long tells C.S.H. that Mr. Wilson was in error when he said he first learned of the secret Allied treaties when abroad, in 1919; that he knew that Balfour told Wilson of them at a secret conference in the White House in 1918; that he did not know whether Balfour told Lansing or not.

Nov. 18, 1925. 39

23. Long said that after 1919, Wilson never communicated with Lansing in any way; that he practically managed the State Department while Wilson was in Paris; that once the question came up whether we should withdraw our troops from Russia to avoid open conflict with the Bolsheviks; that he finally got Tumulty to get Mr. Wilson to advice him what to do, and that shortly afterwards, a cable came from Mr. Wilson directing the withdrawal.

Nov. 18, 1925. 40

24. Mr. Bolling calls up C.S.H. to say that his Mother had died early in the morning; that Mrs. W. and he were going to Wytheville, Va. tomorrow; that the funeral would be on Monday.

Nov. 21, 1925. 43


Nov. 21, 1925. 43

26. C.S.H. writes Mrs. Wilson quoting Briand's statement that the Council of the League of Nations dedicated the happy ending of the Greco-Bulgarian dispute to the memory of Woodrow Wilson, who conceived and brought to realization the L. of N.

Nov. 26, 1925. 46, 47

27. Mrs. Wilson calls C.S.H. up and asks him to come up to dinner.

Nov. 29, 1925. 47

28. Mrs. W. tells C.S.H. that President Wilson did not want to meet Lord Grey when he came here the last time. She also said she believes, but does not know that he was angry with Lord Grey because of the manner in which he treated his 1916 peace proposal.

Nov. 29, 1925. 47

29. C.S.H. accepts Delano's invitation to serve on a Committee to arrange a dinner in Washington on Wilson's birthday.

Dec. 28th.

30. Mrs. Wilson sends her auto to take us to drive. Afterwards we stopped at her house and she drove home with us.

Dec. 13, 1925. 62
Wilson, Woodrow and Mrs. (Cont'd.)


Dec. 22, 1925. 69

32. Mrs. Wilson invites us to Christmas dinner but we had already accepted the invitation of Col. and Mrs. Rogers.

Dec. 26, 1925. 70

33. C.S.H. attends Wilson memorial dinner at the Mayflower Hotel. Delano presided and made a good address.

Rev. Samuel Eliot and Newton Baker also delivered fine addresses.

Dec. 28, 1925. 70

34. Mrs. Wilson and Mr. Bolling, C.S.H. and M.P.H. dine with Admiral and Mrs. Helm.

Admiral Helm was ill and Judge Moore, a Virginia Congressman, took his place.

Mrs. W. called for us at the Lee House and took us to and from the dinner.

Jan. 5, 1926. 76

35. Mrs. Wilson tells C.S.H. she has taken Judge Covington as her Counsel and has an interview with him today.

Jan. 5, 1926. 76

36. C.S.H. advises Mrs. W. surely to go over with Judge Covington any papers she may have signed with regard to Ray Stannard Baker and the biography; that this was of the utmost importance.

Jan. 5, 1926. 76, 77

37. C.S.H. calls up Mrs. Wilson and incidentally, speaks of the newspaper rumor that Miss Johnson is to marry Leopold Stokowski, leader of the Phila. Orchestra.

She says it is true; that they wanted her to go on for the wedding, but that she felt it would be rather conspicuous and decided she could not go.

C.S.H. had a feeling that she did not favor the marriage, although she did not say so.

Jan. 10, 1926. 80

38. Mrs. Wilson asks us to dinner tomorrow and says she wants H.P.H. to read to her "Pa, Ma, and Mae."

Jan. 12, 1926. 80

39. We dine with Mrs. Wilson and H.P.H. read to her "Pa, Ma and Mae."
Wilson, Woodrow and Mrs. (Cont'd.)

39. (Cont'd.)

She said it was wonderfully well done and that she would send it to Miss Baruch and felt she could arrange to have the Non-partisan league publish it.

Jan. 13, 1926. 82

40. Mrs. Wilson tells C.S.H. that when in New York in December she met Sec. Houston at Norman Davis’s house; that she said to him she had heard he was about to publish his reminiscences; that he replied that he had written them but had no present intention of publishing them, that that was a question to be decided in the not near future.

She said she had intended to tell him she was unwilling to have Mr. Wilson’s private correspondence printed in the book, but that he was so positive in his assertion that he had no present intention of publishing the book that she made no mention of it.

She said that, however, when she returned to Washington she was shown Doubleday, Page & Co.’s official announcement of the publication, dated Dec. 18th - before her visit to New York - and that she at once drafted a letter to him stating that his unequivocal denial to her of any present intention of publishing the book in the near future made it seem unnecessary to her to tell him her wish not to have Mr. Wilson’s letters published in the book; that the official announcement of Doubleday, Page & Co. of immediate publication made it necessary for her to tell him her wishes in the matter - which she proceeded to do. She said that she showed this draft to Judge Covington who said it showed evidence of anger, and thought it would be more forcible if somewhat softened; that thereupon she did somewhat soften it and mailed it.

She read to C.S.H. the typewritten reply of Houston, - a very evasive and not candid letter.

Houston said the only private letter of Mr. Wilson referred to in his book was one sent in reply to his letter written just before his term expired, - evidently a letter he wished to publish for purposes of self-gloration.

Mrs. Wilson felt that Houston deliberately tried to deceive her and she was very much stirred and indignant.
She said it was wonderfully well done and that she would send it to Miss Baruch and felt she could arrange to have the Non-partisan League publish it.

Jan. 15, 1926. 82

40. Mrs. Wilson tells C.S.H. that when in New York in December she met Sec. Houston at Norman Davis's house; that she said to him she had heard he was about to publish his reminiscences; that he replied that he had written them but had no present intention of publishing them, that that was a question to be decided in the not near future.

She said she had intended to tell him she was unwilling to have Mr. Wilson's private correspondence printed in the book, but that he was so positive in his assertion that he had no present intention of publishing the book that she made no mention of it.

She said that, however, when she returned to Washington she was shown Doubleday, Page & Co.'s official announcement of the publication, dated Dec. 18th - before her visit to New York - and that she at once drafted a letter to him stating that his unequivocal denial to her of any present intention of publishing the book in the near future made it seem unnecessary to her to tell him of her wish not to have Mr. Wilson's letters published in the book; that the official announcement of Doubleday, Page & Co. of immediate publication made it necessary for her to tell him her wishes in the matter, - which she proceeded to do. She said that she showed this draft to Judge Covington who said it showed evidence of anger, and thought it would be more forcible if somewhat softened; that thereupon she did somewhat soften it and mailed it.

She read to C.S.H. the typewritten reply of Houston, - a very evasive and not candid letter.

Houston said the only private letter of Mr. Wilson referred to in his book was one sent in reply to his letter written just before his term expired, - evidently a letter he wished to publish for purposes of self-glorification.

Mrs. Wilson felt that Houston deliberately tried to deceive her and she was very much stirred and indignant.
Wilson, Woodrow and Mrs. (Cont'd.)

C.S.H. agrees with Mrs. Wilson entirely and believes Houston feared she was going to forbid the publication of Mr. Wilson's letters when she saw him, and tried to avoid this by making her think he had no present intention of publishing the book, - a deliberate falsehood.

Jan. 13, 1926. 84, 85

41. Mrs. Wilson said Houston did not come to the Wilson dinner in New York pleading as an excuse a prior engagement for a dinner in honor of Paderewski; that Norman Davis begged him to come, saying that he owed all he had in the world to Wilson, but he would not; that Paderewski came late to the Wilson dinner.

Jan. 15, 1926. 86, 87

42. Miller tells Charles Warren that he was on Wilson's side in the dispute over cutting down the number of Federal Reserve banks, in 1915, that his vote saved the situation, and that Wilson wrote him a grateful letter of thanks.

Jan. 17, 1926. 88, 89, 90

See - Miller

43. Mrs. Wilson called up C.S.H. and thanks him for sending Red. Samuel Eliot's address at the Wilson dinner.

Jan. 19, 1926. 91

44. Mrs. Wilson called up C.S.H. at the Treasury to say that James Brown Scott has just written her enclosing the Wilson resolution of the Carnegie Board, which was voted on April 16, 1925.

Some days ago C.S.H. telephoned Scott's office that Mrs. Wilson had never received the resolution, and this evidently is the response.

Mrs. Wilson read C.S.H. her proposed reply.

It is extraordinary that Scott, in spite of his dislike for Wilson, should have delayed sending this from April 16, 1925, to January 20, 1926.

Jan. 20, 1926. 91, 92

45. Copy of Scott's letter to Mrs. Wilson. 91, 92

46. Scott writes C.S.H.:

"You will be glad to know we have just received the enclosed reply from Mrs. Wilson in regard to
232. Wilson, Woodrow and Mrs. (Cont'd.)

46. (Cont'd.)

the resolution of the Board of Trustees which I had the pleasure of sending her in behalf of the Carnegie Endowment.

That Scott should have delayed sending this from April 16, 1925 to January 20, 1926, shows clearly his animus towards Mr. Wilson.

Jan. 21, 1926. 93

47. C.S.H. calls up Mrs. W. and told her of the above.

Jan. 21, 1926. 94

48. Mrs. W. asks us to come up and we do so; C.S.H. reads to her Rev. Samuel Eliot's address at the Wilson dinner of Dec. 28, 1925.

Jan. 23, 1926. 94

49. Mrs. Wilson tells H.P.H. that Miss Baruch said that the reader of the Non-Partisan League said she enjoyed "Pa, Ma, and Mae" very much but feared it was too partisan for the League to publish; that she would report on it officially later.

Jan. 23, 1926. 94, 95

50. Mrs. Wilson objects to having Sen. Glass's secretary prepare the chronological sketch of Mr. Wilson which Mrs. Pennington is to have printed, because he once sent her a sketch of Mr. Wilson, full of errors, which he asked her not to publish, but which he did nevertheless.

Jan. 23, 1926. 95

51. Mrs. Wilson and Mrs. Pennington beg C.S.H. to prepare the chronological sketch of Mr. Wilson and he agreed to do it.

Jan. 23, 1926. 95

52. Harry Tucker tells C.S.H. that he visited Gen. Greely in New Hampshire about 18 months before Wilson was nominated for President and that Mrs. Preston (Cleveland) came over to lunch; that in response to his praise of Wilson, Mrs. Preston said she could not vote for that man as her husband, Ex-President Cleveland, had said he was intellectually dishonest.

Jan. 24, 1926. 95, 96
53. Harry Tucker also said he met Mrs. Preston (Cleveland) again in California in 1919 and that she told him there was absolutely nothing in any way discreditable to Mr. Wilson in the Peck letters; that Mr. Wilson was always interested in bright women.
Jan. 24, 1926. 95, 96

54. Mrs. Wilson calls up to say she is going south tomorrow night for two weeks. She is to visit Miss Baruch.
Jan. 26, 1926. 96

55. The Washington Post publishes part of Col. House's book. It states that McAdoo wanted C.S.H. for the Federal Reserve Board but that Wilson said that he preferred Olney and that he happened to be President; that later C.S.H. was appointed in accordance with McAdoo's wishes.

The fact is true that McAdoo wanted C.S.H. but it is also true that Olney strongly urged Wilson to appoint C.S.H.
Feb. 9, 1926. 105

56. C.S.H. called up Mrs. Wilson. Incidentally, in speaking of the Colonol House book, she said Col. House was apparently an ass!
Feb. 19, 1926. 107

57. We call on Mrs. Wilson but she had gone out.
Feb. 21, 1926. 107

Feb. 22, 1926. 107

59. We dine with Mrs. Pennington; Mrs. Wilson, and Mr. Bolling were also there. We talked over the Wilson chronology.
Feb. 23, 1926. 108

60. Mrs. Wilson said Oxford offered Mr. Wilson an honorary degree while he was in Paris, but that he could not go to Oxford to receive it, and the Oxford rule requires the recipient to be present.

She said Mr. Wilson often had said that he should appreciate an honorary degree from Oxford more than from any other University.
Feb. 25, 1926. 108

Mar. 1, 1926. 108
Wilson, Woodrow and Mrs. (Cont'd.)

Mar. 4, 1926. 110

63. Mrs. Wilson calls and spends an hour with us at the Lee House. C.O.H. gave her a new draft of the chronological table of Wilson.
Mar. 6, 1926. 110

64. Mrs. Wilson says Margaret Wilson has been with her for a week; that she was "lobbying" for the maternity bill; that she was very sorry that a daughter of Mr. Wilson would thus use her influence.
Mar. 6, 1926. 110

65. Mrs. Wilson takes us, with her sister, Bertha, for a long drive, stopping for tea at a tea house on the Alexandria road.
Mar. 8, 1926. 111

66. Mrs. Wilson and Mrs. Pennington call to talk over the Wilson chronological table. Mar. 13, 1926. 124

67. C.O.H. asks Charles Warren to go over the Wilson chronological table, and he made many valuable suggestions.
Mar. 14, 1926. 124

68. Mrs. Wilson takes us and her sister Bertha on a long drive.
April 3, 1926. 140

69. Mrs. Wilson tells us that the other day, at the Woman's Democratic Club, Mrs. Lansing came up and talked with her.
April 3, 1926. 140

70. We dine with Mrs. Pennington. Mrs. Wilson and Mr. Bolling were also there.

We talked over the Wilson chronological table.
April 5, 1926. 146

71. Sen. Glass tells C.O.H. how the Federal Reserve Board came to be agreed upon by Mr. Wilson and himself and criticises Col. House.
April 4, 1926. 146, 149, 150.

See - Glass, Sen.

72. Mrs. Wilson asks us to dinner for Monday, April 26th. - the anniversary of Anne's death, but H.P.H. told her she did not feel up to it. Mrs. Wilson said she asked us thinking it might help us, and that she understood perfectly our feelings.
April 24, 1926. 171
73. Mrs. Wilson takes us on a long drive.
   April 26, 1926. 171

74. Mrs. Wilson reminds us of our gathering a sprig of white lilacs on St. Nicholas eve, when H.P.H. and Anna were visiting her; and putting it in a warm place in the kitchen. H.P.H. saying it would bloom on Christmas Day, but it did not.
   April 26, 1926. 171, 172

75. Mrs. Wilson asks C.S.H. as to his reappointment and C.S.H. told her all about it. She asked if she might speak to Sen. Glass about it; and C.S.H. said he hoped she would.
   She said she would tell him how deeply she was interested in it.
   She said she would do all in her power to help.
   April 26, 1926. 172

76. Mrs. Wilson takes us on a long drive.
   May 5, 1926. 177

77. Mrs. Julius Kahn says she believes that one reason for Miller's appointment on the Federal Reserve Board was because he had leased his house in Berkeley to Edward Elliott who married the first Mrs. Wilson's sister, and helped get him a position in the University of California.
   May 5, 1926. 178

78. Mrs Wilson takes us on a long drive.
   May 9, 1926. 185

79. Mrs. Pennington tells C.S.H. that Mr. Rollings asked her if she was going to give all the royalties on the chronological table of Mr. Wilson, to the Women's Democratic Club; that she thought he had in mind that some part should be given to Mrs. Wilson.
   Mrs. Pennington asked us if we would object to her writing to Mrs. Wilson that she would give one-half to her and one-half to the Club.
   We both said we would be most pleased to have her do this.
   Mrs. Pennington's original intention was to give all the royalties to the Club.
   May 11, 1926. 186
Wing, Daniel

Curtiss said that Ex-Gov. Cox was receiving a salary of $25,000 per year as Vice President of Wing's bank.

Oct. 13, 1925. 23, 24

Gov. Harding tells C.S.H. that when he returns to Boston he will ask Wing to wire Sen. Butler that it is imperative that C.S.H. be reappointed at once.

April 30, 1926. 176

Gov. Harding says Sen. Butler told Wing that the matter of C.S.H.'s reappointment had been taken out of his hands and left with Secretary Mellon and President Coolidge, to his great relief, as he did not want to disappoint the Republican politicians nor to alienate C.S.H.'s many supporters in Mass.

May 17, 1926. 190

Winston, Under Secretary of Treasury

Says that if the present Belgian Ministry is overthrown, the Belgian debt agreement would fall with it.

Nov. 25, 1925. 46

Tells C.S.H. that Sec. Mellon and he are much disturbed at Miller's motion to abolish 15-day collateral notes, as it would seriously interfere with Treasury operations.

He said Sec. Mellon was very angry with Miller; that Sec. Mellon was satisfied that Miller and Hoover were working together and had egged on Sen. Lenroot to write his two letters to the Board as to the use of Federal Reserve funds for speculative loans; that these letters contained statements and agreements Sen. Lenroot could not have made without inside assistance.

Jan. 9, 1926. 78

Gov. C. says Winston told him it was perfectly well understood that Hoover was dominating Miller and that he had proved that Hoover got inside information from Miller; that Sec. Mellon was very much disturbed about it.

Mar. 26, 1926. 134

Winston tells Platt that while ordinarily he would prefer to have a Republican appointed, yet in this case he felt that C.S.H. should surely be reappointed and that he would say so to Secretary Mellon.

April 12, 1926. 197

Women National Democratic Club. 82, 97, 99.

See Harriman, Mrs.

Pennington, Mrs.

Wile, Mr.
Lawrence Evans told C.S.H. that Mr. Call, a newspaper publisher, told him that Sen. Borah told him (Call) that President Coolidge told him (Borah) that he felt the U.S. should steer clear of the World Court, but that the pressure on him was so strong he could not resist it.

Oct. 15, 1925. 23

Mrs. Bruce takes H.P.H. to the opening of the World Court debate in the Senate.
Dec. 18, 1925. 64

C.S.H. writes President Coolidge telling him of the address before the International Club of Austen Chamberlain and Lord Cecil, on the World Court, on Sept. 7, 1925.
Nov. 25, 1925. 43

(See scrap book for copy of letter.)

Wyatt, Gen. Counsel

Tells C.S.H. that the regulations of the Board provided for in Section 14 of the Federal Reserve Act are not a condition precedent to the right of a Federal Reserve Bank to buy or sell Government securities in the open market; that the Board had made only general regulations not specifically limiting such purchases and that, therefore, the Federal Reserve banks had a right to buy or sell them.
Dec. 22, 1925. 68

Advises Board that Federal Reserve banks are not bound to report for approval amounts paid counsel for collecting claims, etc. as the U.S. Supreme Court had decided that attorneys were not "officers" or "employees."
Feb. 9, 1926. 105, 106

Board asks Wyatt to prepare a plan for having one of the Boston employees of the Cuban Agency designated to act as Assistant Federal Reserve Agent of the Atlanta Bank and to hold unissued Federal Reserve notes, to be issued only in emergencies, to some other Boston officer, designated to receive the notes in behalf of the Atlanta Bank. This on the assumption that the Havana Agency was to be discontinued.
April 30, 1926. 175, 176

Wyatt leaves for Havana with James and Herson.
May 2, 1926. 177
We meet Dr. Zimmern at lunch at Mr. Sweetser's. He lectures every morning on the League of Nations.

He was bitter against Austen Chamberlain, saying he wished to shelve the League of Nations.

He said the League of Nations was fighting for its life over the proposed Protocol, and that the Assembly would never consent to shelving it.

He said that if Lord Cecil had been Minister of Foreign Affairs, the Protocol would have been accepted, at least on principle, but the right to file reservations might have been reserved.

Sept. 15, 1925. 5, 4.