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CHARLES SUMNER HAMLIN

DIARIES

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DIARY

VOLUME 15.

August 1, 1928 - March 22, 1929.

Index - Digest.

Acceptance, Speech of
See - Smith, Governor

Acceptances
Open Market Committee wishes to purchase Government securities as a last resort to avoid any dangerous situation which could not be met by purchase of acceptances, exchange operations or otherwise; to reduce bill rates would result in vast dumping on Federal Reserve banks which might ease credit situation but would undo work of many years in developing a bill market.

C.S.H. believes this is the first suggestion of easing the credit situation by purchase of acceptances.
Aug. 14, 1928. 9

James favored a preferential rate on bankers acceptances and trade bills. Aug. 14, 1928. 8

Board writes Harrison that if understands the Committee wishes to ease situation primarily through the bill market, and only as a last resort through purchase of Government securities and on this understanding approves purchase of Govt. securities up to 100 millions.
Aug. 16, 1928. 7

A few days ago Dr. Miller put in a resolution favoring higher acceptance rates for express purpose of drawing money out of the call loan market, which latter reference he later struck out.

Dr. Miller, C.S.H. and Platt voted for this resolution but it failed.

Gov. Young said money was now tending away from the call loan market. Dec. 26, 1928. 114, 115.

Gov. Young called special meeting at 4:30 p.m. to take action on N. Y. increase in acceptance rates, just reported. He was very angry it had not applied for approval. He wanted to order the rate suspended. Platt said that would be a blow

Acceptances (Cont'd.)

in the face. Governor Young said that was just what he wanted.

Dr. Miller suggested Board ask N.Y. not to announce it until Board considered it. Board agreed to this. Gov. Young then used almost violent language to Harrison.

Platt told me above. C.S.H. had gone for the day.
Jan. 3, 1929. 121

At full Board meeting, Secretary Mellon being present, members agreed New York was not bound to secure prior approval as a minimum rate only had been fixed by Board which had always approved the actual rate as a matter of course.

Dr. Miller moved enactment of a regulation requiring approval the same as discount rates, to be discussed with Open Market Committee on Monday and that Warburg be asked to come down and discuss it.

Gov. Harrison wired that his bank had kept present rate until crop moving and exports were over, but that rates in open market were high and if the rate had not been put up they would have been flooded with acceptances and that the proceeds would feed the stock market.

Voted to prepare a draft of regulation.

C.S.H. felt Gov. Young had not been treated courteouslyas Gov. Harrison had told him they would discuss acceptance rates at open market meeting Monday.

Board found New York had notified the other F.R. banks of the increased rate yesterday, so the rate was now in effect and could not well be suspended. We practically all agreed to this.

Gov. Young did not claim Gov. Harrison had treated him discourteously but he evidently felt so for he gave notice he would put in a resolution in a week that no F.R. bank could invest more than a certain percentage of its capital in Govt. securities.

Gov. Young at first wanted banks attention called to the Regulation of 1926 as to notice of rate changes, but Platt pointed out that this applied only to discount rates.

Dr. Miller favored a regulation as to purchase of acceptances to which C.S.H. said this was the proper action to be taken if any action was taken.

Acceptances (Cont'd.)

C.S.H. hoped it would be drawn so as to relate only to the future and not simply any punishment as he believed N.Y. was within its legal rights in doing what it did, barring, of course, any question of courtesy.

Jan. 4, Friday.
121, 122, 123

Warburg approves having Board approve acceptance rates before they become effective and favors a minimum and maximum rate. He approved F.R. Bank of New York in increasing acceptance rates. Said that an increase would make them more attractive to purchasers, and though foreign central banks might get the chief benefit, from remission of income tax, it would also broaden the domestic market for banks, corporations, etc.

He said the increase might force increase in discount rates which he felt was justified.

He agreed with Gov. Young that proceeds of acceptances seeped into the speculative market more slowly than, e.g. purchase of Govt. securities.

Dr. Miller said if true he would oppose an increase as there was no justification for it except to divert money from the call loan market.

Warburg said we should continue direct pressure through increase in acceptance rates and discount rates.

He believed F.R. Bank, New York, had right to protect itself from a flood of acceptances by increasing buying rates.

He said the acceptance cost today, including commissions, was higher than the discount rate.

He said a higher rate on acceptances than the discount rate was ridiculous as acceptances are better paper.

Jan. 5, 1929. 124, 125

N.Y. tells Board it must increase acceptance rates. Board feared this would necessitate an increase in discount rates at a time when business was making commitments for the year, and would react on business.

Board, however, took no action against it. Will make acceptance rate equal to discount rate in many instances but seemed necessary to ward off a flood of acceptances.

Acceptances (Cont'd.)

We hoped the increase would bring about a better distribution. Up to this time it has not because of higher profits from Govt. bonds and call loans.
Jan. 19, 1929. 129

Dr. Miller approves recent increase in acceptance rates. Said we should cease trying to develop acceptance market; that acceptance rates should be fixed exactly as are discount rates.
Jan. 25, 1929. 135.

Warburg criticises a 4½ and 5% discount rate with a 5% acceptance rate. Mar. 8, 1929. 189

Gov. Young pointed out to Gov. Harrison that if Board had approved its establishment of a 6% discount rate it would have put the discount rate higher than the acceptance rate, leaving an opening through which F.R. credit would pour out.
Mar. 22, 1929. 200

Albany

H.P.H. leaves Mattapoisett en route to Albany.
Nov. 26, 1928. 91

C.S.H. meets H.P.H. in Albany. Nov. 28, 1928. 92

C.S.H. leaves Albany. Nov. 30, 1928. 93

See- Smith, Gov.

Alexander

Said it was depressing for business men to have to pay, as now, 6%; that the discount rate was now a national question; that rates should be reduced to 4½% to stimulate business; that the general feeling was that the F.R. Board was trying to control speculative stock rates; that such speculation could not be controlled by discount rates; that he favored 2 4½% rate to demonstrate that the Board is not trying to control speculation through discount rates.

He said it did not consider it a mistake in lowering rates to 3½% in 1927 but that we might have gone back to 4% a little earlier.

He said he was much puzzled at the situation on N.Y. Stock Exchange and felt we could not control it; that liquidation or a break was sure to come but did not see why it had not come before this; that even if a reduction to 4½% should further encourage speculation, it would in the long run correct itself; that many stocks will not go over valued as prople seemed to think.

Alexander (Cont'd.)

He said if the corporations suddenly should withdraw say 500 millions from the call loan market, there would have to be liquidation and and that the banks would not take over the loans.

Gov. Young said this would mean panic.

Later Alexander modified this statement and said the banks would help as far as possible and that the F.R. System must do its part.

He said no representative of a F.R. bank could agree on discount rate action, that that must be settled by the directors.

We pointed out there was no such agreement.
Sept. 28, 1928. 33, 34, 35

Alice Ben Bolt

We had a small dinner part at Mattapoisett;after dinner the women were speaking of DuMaurier and one woman, I think Mrs. Stanley McCormick, said Sweet Alice Ben Bolt was an old English song. C.S.H. said, if his memory was correct, it was written by an American named either Dunn or English who was a Democratic Member of Congress from New Jersey. They all laughed, thinking I was joking. The next morning I called up Mr. Curtiss of the F.R. Bank of Boston, who is a book man. At first he seemed to think my memory was affected by old age, but within an hour called me up and said it was written by Thomas Dunn English when a young man and first published in 1843; in Willis's Magazine; that the music was written by Nelson Knears an American composer; that English lived 1819-1902; that in1891-1895 English was a Democrafic Member of the H.R. in Washington, from New Jersey.

C.S.H. at once wrote Mrs. McCormick and Catherine Grant who was also present. Mrs. McCormick wrote me a delightful letter saying she had thought my memory had broken down, but that she never, never, never would question any statement I might make in the future.

The next week we dined with her and she repeated the statement. I then said, - very well, Gov. Smith will be triumphantly elected President!"
Sept. 23, 1928. 38

Allen, Philip

After the directors meeting of the F.R. Bank of Boston we drove out to the Walpole Inn and had lunch; after lunch we drove 10 miles in an old stage coach belonging to the Inn, Mr. Allen driving us.
Oct. 24, 1928. 61

Amendment, F.R. Act
See - Cunningham. 130

Ames, Lady
Wrote asking, to lunch with us at Mattapoisett, but she regretted.
Oct. 22, 1928. 61

Called on, with Catherine Grant. She gave us tea and kept us over an hour.
Oct. 29, 1928. 63

Anderson, Henry W.
I met, on train going to New York and also Col. Wise, both of Virginia.

Wise hoped Hoover would put Anderson in Cabinet.
Dec. 5, 1928. 95, 96

Anderson, Larz
Gertrude Myer visits, for a few days.
Sept. 1, 1928. 22

C.S.H. meets Mrs., at Somerset Clubwhile giving a lunch to Catherine Grant.
Sept. 17, 1928. 27

We meet Mr. and Mrs. at dinner with Gertrude Myer.
Feb. 22, 1929. 179

We dined with Mr. and Mrs.
Mar. 19, 1929. 195

Anti-war Treaty. 96, 97, 99

See - Briand
Butler, N. M.
Davis, Norman

Appendicitis
Katherine Hamlin operated on for, today successfully.
Aug. 16, 1928. 6

Appleton, Mr.
Gertrude Myer says Rachel Hale drove, to see her new place in Maryland; that he was a great admirer of Rachel for many years; that he was a very good man though not brilliant and had never married.
Nov. 23, 1928. 85

Argentina
Gov. Norman says, had obtained gold for capital purposes and not to protect her exchange.
Feb. 6, 1929. 157

Armistice day address
See - Butler, N.M.
Coolidge

Ashley, Charles S.
We listen to electim returns as guests of, Mayor of New Bedford. Nov. 6, 1928. 67

Ashurst, Senator
Senator and Mrs. Ashurst called on us in the evening and stayed 2½ hours.
Feb. 2, 1929. 147

Atwood, Bishop
Tells Charles Warren he had seen a telegram from Mrs. Wilson, in reply to one from Col. House, stating that it was not agreeable to her to have Col. House come on to Mr. Wilson's funeral.
Nov. 24, 1928. 91

-B-

Baker, Ray Stannard
C.S.H. met, at Cosmos Club. He was staying with Mrs. Wilson. He said Mrs. Lansing had given him all of Lansing's memoranda including many memoranda of Mr. Wilson, - almost priceless. He wanted to call and thank her and Bertie arranged an interview with Mrs. Lansing for tomorrow.

He said he had read Mrs. Dawson Scott's book giving automatic messages from Wilson, but that he found nothing in it suggesting Mr. Wilson to him.

He asked C.S.H. if he would read his advance sheets on the F.R. System when ready, and C.S.H. said he would.

From his general manner, C.S.H. doubts whether Mrs. Wilson had told him of our break.

Mar. 21, 1929. 198

Baltimore
See - F.R. branch bank, Baltimore

Baltimore Sun
See - Kent

Bank of England
Gov. Norman says, will increase its discount rate to 5½% within a few days. Feb. 5, 1929.150

Gov. Harrison said an increase in discount rates by F.R. Bank, New York, was necessary even though the, did not put up its rate.
Feb. 5, 1929. 151

Dr. Miller at first thought C.S.H. felt we should be guided by the rate of. C.S.H. replies we should decide wholly apart from what the, did; that in 1927 he voted for the 3½% rate primarily because of domestic conditions as a help to business and to agricultural exports; that this did help the Bank of England also. Feb. 5, 1929. 151

Gov. Young tells Board he will not quote his conversation with Gov. Norman in New York as he preferred to have him speak to the Board himself when he comes to Washington.

He did say, however, that Gov. Norman said the Bank of England would increase its rate very shortly. This is all the Board knows of his views!

Feb. 8, 1929. 164

Bank of England (Cont'd.)

Dr. Miller said Board approved lower rates in 1927 to help Bank of England, but now he felt business was entitled to relief because of domestic conditions.
Feb. 8, 1929. 164

See - Norman, Gov.

Bankers of Wall Street
Hoover told a friend of Dr. Butler once that he would tell those damned Wall Street bankers where to get off.
Dec. 6, 1928. 97

Banking policy.
Willis says question of discounting paper to make up reserves in part pulled down by security loans was not a question of law but purely one of banking policy.
Jan.25, 1929.
135, 136

Barbour, Mr. and Mrs.
We meet, at dinner with H. St. G. Tucker.
Jan. 31, 1929. 141

Barnes, Cecil. 25
See - Dekoven, Mrs.

Barrows, Dr. 99
See - Beck, J. M.

Baruch, Bernard M.
Called on C.S.H. Said religious bigotry defeated Gov. Smith; that he wanted Owen D. Young as Chairman of the Democratic Finance Committee; that he helped Gov. Smith on his tariff speeches; that he advised him to say that because of after-war conditions, no tariff action should be taken at present; that Gov. Smith practically said this.

C.S.H. later wrote him giving name of book by Mrs. Dawson Scott containing alleged automatic writings of Mr. Wilson, but he never acknowledged the letter.
Mar. 1, 1929. 183, 184

Bassel, Miss
We meet, at dinner with Mr. and Mrs. Charles Warren.
Oct. 31, 1928. 65

Bean, Mr. and Mrs.
Lunch with us at Woman's National Democratic Club.
Friends of Mr. and Mrs. Leffingwell.
Dec. 10, 1929. 99

Beck, James M.
Dr. Barrows at Carnegie meeting said that, wrote Ambassador Morgan at Rio asking him to find a Professor who could translate his book on the U.S. Constitution into Spanish for the benefit of the Brazilian people!
Dec. 6, 1928. 99

Belgian Exchange
Gov. Norman said, was at gold exporting point.
Feb. 5, 1929. 150

Belgian relief
See -Hoover

Belgium
Dr. Miller said would have been better for England to have gone more slowly as to gold standard and be content with stabilization as was France and Belgium.
Feb. 5, 1929. 152

Bethlehem Chapel
We left a wreath at Wilson's tomb.
Feb. 3, 1929. 147

See - Wilson, President

Biddle, Miss
Invites us to Christmas dinner.
We attend.
Dec. 25, 1928. 113, 114

Birthdays
Catherine Grant lunched with us and gave me two books, - 1. A Deputy was King. 2. He Rather Enjoyed It. My 67th birthday.
Aug. 30, 1928. 21

Dear Anna's birthday.

She would have been 28 years of age.

Catherine Grant sent us some chrysanthemums.

Harriet and Jane and May sent flowers.

Annie Nourse sent Bertie a beautiful box.
Oct. 26, 1928. 62

Birthdays (Cont'd.)

Catherine Grant's 39th birthday.
C.S.H. sent her a book on the Drama.
Nov. 25, 1928. 91

League of Nations Non-partisan League give dinner at Woman's National Democratic Club on Wilson's birthday. C.S.H. and others speak. Dec. 28, 1928. 117

See - Wilson

Black resolution, H.R.
As to Gov. Norman's visit.

Board told McFadden it had no hesitation about answering it but for the precedent involved and for fact it would prevent heads of European central banks ever conferring with Board.
Feb.22, 1929. 179

H.R. Committee reports unanimously adversely and H.R. defeats it without a roll call. Feb. 23, 1929. 179

Blood pressure
Dr. Hiden found, at 190; last August it was 165.
Mar. 9, 1929. 191

Dr. Ruffin found it 198. Mar. 12, 1929. 191

Dr. Hiden, - 180. Mar. 18, 1929. 193

Blood sugar
Dr. Hiden. 1028. Mar. 10, 1929. 190

Dr. Hiden. 1020. Mar. 17, 1929. 192

Boardman, Miss Mabel
We dine with.
Present: Mrs. Preble Motley, Boston
Justice and Mrs. Sanford
Sen. and Mrs. Bruce
Senator Capper
John Barton Payne

See - Motley, Mrs. Preble
Feb. 1, 1929. 142

Bolling, Bertha
Present at dinner on Wilson's birthday, at Woman's National Democratic Club. Had Mrs. Rolfe Bolling with her.

Bolling, Bertha (Cont'd.)

Very much disturbed at Prof. Dood's address on Wilson.

Thanked C.S.H. "in name of my sister and myself" for his address.
Dec. 28, 1928.117, 118

Bolling, Mrs. Rolfe
See- Bolling, Bertha

Bolling, Randolph
Charles Warren says Bishop Atwood said he had seen a telegram to Col. House sent by either Mrs. Wilson or Bolling telling him it was not agreeable to Mrs. Wilson to have him attend MrsWilson's funeral.
Nov. 24, 1928. 91

Borrowers, Frequent or continuous
Willis says F.R. Bank ought to discount for a bank to replenish its reserves where deficiency caused in part by security loans, if the bank was not a frequent or continuous borrower.
Jan. 25, 1929. 135

Branch banks
See - Federal Reserve Branch, Baltimore

Brandeis, Justice
We dine with. Dec.16, 1928. 106

See - Cropley, C.E.

Bratenahl, Dean
Gertrude Myer says she has made, one of her executors, to serve without compensation as all her property was given to the Cathedral. Nov. 23, 1928. 84

Delano says he was told that Dean Bratenahl spoke disgustingly about Gov. Smith. Nov. 26, 1928. 91

Gertrude Myer says Dean Bratenahl told her he did not want compensation for serving as her executor; that he or his "Successor" was appointed;that she feared if she provided for compensation for him in her will - as C.S.H. and Clephane advised - he or his successor might accept it.
July 15, 1928. 103

Brazil
See - Beck, James M.

Briand. 96
See - Butler, Dr.

Bright, Frank
Meets with H.P.H. to discuss appeal for gifts to memorials to Jefferson, Jackson, Cleveland and Wilson

Suggests report on condition of Woman's Democratic Club by an accountant.
Jan. 28, 1929. 139

British Exchange
Gov. Norman told Governor Harrison he should cease protecting, and let some gold go to U.S.

Board agreed to let this come without offsetting as member banks would use it to pay off rediscounts.
Sept. 7, 1928. 23, 24

British syndicate
See - Hoover

Brokers loans
C.S.H. moved to amend Board's warning by adding that it was not intended to counsel drastic liquidation of speculative loans.

Board voted this down on ground that the warning could not be so construed. Jan. 24, 1929. 133

McGarrah said the directors of the F.R. Bank, New York, wanted to issue a warning against "loans for others" and to throw out an intimation that the collateral for these loans might be found not to be liquid.

Dr. Miller at first thought such an intimation might do some good but Gov. Young and most of the Board felt it would either do no good or might cause a panic.
Jan. 25, 1929. 134

In afternoon the Board's warning was read to McGarrah who objected to it as it would be construed as an attack on the stock market! How would his intimation of lack of liquidation in the collateral have been construed!
Jan. 25, 1929. 134

In reading the minutes of last meeting the secretary made no mention of McGarrah's statement as above.

C.S.H. called attention to this omission. At first there was some opposition, but finally we all agreed it should be inserted and this was put in the record.

C.S.H. raised same point as to McGarrah's statement that our warning would be construed as an attack on the stock market.

Brokers loans (Cont'd.)

Board finally agreed -as this was only McGarrah's personal opinion - the records should show only that he made certain objections to the warning.
Jan. 28, 1929. 137, 138

Board had no discussion with Gov. Norman as to brokers loans or the N. Y. Stock Exchange.
Feb. 6, 1929. 157

Dr. Miller said a prominent banker told him the N.Y. Stock Exchange could settle the matter of brokers loans instantly by telling the brokers quietly that the credit they were now getting was to be the maximum, and that he believed the stock exchange would do this if the Board asked it.

The Board felt it could not make such a request.
Mar. 19, 1929. 194

Brokers loans increased 180 millions.
Mar. 21, 1929. 198

C.S.H. asks Governor Harrison if the 135 million increase in brokers loans since Feb. 7 - the issue of Board's warning, - was caused by use of F.R. credit. Gov. Harrison gave an equivocal answer.

C.S.H. pointed out that while this increase had occurred, the N.Y. discounts had meantime fallen off 70 millions and the reserve ratio had increased from 76 to 83%, and said this proved that direct pressure was working.
Mar. 22, 1929. 199

See - Harrison, Gov.
F.R. Board, credit warning

Brownell, George
C.S.H. retains, to pass title to Mrs. Stoddard of certain Mattapoisett property. Aug. 29, 1928. 21

See - Stoddard
Mattapoisett

C.S.H. asks, to try to buy the 1/32 interest in fee under Beacon St., Mattapoisett, from Mrs. Nye, an heir of Abraham Payne.
Sept. 16, 1928. 26

Brownson, Admiral
The only person Gertrude Myer knew at Marshall House, York Harbor.
Aug. 24, 1928. 16

Bruce, Mrs. Senator
See - Hoover

Bruce, Senator
We lunch with. Dec. 30, 1928. 118

We meet, at dinner with Miss Boardman.
Feb. 1, 1929. 142

Buffalo F.R. branch
We discuss salary of the Manager with McGarrah.
Jan. 25, 1929. 133

Building operations
Gov. Harrison admits a 6% discount rate would interfere with.
Feb. 5, 1929. 150

See - Woolley

Woolley says the 5% discount rate is seriously affecting his business and gave figures.

He wanted a 6% discount rate or even higher on ground that it would act quickly and rates could be reduced. He admitted if the 6% or higher rate should be in force any considerable time it would be very serious for all building operations. Mar. 22, 1929. 200

Burgess, Assistant F.R. Agent
Tells C.S.H. he will be at Open market meeting in Washington on Monday; that Committee would ask for no further authority.
Aug. 11, 1928. 4

Board increased salary of, by $2000.
Jan. 11, 1929. 127

Business
See - Building operations
Discount rates

Butler, Dr. Nicholas Murray
Mr. Sherman, one of trustees of Carnegie Endowment told C.S.H. that Dr. Butler persuaded Briand to drop the phrase "outlawry of war" and substitute the repudiation of war as a national policy; that Dr. Butler was entitled to the credit for the anti-war treaty.

Dr. Butler verified the above and said Briand was terribly chagrined that so little notice was taken in U.S. of his peace offer; that he (Dr. B.) went west and delivered 30 addresses advocating acceptance of the offer; that he tried to interest

Butler, Dr. Nicholas Murray (Cont'd.)

the State Department but Kellogg said it was a pacifist proposition; that he and Shotwell prepared the draft of a treaty but the State Department would not take it up but suggested that he (Dr. Butler) press it as an individual; that he condensed the treaty into two clauses and gave it to Briand who in an address adopted it as his own; that the State Department then took it up as if it were its own suggestion.

Dec. 6, 1928. 96, 97

Dr. Butler took C.S.H. to luncheon at the Century Club.

He was very bitter at Coolidge's armistice day address saying it put our country back for years.

Dr. Butler said Hoover was a man of no intelligence; that his course as food administration in permitting shipments of lard to Belgian firms knowing full well that it was en route for Germany, made him doubt his patriotism and even his honesty; that he had said to a friend of his (Dr. B.) that he would tell those damned Wall Street bankers where to get off.

Dr. Butler said Hoover was furtive and indirect, that he could do nothing frankly or directly.

He also said Vare was pulled over to Hoover in the Convention by Senator Moses who was on the Committee on Elections, who was said to have intimated to Vare that if he wished to secure his seat he had better come over to Hoover. He said Sec. Mellon's political power was gone; that Gov. Fisher was the boss of Pennsylvania.

He said Coolidge was not friendly to Hoover; that Coolidge had been firm in the resolution that neither Dawes nor Lowden should be nominated.

Dr. Butler said he voted for Gov. Smith and hardly knew more than four Republicans among his close friends who voted for Hoover; that Gov. Smith probably had no political future; that Tammany, outside of Manhattan, was treacherous to Smith; that they felt that they had gotten little or nothing from Smith and would get less from him as President; that the Jews also were against him.

Dec. 6, 1928. 96, 97, 98

C.S.H. dines with Dr. Butler
Took out Mrs. Sheffield wife of the former Ambassador to Mexico.

Dec. 6, 1928. 98

Butler, Dr. Nicholas Murray (Cont'd.)

Charles R. Crane told Senator Bruce that Dr. Butler told him that when Belgian relief affairs were wound up, there were 2 millions left over, which the Red Cross asked for to continue its relief work; that Hoover had never turned this in nor accounted for it, but that he had used it to pay Secretaries to work up propaganda for himself; that when John Barton Payne was going away he asked Hoover to take charge of Red Cross relief; that when he returned the letter heads were changed to "Hoover Relief"; that Crane said he introduced Hoover to Wilson and asked for his appointment as Food Conservator; that, later, Hoover said there was room in Washington for an independent newspaper; that he could buy one for $200,000; that he asked him to contribute and that he (Crane) gave $25,000; that he sent his secretary to Washington to see the operation of the paper; that he stayed in Washington a month and reported that it was being used to boom Hoover; that he wrote Hoover as to this and that Hoover returned the money; that Frank Kent (Baltimore Sun) had always been a strong Democrat but that, at first, he began to side with Senator Couzens against Sec. Mellon, and later did all he could to help Hoover; that everyone believes he was paid by Couzens and Hoover.

Dec. 19, 1928. 110, 111

-C-

Call loan market

Only the other day Dr. Miller put in a resolution favoring higher acceptance rates for purpose of drawing money out of the call loan market, though he subsequently struck out the reference to the call loan market. This resolution failed, but C.S.H., Miller and Platt voted for it.

Gov. Young put on records a statement that money was now tending away from the call loan market.

Dec. 26, 1928. 115

Warburg agrees with Gov. Young that the proceeds of acceptances seep into the call loan market more slowly than the proceeds from System purchase of Govt. securities.

Dr. Miller said if so he would oppose an increase in acceptance rates as the only justification was the diversion of money from call loan market.

Jan. 5, 1929. 124, 125

Call loan rates

Miller resolution:

Spread between F.R. rates and call loan rates and other security loans tempts member banks into putting F.R. credit into stock market. The banks should be asked what they propose doing in 1929 to correct this.

Gov. Young objected that resolution really meant that banks having call loans should be refused rediscounts.

Passed:

Aye: C.S.H., Miller, Platt, James, Cunningham
No: Gov. Young
Not voting: Comptroller

C.S.H. voted Aye, interpreting the resolution as merely pointing out a danger and asking the banks how they proposed meeting it, and not as a declaration that security loans were illegal nor that a bank should be refused rediscounts to make good reserve deficiencies caused in part by security loans.

Dec. 31, 1928. 119

See - Brokers loans

Capital purposes
Gov. Harrison admits to C.S.H. that many member banks by frequent or continuous rediscounts were obtaining capital from the F.R. banks.
Feb. 5, 1929. 150

See - Gold standard
Norman, Gov.

Capper, Senator
We meet, at dinner at Mrs. Mabel Boardman's.
Feb. 1, 1929. 142

Carlisle, John G. 14
See - Harvey, George

Carnegie Endowment
Gives dinner to National Grange
C.S.H. presided

Speakers: Under Secretary Clark, Gov. Young, and Louis G. Taber, Worthy Master.
Nov. 20, 1928. 82

Gives dinner at New Willard Hotel to foreign Editors visiting this country on its invitation. John Barton Payne gave a dignified address praising Wilson and League of Nations.
Nov. 22, 1928. 84

C.S.H. attended meeting in New York.
Dec. 6, 1928. 96, 97, 99

See - Beck, James M.
Butler, Dr.

Carter
See - Messenger's salaries
Miller

Case, Gov.
Gov. Young said Under Secretary Mills told him Gov. Case was opposed to an increase in discount rates.
Mar. 1, 1929. 183

Tells Board would like to buy 25 millions of Treasury certificates maturing in 7 days to help dealers. He said that unless he did this it would interfere with new issue of 4¾ Treasury certificates.

James approved.

Case, Governor (Cont'd.)

Miller objected as it might interfere with Board's plan for more rigid control of F.R. credit.

We let matter rest until Case called us up again.
Mar. 7, 1929. 188

Cathedral, Washington
See - Washington Cathedral

Catholic
See -Roman Catholic

Central bank
Gov. Young said he was getting more and more convinced that one central bank in U.S. was necessary.

Dr. Miller agreed with this.
Feb. 5, 1929. 153

Chicago rate case. 6
See - Crissinger
McGarrah

China
See - Hoover

Christmas, 1928
Bertie sends card to Mrs. Wilson, marked "with love."

Mrs. Wilson sends card marked: "With the warmest wish for all that this holy season brings", - addressed to Hon. and Mrs. C.S.H.
Dec. 23, 1928. 114

See - Grant, Catherine

Chronological history of Wilson
Mrs. Pennington sends check for $5.78 - 1/2 of royalties from January to July, 1928.
Nov. 12, 1928. 70

June 1.98. 45.36

Clark, Mrs. 18
See - Hale, Rachel

Clark, Reuben, Under Secretary of State
Speaks at Carnegie dinner to National Grange.
Nov. 20, 1928. 82

Clemenceau, G.

Dr. Joslin writes C.S.H. that he wishes to dedicate a 2nd edition of a popular book on Diabetes to Clemenceau, with his picture, inscribed: To the oldest and most beloved diabetic, etc."; that he wrote Clemenceau and received an envelope containing his card on which was written , - "With many thanks"; that he wanted C.S.H. to advise him whether this would justify his going ahead with the dedication.

C.S.H. wrote him No but said he would try to induce the State Dept. to ask Clemenceau.
Jan. 26, 1929. 139

C.S.H. tells Bright and Charles Warren of above and they agree with him. Jan. 28, 1929. 139

Dr. Joslin writes that Ambassador Herrick has cabled him that Clemenceau says No. Mar. 8, 1929. 189

Clephane

We receive letter from, to Gertrude Myer and forwarded it to South Lincoln. Aug. 18, 1928. 10

C.S.H. gives Miss Byer, in Boston, a letter from Clephane. She says she would like to have me talk freely with Clephane as to the advisability of preparing a memorandum as to her past experiences with her nephew.
Aug. 19, 1928. 11, 12

C.S.H. and Clephane lunch together at Cosmos Club. C.S.H. told him what Dr. Ruffin said as to Miss Myer's condition.

Clephane said he had no doubt but that, although in a neuratic condition, she was competent to make a will.

He agreed with C.S.H. as to advisability of Gertrude's preparing a statement as to her nephew and his father, and said he would see to this.

He agreed with C.S.H. that the nephew might contest Gertrude's will.

Clephane said that after Gertrude had executed her last will (She told C.S.H. it was her third will, she wrote on it that she had made no bequest to any of her family because they were already comfortably provided for, and that he had this witnessed by the same witnesses.

Clephane said her gift to the Cathedral was not an outright gift but was specifically stated to be for the erection of a Chapel in which she and Walden were to be buried.
Aug. 21, 1928. 14, 15

Clephane (Cont'd.)

C.S.H. tells Gertrude at Copley Plaza hotel, Boston, that he had talked with Clephane and that he would help her prepare a memorandum as to her nephew, when she returned.

Gertrude said she was glad I had talked with him and she would prepare the memorandum when she returned.
Aug. 25, 1928. 18

C.S.H. suggests to Gertrude to consult Clephane as to whether she ought not to give Dr. Ruffin compensation for acting as her executor.
Nov. 23, 1928. 84

Gertrude asks C.S.H. to talk with Clephane as to naming some one to look after her estate, as she did not feel able to do this personally. Dec. 15, 1928. 102

Gertrude said Clephane had advised her to tell Dr. Ruffin as to her will and ask him if he would accept an honorarium of say $500 in lieu of compensation as executor; that he thought $1000 might be better.

C.S.H. said if she desired he would speak to Clephane about this. At first she thought I had better not as he had already advised her and that she had not told him that I originally had suggested this.

Later, however, in Bertie's presence, she asked me to speak to Clephane about it and even suggested that I speak to Dr. Ruffin about it for her, rather than do it herself.
Dec. 15, 1928. 104

C.S.H. called up Clephane but he was out of town.
Dec. 17, 1928. 106

Gertrude calls up C.S.H. and said Dr. Ruffin was coming to see her and what should she say to him about his executor's fees.

C.S.H. said -"Did not Clephane suggest $500 or $1000?" She said Yes.

C.S.H. then said, "Do exactly as Clephane advised you, but as he was away, he - C.S.H. - would suggest that she speak of $500 but if he did not seem satisfied, to offer $1000.

She later said she had seen Dr. Ruffin who was satisfied with $500 and C.S.H. said to report this to Clephane.
Dec. 17, 1928. 106, 107

Clephane (Cont'd.)

C.S.H. lunches with Clephane and told him about Dr. Ruffin.

He said he originally advised Gertrude to say nothing about executors fees in her will, but to allow Dean Bratenahl and Dr. Ruffin to waive fees if they so wished.

C.S.H. told him he also said this to Gertrude but she would not think of it.

Clephane agreed with C.S.H. that if Dr. Ruffin should withdraw as executor it might injure Gertrude.

Clephane said he would advise Gertrude, without assuming any responsibility himself, to employ the clerk in the Riggs bank who now from time to time was helping her.
Dec. 18, 1928. 107

Gertrude called up C.S.H. at 6:45 p.m. and told her what Clephane said and asked her to see him.

She said she would be glad to arrange to have Clephane's daughter, who is a lawyer, to act for her and that she would talk with Clephane about it.
Dec. 18, 1928. 107, 108

Gertrude called. Asked whether it would be desirable to put her property in trust in some bank to manage it for her.

C.S.H. advised her to consult Clephane; that if he advised her to do this his daughter could still go over her accounts from time to time. Feb. 2, 1929. 145, 146

Clephane tells C.S.H. that he had finally agreed to look after Gertrude's investments and check up her income, etc., but that he should have to charge more than would an ordinary accountant.
Feb. 18, 1929. 177

C.S.H. tells Rachel Hale as to above.
Feb. 18, 1929. 178

See - Hale, Rachel

Codman, Mr.

C.S.H. calls up, at South Lincoln, to get Gertrude's present address. Aug. 18, 1928. 10

C.S.H. while lunching at Somerset Club with Catherine Grant, meets Gertrude who was lunching with Mr. and Miss Codman.
Sept. 17, 1928. 27

Coles, Miss Mollie
Rachel Hale asks us to lunch or dinner next Sunday to meet, but we were engaged.
Dec. 11, 1928. 101

We call on Miss Coles. Dec. 15, 1928. 102

Collateral for brokers loans
McGarrah says directors of F.R. Bank, New York, were considering a public statement intimating, among other things, that the, might turn out not to be liquid.
Jan. 25, 1929. 134

C.S.H. insists this statement be put into Board's records. This was ordered incorporated.
Jan. 28, 1929. 137

Collateral notes, Member bank
See - Member bank collateral notes

Commercial National Bank, Washington
See - Donaldson

Commercial paper
Warburg favors a preferential rate on, as against member bank collateral notes secured by Govt. bonds.
Jan.5, 1929. 125

Gov. Harrison says the banks as a whole have plenty of.
Feb. 5, 1929. 154, 155

Gov. Harding also favors above but has not consulted his Class A directors.

Commodity rate
See - Seasonal drop moving rate.

Comptroller of Currency
See - McIntosh
Pole

Continuous borrowers
Willis said F.R. banks ought to discount for member banks not, even though the impairment of reserves was duein part to security loans.
Jan. 25, 1929. 135

Coolidge, President
Dr. Butler very bitter at Armistice Day address of.
Dec. 6, 1928. 97

Dr. Butler said Coolidge was firm against the nomination of Dawes or Lowden for President.
Dec. 6, 1928. 98

Copley-Plaza Hotel
See - Myer, Gertrude

Corbin, Mrs.
We meet, at dinner at Mrs. Grafe's.
Jan. 30, 1929. 140

Corning, Edwin
A Tammany man told Charles Tyler that the resignation of, from Democratic State Committee was not voluntary nor from ill health, but was forced because of some financial transactions in or around Troy, N.Y. He said he would tell C.S.H. more about it when he saw him.
Aug. 16, 1928. 6

Cosmos Club
C.S.H. attends 50th celebration.
Nov. 12, 1928. 69

C.S.H. moves from Cosmos Club to Hay-Adams House
Dec. 8, 1928. 98

Couzens, Senator
Charles R. Crane believes Frank Kents support of, was through money paid him. Dec. 19, 1928.111

Cow pasture, Dorchester Bay
George says Hodgson, who once claimed to be working for a Belgian Syndicate, claims now to be working out plans for a huge terminal in England and at the cow pasture; that he says the plan has been underwritten; that it was only awaiting some final bids on details of the work; that the Gas Company and the Radiator Company had agreed tocontribute to the initial cost of the plans; that he showed George eleborate plans worked out in minute detail; that he said he had an option on land of the East Boston Land Co. on which he could put the dredgings from the cow pasture channel; that it would require much more dredging than called for by the War Dept.; that the channel

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Cow pasture, Dorchester Bay (Cont'd.)

would have to be 40 feet deep and 1200 feet wide; that an enormous power plant would also be built; that the company, when formed, would pay cash for the cow pasture; that he only hoped Ned and George would be reasonable.

George said he really began to think there may be something in this.

George said Hodgson said he was to have a large share in the common stock of the company; that he would divide this with them if they would sell the cow pasture at a reasonable price.
Oct. 6, 1928. 45, 46

Crane, Charles R. 110, 111
See - Hoover

Credit, Federal Reserve
See - F.R. credit

Credit investigations
Board voted to abolish, in lieu of examinations.
Oct. 10, 1928. 51

Credit rationing
C.S.H. asked Gov. Harrison whether direct pressure might not result ultimately in rationing of credit.

He said No, as did also Miller; that rationing of credit meant a restriction on individual banks while direct action meant merely a restriction on amount of credit generally.

C.S.H. believes a restriction as to amount of credit is in effect credit rationing, to some degree at least.
Feb. 5, 1929. 153

C.S.H. said that before consenting to a 6, 7 or 8% discount rate he was willing to consider some form of credit rationing through a regulation applicable to all banks alike.
Feb. 5, 1929. 194

Gov. Harrison says he is against rationing at present time.
Mar. 22, 1929. 199

Credit situation
See - Open Market Investment Committee.

Credit warning, Federal Reserve Board
See - Federal Reserve Board

Crissinger, Gov.
McGarrah tells C.S.H. he was with Gov. Crissinger when Gov. Strong telephoned him in behalf of Sec. Mellon asking a postponement of Chicago rate case until the next day; that this was before the Board sent its telegram to Chicago.
Aug. 14, 1928. 6

Crop marketing paper
Miller presented a proposed letter to F.R. banks stating Board would approve a seasonal crop marketing rate from 1/2 to 1% below rates on other classes to continue to end of normal crop moving season; such paper was defined as paper arising out of the movement and marketing of crops.

James suggested a preferential rate only on bankers acceptances.

These were referred to Open Market Committee, then in session.

In the afternoon the Committee reported that preferential rates would probably not accomplish what was desired; that the question of moving the season's crops expeditiously and reasonably was a larger question - involving the whole credit structure and should be dealt with through open market operations rather than through commodity paper or preferential rates.
Aug. 14, 1928. 8, 9

Cropley, E. E.
Clerk of U.S. Supreme Court called on C.S.H. with a letter from Judge Brandeis. He said that, as clerk, he was carrying demand deposits in Washington banks; hat the accounts were inactive, though some checks were drawn each year; that he was receiving 3% interest; that Judge Brandeis wanted to know if this was an unreasonably low rate. We went in to see Gov. Young who said he thought the rate, on the whole, reasonable, altho some banks might pay more.
Dec. 28, 1928. 116, 117

Cunningham, Edward
Insists that examination reports of F.R. Agents should continue to be sent to the Board.
Oct. 11, 1928. 51

Votes against permitting Goldenweiser to appoint a foreigner to help in statistical work.
Nov. 12, 1928. 69

Moves no stenographic report be made of joint conference of Governors and F.R. Agents except with their consent.
Passed.
Miller and James voted No.
Nov. 15,1928. 73

Cunningham, Edward (Cont'd.)

Miller much disturbed at Cunningham's motion.
Nov. 15, 1928. 74

Goes to Baltimore with Gov. Young and C.S.H. to examine branch bank. Dec. 14, 1928. 101

Votes against approval of agreement between directors of F.R. Bank, New York and Gov. Strong to pay him his regular salary for balance of year 1928, if he would withold his resignation.
Dec. 17, 1928. 108

Votes for Miller resolution asking F.R. banks what they proposed to do in 1929 to overcome temptation of member banks to make speculative loans because of spread between F.R. and call loan rates. Dec. 31 , 1928. 119

Votes against increasing F.R. Agent Curtiss's salary from $20,000 to $24,000.

Votes in favor of keeping it $20,000.
Jan. 11, 1929. 127

Votes against increasing F.R. Agent Newton (Atlanta) to $24,000.
Jan. 11, 1929.

Votes against Platt motion to increase to $22,500.
Jan. 11, 1929. 127

Votes to keep salary at $20,000.
Jan. 11,1929. 128

Violent discussion between Cunningham and Gov. Young as to what Gov. McDougal said to Board as to direct pressure figures.
Jan. 15, 1929. 128

Introduces resolution favoring amendment of F.R. Act to end that member banks carrying speculative loans can not rediscount for more than 3 days without the affirmative approval of 5 members of F.R. Board.
Jan. 21, 1929. 130

Gov. Young said he knew that the banks had not exercised direct pressure successfully, whatever James and Cunningham might think.
Jan. 22, 1929. 131

Miller accepts Cunningham's suggestion and says he will insert in the draft of warning a statement to show Board does not desire drastic action. Feb. 2, 1929. 144

Cunningham, Edward (Cont'd.)

Miller's draft did not contain this. Cunningham voted for C.S.H. motion to add such a clause.
Feb. 2, 1929. 144

Says he believed Gov. Norman did not want to increase Bank of England rates but felt he had to protect its gold and hoped N.Y. would increase to give him an excuse.
Feb. 5, 1929. 153

Says he fears result of Board's warning, if published, will be a simultaneous demand by the F.R. banks for higher discount rates.
Feb. 5, 1929. 155

Moves that New York be asked to give its reasons for increased rate.
Feb. 14, 1929. 167

Moves to take New York under review, altho it was conditional as an immediate decision of Board.

All voted No except Cuningham.
Feb. 14, 1929. 169

Voted against reconsideration of rejection.
Feb. 14, 1929. 169

Votes to publish recommendation of Federal Advisory Council.
Feb. 15, 1929. 175

C.S.H. works with Cunningham and Platt preparing a letter to F.R. banks covering recommendation of Federal Advisory Council as to conference of banks.
Feb. 19, 1929. 178

Votes on Platts motion to approve New York increase to 6%. No.
Mar. 21, 1929. 197

Votes on C.S.H. motion to disapprove N.Y. Rate, Aye.
Mar. 21, 1929. 197

Moves that Wyatt draw a regulation along lines of his opinion, to be reported to Board, without committing any member in advance.

Passed unanimously.
Mar. 21, 1929. 198

Cunningham, Henry V.
C.S.H. writes, as to the lot in Forest Hills in which his Mother is buried, also as to a Mass.
Nov. 18, 1928. 79

Called on C.S.H.
Said Mass had already been said and that when Monsignor returned from Rome, the matter of the grace would be attended to.
Feb. 28, 1929.182

Cunningham,Mrs. Minnie Fisher
C.S.H. sends to, royalty check for Wilson Chronology.
Nov. 12, 1928. 70.

See - Pennington, Mrs.
Wilson

Curtiss, Federal Reserve Agent, Boston
C.S.H. lunches with, in Boston.
Aug. 7, 1928. 3

Finds out authorship of Sweet Alice Ben Bolt.
Sept. 23, 1928. 38

See - Alice Ben Bolt

C.S.H. motion to increase salary of, from $20,000 to $24,000 defeated.

Aye: C.S.H., Platt
No: Governor Young, Cunningham, James
Jan. 11, 1929. 127

Motion to fix salary at $20,000.

Carried
Aye: Gov. Young, Cunningham, James
No: C.S.H., Platt
Jan. 11, 1929. 127

Customers rates
Gov. Harrison said spread between speculative loans and, was decreasing and might soon disappear.
Feb. 5, 1929. 149

Gov. Harrison agrees that a 6% discount rate would force up customers rates to injury of small manufacturers.
Feb. 5, 1929. 150

See - Discount rates

-D-

Davis, John W.
Mrs. Davis says Mr. Davis feels that Governor Smith has no chance.
Oct. 31, 1928. 65

Davis, Norman
Addresses Woman's National Democratic Club on the anti-war treaty.
He talked an hour favoring the treaty but never mentioning reservations, - the only important question. C.S.H. was disappointed in him.
Dec. 10, 1928. 99, 100

Dawes, Vice President
Dr. Butler says Coolidge was determined that, should not be nominated for President. Dec. 6, 1928. 98

DeKoven, Mrs.
Buys land at Mattapoisett for $2000 - about one acre, with 50 foot restrictions. Sept. 14, 1928.25, 26

See - Brownell

Deaths
Evans, Lawrence Oct. 30, 1928. 64

Lansing, Robert Oct. 30, 1928. 64

Funeral 65

McClellan, Grace Tytus Oct. 30, 1924. 64

Debuchi
Japanese Ambassador
C.S.H. calls, by appointment on, and he and Madame Debuchi kept me over an hour. He said Prince Matsukata had given up his title and was living as a commoner in a very small house but that Otohiko was in fairly comfortable condition financially.
Nov. 23, 1928. 87, 88

The both called on us at Hay-Adams House and stayed nearly an hour.
Jan. 14, 1929. 128

We lunch with them alone. Jan. 19, 1929. 130

Deflation
C.S.H. suggests to Gov. Young to add a clause to Miller's draft of Board warning to effect that Board was not seeking radical deflation of speculative loans but merely conservative liquidation.
Jan. 22, 1929. 131

See - Federal Reserve Board; credit warning

Deflation (Cont'd.)

C.S.H. sends above suggestion to each member adding that Board was looking primarily to the future.
Jan. 22, 1929. 132

Miller said yesterday he would change his draft of warning to exclude any possible construction that Board wanted drastic liquidation.

His final draft, however, did not contain such a statement.
Feb. 2, 1929. 144

C.S.H. moved to add to Miller's draft a statement that Board was not seeking drastic deflation.

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

Feb. 2, 1929. 144

C.S.H. suggested that minutes of meeting should show that his motion was voted down merely because the members believed that it could not possibly be so construed, as he understood all felt.

To C.S.H.'s great surprise Platt said he hoped the public would construe it as an intent to bring about drastic liquidation!

Miller and James agreed with Platt!

C.S.H. feels those three are oblivious, or perhaps reckless, of the dangerous consequences of such a construction.
Feb. 2, 1929. 144, 145

Miller said warning would not cause drastic liquidation of speculative loans; that the Board could not bring about such a liquidation if it tried; that he, however, would like to see a sudden liquidation and crash.
Feb. 5, 1929. 151

Miller said he did not favor deflation but looks primarily to avoidance of future inflation of speculative loans.

On Feb. 2, however, he said he would like to have a deflation.
Feb. 8, 1929. 163

Delano, F.A.
C.S.H. dines with, Metropolitan Club.
Aug. 1, 1928. 2
Sept. 26, 1928. 31, 32
Sept. 27, 1928. 32

Delano, F. A. (Cont'd.)

C.S.H. writes Delano asking him and Mrs. Delano to visit us next Friday at Mattapoisett for week-end or longer, in order to surprise Catherine Grant who was to be in Fairhaven Friday. Oct. 8, 1928. 47

Mrs. Delano writes Bertie that Mr. Delano had gone on a trip to the Smoky mountains In the letter she complained that "his daughter" (Catherine) she supposed was well, but that she had not written her for a long time and had telephoned only twice. Catherine, as C.S.H. knows, is not a good dorrespondent.
Oct. 11, 1928. 54

C.S.H. sits next to, at a dinner in Baltimore of F.R. branch bank of Richmond. Oct. 17, 1928. 60

C.S.H.dines with Mr. and Mrs. Delano and listens to Gov. Smith's radio address. Mrs.Delano seemed very well. She said Catherine Grant did not want to leave Fairhaven.
Nov. 13, 1928. 70

Catherine Grant said her Mother and Father had written and telegraphed her about some things they wanted to send her, - that they were probably old bunk and she begged C.S.H. to tell them her house was filled to overflowing, - as it literally is.
Nov. 19, 1928. 80, 81

C.S.H. calls on Mrs. Delano but she was out. Later C.S.H. telephoned her and told her he had left Alexander Grant and Catherine only last night. She was much pleased and said it was good for them and for C.S.H. too. C.S.H. said how full of furniture their house seemed to be, as Catherine asked him to. She spoke of her letter and telegram to which she had received no answer, from which she assumed they did not want the things she proposed to send them.

She asked if they had spoken of the letter and telegram, to which C.S.H. gave a somewhat equivocal reply, by asking what the things were. She spoke of some old tiger skins, which, however, she said were of no great value because of frequent repairs.

She seemed much pleased at being called up and asking as to C.S.H.'s plans.
Nov. 20, 1928. 81, 82

C.S.H. meets, at Carnegie dinner to visiting foreign editors.
Nov. 21, 1928. 84

Delano, F. A. (Cont'd.)

Tells C.S.H. he was told that Dean Bratenahl spoke disgustingly of Gov. Smith; that Dr. Johnson and Roland Cotton Smith were also very bitter against him. He said he was disguested with the attitude of the Episcopal Church towards him.
Nov. 26, 1928. 91

C.S.H. drives to Railroad station from Dr. Butler's dinner with.
Dec. 6, 1928. 98

We lunch with Mr. and Mrs. Delano.

He said he had talked in N.Y. with Warburg and other bankers about Dr. Miller as a possible Secretary of the Treasury, and that the consensus of opinion was that Hoover would not be such a fool as to appoint him; that he was not fitted for such a place.

He said the economists looked on Miller as decidedly not of the first rank.
Dec. 9, 1928. 99

H.P.H. has, at a lunch party at Woman's Democratic Club to hear Norman Davis.
Dec. 10, 1928. 99

C.S.H. goes as guest of, to Men's Club of Unitarian Church. Delano gave an address on international relations.
Dec. 20, 1928. 112

Tells C.S.H. the Smithsonian Trustees had consulted Gertrude Myer's nephew and that he objected to their loaning to Gertrude the picture of her father.
Dec. 21, 1928. 113

Invites us to Christmas dinner but we were engaged.
Dec. 22, 1928. 113

Tells Bertie that Catherine Grant is worried about Freddie and is to take him to a celebrated Doctor in N.Y. and then might come down to Washington.
Dec. 22, 1928. 113

We lunch with.
Dec. 23, 1928. 114

Presides at dinner of League of Nations Non-Partisan League at Woman's Democratic Club - birthday of Wilson.
Dec. 28, 1928. 117

We dine with.
Jan. 25, 1929. 135

Delano, F. A. (Cont'd.)

We call on, to meet Mrs. Houghtaling of Chicago, Delano's daughter.
Feb. 9, 1929. 164

H.P.H. lunched with Mrs. Delano to meet Mrs. Franklin Roosevelt, who did not appear owing to illness of her son.
Feb. 16, 1929. 176

Democrat. 132
See - Politics
Wells, Rolla

Devens, Mr.
C.S.H. meets, at dinner with Catherine Grant at Longwood.
Nov. 19, 1928. 80

Differential rates
See - Collateral notes, Member bank

Dinners
C.S.H. with Mr. and Mrs. Frank Bright.
Aug. 20, 1928. 14

C.S.H. with Ogden Mills, Metropolitan Club.
Aug. 21, 1928. 16

At Mattapoisett
To Catherine Grant, Mrs. McCormick, Mrs. Rising.
Sept. 23, 1928. 31, 38

C.S.H. with Rachel Hale
To meet Mr. and Mrs. Horace Washington
Major and Mrs. Leonard also there.
Oct. 9, 1928. 48

C.S.H. with Gertrude Myer
Miss Lay also there.
Oct. 10, 1928. 49

With Mrs. Stanley McCormick, Marion
Oct. 14, 1928. 58

C.S.H. with Catherine Grant.
Oct. 29, 1928. 63

C.S.H. with Mr. and Mrs. Charles Warren
Oct. 31, 1928. 65

With Mr. and Mrs. Pease, Fairhaven
Nov. 6, 1928. 67

Dinners (Cont'd.)

C.S.H. with Mr. and Mrs. Delano.
Nov. 13, 1928. 70

C.S.H. Carnegie dinner to National Grange.
Nov. 20, 1928. 82

C.S.H. Carnegie dinner to foreign editors.
Nov. 22, 1928. 84

Mr. Donaldson to Comptroller of Currency
Regretted. Nov. 22, 1928. 89, 90

C.S.H. with Gertrude Myer
Nov. 23, 1928. 84

CC.S.H. with Mr. and Mrs. Charles Warren.
Nov. 24, 1928. 90

C.S.H. with Dr. Butler, New York
Dec. 6, 1928.98

Woman's Democratic Club
To hear Norman Davis. Lunch.
Dec. 10, 1928. 100

With Janie Riggs
Dec. 10, 1928. 100

Edith Helm dines with us.
Dec. 11, 1928. 101

With Gertrude Myer
Dec. 15, 1928. 102

With Judge and Mrs. Brandeis
Dec. 16, 1928. 106

With Mrs. Gordon-Cumming
Dec. 24, 1928. 114

With Miss Biddle
Dec. 25, 1928. 114

Wilson dinner
Woman's Democratic Club.
Dec. 28, 1928. 117

With Jeannie Riggs
Dec. 29, 1928. 118

Dinners (Cont'd.)

Edith Helm dines with us.
Dec. 30, 1928. 118

With Gertrude Myer. Jan. 1, 1929. 120

With Dr. and Mrs. Richmond
Jan. 5, 1929. 125

With Mr. and Mrs. Charles Warren.
Jan. 6, 1929. 126

With Gertrude Myer. Jan. 20, 1929. 130

With Mr. and Mrs. Delano. Jan. 25, 1929. 135

Edith Helm dines with us. Jan. 27, 1929. 137

With Mr. and Mrs. Graef. Jan. 30,1929. 140

With Harry St. George Tucker.
Jan. 31, 1929. 141

With Miss Boardman. Feb. 1, 1929. 142

With Bishop and Mrs. Rhinelander.
Feb. 18, 1929. 178

With Ex-Senator and Mrs. Thomas.
Feb. 21, 1929. 179

Mrs. Ledyard dines with us.
Feb. 27, 1929. 181

With Gertrude Myer. Feb. 22, 1929. 179

Edith Helm dines with us. Mar. 17, 1929. 192

With Mr. and Mrs. Larz Anderson.
Mar. 17, 1929. 195

With Mrs. PAul Revere Frothingtham
Mar. 18, 1929. 192

We gave dinner to Mr. and Mrs. Langdon Wilks.
Mar. 21, 1929. 200

Direct pressure See Miller

Miller introduces resolution asking F.R. banks what they intended to do to correct spread between F.R. rates and rates on speculative loans.
Dec. 31, 1928. 119

See - Miller

Warburg believes should be exercised through discount rate increases.
Jan. 5, 1929. 125

Dr. Miller advocates, and out of this grew Board's warning to public of Feb. 7, 1929.
Jan. 19, 1929. 129

C.S.H. pointed out that Board could not issue any statement in favor of, which would be stronger than the recommendations of Federal Advisory Council of Nov. 22, 1928. This was read. It favored, but discriminated between customers and non-customers loans.

C.S.H. quoted what Alexander said in 1926 and sent copy to Miller.
Jan. 19, 1929. 130

Gov. Young suggests changes in Miller's draft as to.
Jan. 22, 1929. 131

See - Federal Reserve Board; credit warning

C.S.H. suggested adding a clause that some F.R. banks had been successful in, but Gov. Young said he knew this was not so, whatever James and Cunningham might think.

Gov. Young doubted advisability of putting out a recommendation for, but he said he would try to put Miller's draft in the least objectionable form.
Jan. 22, 1929. 131

See - Federal Reserve Board; credit warning.
Jan. 22, 1929. 132

Gov. Harding writes intimating that, was not possible and urging increase in discount rates.

Board expressed hope to Gov. Harding that he could do something by, without increasing rates.

Gov. Young signed the letter to Gov. Harding but said he did not believe, could accomplish a reduction of speculative loans, nor did he believe an increase in discount rates would do it either.
Feb. 4, 1929. 147, 148

Direct pressure (Cont'd.)

Gov. Harrison tells Board his bank has done all it could along the lines of, confining its work, however, to banks which were out of line with the mass of banks.
Feb. 5, 1929. 149, 150

Gov. Harrison said, had failed and only recourse left was increase of discount rates, and that if 6% would not control speculation higher rates must be resorted to.
Feb. 5, 1929. 150

C.S.H. comments on Gov. Harrison's statement that F.R. Bank, New York has exercised, only on banks out of line.

Gov. Young said he knew it had also exercised general pressure.
Feb. 5, 1929. 154

C.S.H. feels an issue has been formed, - direct pressure under 5% rate, or a radical increase of discount rates which will be detrimental to agriculture and business.
Feb. 5, 1929. 154

Gov. Harrison tells Board F.R. Bank, New York, has done all that could be done in way of, and asked how could his Bank refuse to discount eligible paper offered to replenish reserves.
Feb. 5, 1929. 158

Board feels that it must refuse Dallas application to increase to 5% unless its request meant that, had failed and so wired.
Feb. 7, 1929. 160

Gov. Talley replies that two courses only were open, - direct action or increased discount rates.

Board voted to lay on table until bank sent specific answer.
Feb. 8, 1929. 161

Board agrees to publish recommendation of Federal Advisory Council of Feb. 15, 1929. Feb. 15, 1929
172, 173, 174, 175

See - Federal Reserve Board; credit warning

Governor Norris writes Board that, was a failure.
Mar. 5, 1929. 186

C.S.H. points out that Gov. Harrison has said, was a failure.
Mar. 21, 1929. 197

See - F.R. Bank, New York
F.R. Board; credit warning
McGarrah

Discount power, F.R. banks
H. P. Willis says F.R. bank has power and should discount for member banks, not frequent borrowers, who wish to replenish reserves depleted in part by security speculative loans.
Jan. 25, 1929. 135

Discount rates
Federal Advisory Council at meeting discussed.

Gov. Young said Board might soon have before it two requests, - 1. To increase Chicago rates from 5 to 5½%, 2. To lower Cleveland rates from 5 to 4½%; that to approve both would be stultification.

The Council generally opposed both on ground that to lower Cleveland rate would be construed as a change of policy which would start up stock speculation.

Mr. Goebel said Cleveland should lower its rate if local conditions warranted it.

All agreed the present 5% rate was not injuring business, altho Mr. Alexander said it was depressing for business to have to pay at least 6%.

Mr. Alexander agreed with Gov. Young that the discount rate at present time was a national question; that all rates should be reduced to 4½%; that this would stimulate business; that the general feeling was that the F.R. Board was trying to control stock exchange speculative rates; that, in his judgment, speculation could not be controlled through discount rates; that he favored a 4½% rate to show to the country that the F.R. System was not trying to regulate the stock exchange; that he did not agree that lowering rates from 4 to 3½% in summer of 1927 was a mistaken policy, but that we might have gone back to 4% a little sooner than we did; that he was extremely puzzled at the speculation in New York and felt we could not control it; that liquidation was certain to come and he could not see why it had not come before this; that even if a 4% rate would encourage speculation, the situation in the long run would correct itself; that many of the speculative stocks were not so over-valued as many seemed to think.

Mr. Alexander was asked whay would happen if the corporations now lending on call should suddenly withdraw say 500 millions. He replied there would be a forced liquidation and that the banks would not take over these loans.

Gov. Young said this would cause a panic.

Discount rates (Cont'd.)

Mr. Alexander later qualified his statement and said the banks would help as far as they were able, but that Federal Reserve System would have to do its part.

Mr. Wetmore defended Chicago's increase from 4½ to 5 against James's criticism and said the increased borrowings made this necessary.

James said Chicago agreed at the Open Market Meeting to make no further advances but broke the agreement.

Mr. Alexander said no representative of a F.R. bank could lawfully agree as to a discount rate; that this was for the Directors to determine.

It was pointed out that there had been no such agreement.

Gov. Young asked if it would be advisable to call in directors of other F.R. banks when one F.R. bank asked for an increase.

The Council all opposed this.

Gov. Young suggested possibility of asking the Federal Advisory Council to advise Board in every case of change in discount rates. No objection was offered to this.
Sept. 28, 1928. 33 to 36.

C.S.H. sends out to Federal Advisory Council, Sec. Mellon, Ogden Mills, Gov. Strong, all Governors of F.R. banks, Burgess, Moyer, Gee. Roberts, the Board members, and others his memorandum on effect of Open market operations during period from Aug. 4, 1927 to Feb. 3, 1928, when the 3½% discount rate was in effect.

Sec. Mellon wrote C.S.H. he had proved his case.
Oct. 6, 1928. 44

Miller says Sec. Mellon made himself ridiculous by saying in his annual report that the F.R. System increased discount rates to check speculation. C.S.H. knows the Board in approving higher discount rates was actuated by a desire to curb speculation.

Miller said long ago the only way to curb speculation was through increase of discount rates, and voted for increases for this purpose.

Discount rates (Cont'd.)

Only shortly ago Miller put in a Resolution for higher acceptance rates specifically stating it was for the purpose of drawing money from the call loan market, although he finally omitted the latter reference. This failed, but Miller, C.S.H. and Platt voted for it.
Dec. 26, 1928. 114, 115

Miller resolution to effect that the spread between F.R. discount rates and call loan rates tempts member banks into pushing F.R. credit into call loan market and asking the banks what they would do in 1929 to correct this.

Gov. Young objected on ground that resolution would be construed that rediscounts would be refused to banks having call loans.

Vote.
Aye: Miller, C.S.H., James, Cunningham, Platt
No: Gov. Young
Not voting: Comptroller, Pole

C.S.H. said he voted Aye as he did not construe this as did Gov. Young; that he did not construe this to mean that speculative loans were necessarily illegal; now that a bank should be refused rediscounts to make good reserves depleted in part by speculative loans; that the resolution merely pointed out a danger and asked the banks what they proposed to do to avoid it, in 1929.
Dec. 31, 1928. 119

Warburg opposed having Board require the establishment of acceptance rates just as discount rates are established, with approval of F.R. Board; he approved increase in buying rates for acceptances, on ground that it would make acceptances more attractive to purchases, altho the greater benefit would accrue to foreign central banks because of the remission of income tax; that it would also broaden the market for domestic banks, corporations, etc.; that the increased rates might necessitate an increase in discount rates which he favored; that direct action should continue, direct pressure being applied by increase in acceptance and discount rates; that the F.R. bank of New York had the right to protect itself from a flood of bills by increasing its buying rates; that the cost for acceptances today, including commissions, was higher than the discount rate; that it was ridiculous to have acceptance rates higher than discount rates; that we should curb speculation by increasing discount rates; that he favored a discriminating discount rate on member bank collaeral notes secured by Government bonds.
Jan. 5, 1929. 124, 125

Discount rates (Cont'd.)

F.R. Bank, New York, told Board it must increase acceptance rates on Monday.

Board felt this would necessitate an increase in discount rates at a time when business men were making their commitments for the ensuing year, and would psychologically react on business.

Board took no action.

Proposed rates would make acceptance rate on many maturities equal to the discount rate, but it seemed to be necessary to guard against a flood of bills.

Recent increase has not done much for better distribution because of higher profits from buying Government bonds and call loans.
Jan. 19, 1929. 129

Miller favored courageous announcement that in future credit would be available for agriculture and business at reasonable discount rates, but that Board would watch the discounts and prevent seepage into call loan market.

Gov.Young did not agree to this.

C.S.H. referred to Alexander's statement at Federal Advisory Council meeting in 1926 that discount rates should be reduced to 4½%.
Jan. 19, 1929. 129

Prof. Hawtry told C.S.H. our discount rates were too high and opposed further increase to curb speculation; that it would not curb it but would merely injure business.
Jan. 22, 1929. 131

Willis approves increase in bill rates.

He said that acceptance rates should be fixed exactly as all discount rates, - approval by Board; that he favored a discriminatory discount rate on member bank collateral notes secured by Govt. bonds.

C.S.H. asked him if discount rates should be increased.

He gave an evasive answer, saying it made little difference now whether discount rates were increased or not.

C.S.H. told Willis there might be reason for a discriminatory discount rate on member bank collateral notes secured by Govt. bonds.
Jan. 25, 1929. 135, 136

Discount rates (Cont'd.)

Gov. Young said executive officers of F.R. Bank, New York, felt that it was absolutely necessary to increase discount rates but that some of the directors opposed such increase; that Gov. Harding said in New York that an increase to 6% was absolutely necessary as the proceeds of discounts were being invested in call loan market in New York; that Chicago also wanted to increase; that Gov. Norman said in New York that the Bank of England would shortly increase by 1%, - from 4½% to 5½%. Feb. 2, 1929. 143

Gov.Harding writes Board his directors want to increase discount rates to 6%; that the New England banks were losing cash thru discounts which went into New York call loan market; that direct pressure was not practicable.

Gov. Young thinks Gov.Harrison has egged on Gov. Harding to increase discount rates so as to give N.Y. an excuse for following.

Board wrote Harding to try direct pressure without increasing discount rates, and authorized him to tell his banks how the Board feels.

Gov. Harding later telephoned he would not call his directors together this week. Feb. 4, 1929. 147, 148

Gov. Young said neither direct pressure nor increase in discount rates will curb speculation. Feb. 4, 1929. 148

James said he thought Gov. Norman wanted N.Y. to increase rates to break the stock market and enable him not to raise his rates.

Gov. Young said Gov. Norman told him in N.Y. he should certainly increase his rates.

C.S.H. believes Gov. Norman wanted our rates increased to give him an excuse for increasing his.

C.S.H. thinks Gov. Norman has great influence over Gov. Harrison and that the latter wants to increase and is egging Gov. Harding on, although McGarrah says the N.Y. directors do not want to increase. Feb. 4, 1929. 148, 149

Gov. Harrison came before Board as to discount rates to discount rates to tell of the attitude of his directors. He said no increase was justified because of amount of discounts or because

Discount rates (Cont'd.)

of reserve percentage (80%); that speculative activity was steadily increasing; that last year speculative loans of all banks increased 8 billions, while commercial loans increased only 2 billions; that while the banks gave a preferential rate to commercial customers, the spread was decreasing and soon would disappear; that they had done all they could by way of direct pressure, confining it to banks which were out of line with the mass of banks and he referred to National Bank of Commerce (Alexander) as one upon which direct pressure had been used, also to the Guaranty Trust Co. and National City Bank; that his directors did not want to increase rates but could see nothing else ahead; that Gov. Norman told him he would increase his rates within a few days; that Belgian and Netherlands exchange was below the point where gold exports were profitable, and that Bank of England must increase; that the increase at New York should be 1%, - from 5 to 6%.

Gov. Harrison agreed with C.S.H. that many N.Y. member banks by frequent discounting were in effect obtaining capital from the F.R. bank.

He somewhat doubtfully agreed with C.S.H. that an increase to 6% might injure small manufacturers.

He agreed a 6% rate would interfere with building operations.

He said direct pressure had failed, that the only recourse now was increased discount rates.

He said that if a 6% rate did not curb speculation, higher rates must be resorted to.

Gov. Harrison said rates should be increased even if Bank of England had not increased.

Miller thought C.S.H. felt we should be guided by Bank of England rates.

C.S.H. said Miller did not understand his position; that in 1927 we lowered rates, in part to help Bank of England, altho it also helped business, commerce, and especially our agricultural export trade, increasing prices of the latter; but that under present conditions, we should decide as to rates from domestic considerations, regardless of what the Bank of England might do.

Feb. 5, 1929. 149, 150, 151

Cunningham said he believed Gov. Norman did not want to increase his discount rate but felt he had to to protect his gold and wanted N.Y. to increase to give him an excuse to.

Feb. 5, 1929. 153

Discount rates (Cont'd.)

C.S.H. feels that a clear cut issue has arisen, - direct pressure or a radical increase in discount rates which will injure business.
Feb. 5, 1929. 154

C.S.H. asked Gov. Harrison how he would consider a 6% rate on collateral notes, leaving other rates at 5%.

Gov. Harrison said he did not believe this would affect speculative loans, but might cause the banks some inconvenience, although in gross they had plenty of commercial paper.

Gov. Harrison seemed to want to have Boston increase first, but C.S.H. believes this was merely to give N.Y. an excuse for also increasing.

C.S.H. feels that Gov. Harrison is, quite unconsciously, influenced by a desire to help Gov. Norman, and that the latter wants to use him to pull his chestnuts out of the fire.
Feb. 5, 1929. 155

Cunningham said he feared the response to our warning would be a simultaneous demand for increased discount rates.

Miller thought the construction would be just the opposite.

It was clearly agreed by Board that no member was bound to approve an increase because of the advance publication of the warning in the Bulletin.
Feb. 5, 1929. 155

Gov. Norman told Board that any appreciable falling off in gold reserves is reflected at will in the country's exchanges and the only remedy was to increase discount rates, although no increase might be necessary from the commercial standpoint.

He said nothing about discount rates other than the above, nor were brokers loans or the N.Y. stock speculation discussed.
Feb. 6, 1929.157

Gov. Harrison told C.S.H. that his bank had done all that could be done along the lines of direct pressure.
Feb. 6, 1929. 158, 159

See - Direct action

Discount rates (Cont'd.)

Gov. Harrison called up and said his directors were considering an increase in discount rates.

Gov. Young told him it would be better not to act today.

C.S.H. believes if N.Y. increases every member except Gov. Young and possibly Platt will refuse to approve.
Feb. 7, 1929. 160

Dallas establishes a 5% rate to stop borrowing on Govt. securities and loaning it on call in N.Y., also to correct relation of discount rates to acceptance rates the former being the lower.

Board wired asking if this was to be construed as a statement that direct action had failed.
Feb. 7, 1929. 160

Gov. Talley writes Board that only 18 banks were borrowing and using the money for speculative purposes and that if he admonished them they would reply they had a right to do this as much as the Chicago and N.Y. banks. He ended by saying two courses only were open, - 1. Direct action. 2. Increase of discount rates.

C.S.H. said this did not say what his bank had done or proposed to do and moved to lay the request on the table until a specific answer was received.

All but Platt voted Aye.
Platt voted No.
Feb. 8, 1929. 161, 162

All of the Board except Platt feel that the Board would stultify itself if it approved this increase now, - that our warning would be construed as pointing only to an increase of discount rates, while the opposite was the feeling of most members.
Feb. 8, 1929. 161, 162

Miller says business would be entitled to lower rates were it not for N.Y. speculation; that he would never vote for higher discount rates until and unless it were demonstrated that direct action had failed, and that the F.R. banks either could not or would not exercise it.

Miller said the Board approved lower rates in 1927 to help Bank of England and that he felt business was entitled to lower rates now from purely domestic considerations.
Feb. 8, 1929. 164

Discount rates (Cont'd.)

N. Y. directors took no action on discount rates.
Feb. 11, 1929. 166

Gov. Harrison telephones that his directors had unanimously established a 6% discount rate, subject to review and determination of Board.

C.S.H. moved to table pending receipt of answer to our warning letter, sent a week ago. Miller seconded.

Passed.

All voted Aye except Platt, who voted No. Gov. Young said he voted Aye to support the policy of the majority, although he was not averse to increasing the discount rate.

Cunningham moved to ask N.Y. to give its reasons for establishing the 6% rate.

A long discussion ensued and finally by unanimous vote Board rescinded its previous action and directed Gov. Young to tell Gov. Harrison it would take the matter under review and would take no action on it today.

Gov. Harrison was greatly disturbed at this action.

Gov. Young told him the Board felt this rate involved national considerations; that the proposed increase would force every F.R. bank - at least East of the Mississippi River - to increase its rates; that a majority of the Board felt this would injure business and wished to look into the matter very carefully before deciding; that N.Y. had not yet answered our letter of warning that it had given the Board no statement in writing of its reasons for the proposed increase; that before acting the Board wished to study the response of the F.R. banks to its warning letter published Feb. 7; that Boston had decided to postpone recommendation for an increase until it had heard from its member banks in reply to Gov. Harding's circular letter.

Gov. Harrison then said the application as telephoned by him did not state the full vote, but that it was expressly made conditional on action by Board today.

Gov. Young discussed this with him over the telephone

Discount rates (Cont'd.)

He said the Directors could not leave until the Board decided the matter.

The Board decided nevertheless, to take it under review, but told Gov. Harrison it would take no devinite action until next Thursday- the regular meeting day of the N.Y. directors, unless meantime they should request a more immediate decision.

The N.Y. directors would not agree to this and McGarrah and C.E. Mitchell talked with Gov. Young over the telephone, and they said they could not have the matter hanging in the air and liable to be decided at any minute.

Gov. Harrison said his directors were to give out a public statement of the action of the F.R. Board.

Gov. Young then read him the Board's regulation as to publicity, and said if they did this they wouldbe acting on their own responsibility. This apparently killed the proposition.

During the discussion the Board was shown a newspaper statement that N.Y.directors had established a 6% rate, but the Board had disapproved it.

Cunningham then voted to take it under review.

All voted No except Cunningham and Miller, the latter not voting.

Finally Gov. Young suggested disapproval of the application at once.

The members did not want to do this as they felt N.Y. had no right to impose such a condition as immediate decision.

Finally at 6:45 p.m. the Board voted to disapprove, the existing 5% rate to remain in force. All voted Aye.
Feb. 14, 1929. 167, 168, 169

C.S.H. feels that the N.Y. directors feel they are bigger men than "Old Grant" and thought they could bluff the Board into a favorable decision by imposing the condition of an immediate decision. The Board, however, carried their bluff and taught them a lesson they will not soon forget.

The N. Y. directors have never answered our letter asking for reasons nor given officially any reasons for increasing the discount rate, altho all the F.R. banks were asked by the Board to give reasons when changing a rate.

Discount rates (Cont'd.)

In fact, on ~~May 31~~ Feb 26, 1928, New York told the Board by letter that it was not possible to give specific reasons for any change of rate.

The N. Y. directors, without answering our letter, and without officially giving any reasons, in effect demand approval of their acts. How could the Board "review and determine" under such circumstances!

The issue raised was easy for the Board to meet and it unanimously disapproved the application. If our Board had yielded it would have suffered a loss of prestige from which it never would have recovered.

The Board adjourned at 6:45 p.m.
Present: Gov. Young, Platt, Miller, Cunningham, and C.S.H.
Feb. 14, 1929. 167, 168, 169, 170

Board dined with Federal Advisory Council at Mayflower Hotel at 7:30.

C.S.H. told Gov. Young we should tell them what happened in New York in the morning, but he thought not.

During the dinner Heard asked C.S.H. who said he did not want to answer but that the Council had the right to put this question to Gov. Young.

After dinner Dr. Goldenweiser spoke on speculative conditions. He said they were a menace to the F.R. System; that they had caused business rates to increase 1% and that they would increase further unless speculative loans declined; that further increase in F.R' rates threatened business and industrial conditions in U.S. and would go far to disrupt the gold standard abroad, as they would draw more goldfrom Europe which would be very undesirable for the U.S.

The Council then discussed the Board warning of Feb. 2, 1929, and were practically unanimous that it was necessary and well timed.

Mr. Potter, of Guaranty Trust Co., said the F.R. Bank of New York had not tried to get the principal N.Y. banks together, and had never spoken, e.g. to his bank; that while his bank was not a continuous or frequent borrower, the F.R. bank should get all the banks together, offender and non-offenders, and that the whole situation could be cleared up by this method.

All this happened without the Council knowing what had taken place in New York. Feb. 14, 1929. 171, 172

Discount rates (Cont'd.)

The N.Y. Times states that the N.Y. directors after a five hours meeting "decided last evening to leave the discount rate unchanged at 5%; that there was a disagreement among the directors as to the advisability of a rate advance was plainly indicated as they left the meeting."

C.S.H. believes this was a smoke screen inspired by the directors.
Feb. 15, 1929. 172, 173

Board meets with Federal Advisory Council at 10:30 in sun room of Washington Hotel.

Miller and C.S.H. told Gov. Young that if the Council asked what happened in N.Y. they felt it their duty to tell the Council that if it had any questions to ask as to any discount rates in any district the Board would give them any information they desired.

The Council in Assembly give the Board a typewritten statement (See scrap book) to the effect that it approved the Board's letter of Feb. 2, 1929 to the F.R. banks, and reaffirmed its recommendation for direct action in Nov. 1928, and that it believed direct action would be a solution.

In this statement the Council went farther than in its Nov. 1928 recommendation, which latter excluded loans to customers and confined itself to brokers loans.

In its statement today it spoke of the evil to be remedied as including all stock security loans, to customers as well as to brokers.

During the discussion the attention of the Council was called to this, but Wetmore said they used the words advisedly.

Mr. Wetmore then asked Gov. Young what took place yesterday as to F.R. Bank of New York.

C.S.H. at once said he felt sure the Board would respond to any question the Council might ask.

Gov. Young tol them in condensed form and in confidence the gist of what had happened, saying nothing of Gov. Harrison's threat to make the proceedings public.

Wetmore said he was glad the Council did not know this when it prepared its statement to the Board, but that, now knowing it, he was more than ever convinced that it was right, and all the members concurred in this.

Discount rates (Cont'd.)

Wetmore said the Board could publish it if it desired, and all concurred in this.

At 2:30 p.m. the Board met and agreed on a statement covering the Council's action, - to be given to the Press at 3 p.m.

Present: - Gov. Young, Comptroller, C.S.H., Cunningham and Miller.

Platt was away

All voted Aye except Gov. Young who asked to be recorded as "Not voting."

Feb. 15, 1929. 173, 174

C.S.H. forgot to record that some days ago Gov. Young told Gov. Harrison that if any application was made the Board would vote to take it under Review. The N.Y. directors clearly understood this as shown by the condition they imposed of an immediate decision by the Board.

C.S.H. believes N.Y. felt that if they put the Board's nose to the grind stone, it would not dare to disapprove.

C.S.H. also forgot to record that the Federal Advisory Council gave the Board another statement to effect that an increase in discount rates should not be resorted to until every effort at direct action had been exhausted. *

This was confidential and not intended for publication.

The reason the Board's decision as to New York was unanimous was that it was phrased as a disapproval of the action of N.Y., - not only as to the rate but as to the condition imposed of immediate decision by Board.

Feb. 15, 1929. 175, 176

Gov. Young, returning from N.Y., said the N.Y. directors had little to say about discount rates, except that C. E. Mitchell could not seem to understand why Board did not approve the N.Y. application.

Feb. 20, 1929. 178

Gov. Young told C.S.H. that Sec. Mellon had been kept informed by him of what happened from day to day; that he (Sec. Mellon) did not approve either the Board's letter of Feb. 2, 1929, or the public announcement of Feb. 7; that he (Gov. Young) told him the vote in the Board would be six to one against his views and that he decided not to attend the meetings.

Discount rates (Cont'd.)

C.S.H. feels Sec. Mellon has in no way interfered or tried to influence any member - in refreshing contrast with what Sec. McAdoo would probably have done had he been in office.
Feb. 20, 1929. 178, 179

Gov. Harding writes Gov. Young suggesting the possibility of increasing the discount rates on 15-day collateral notes to 6% leaving other rates at 5%.

He wrote that the N.E. banks - outside of Boston, were using their 15 day collateral notes to make good reserves depleted by loans on securities. As C.S.H. remembers, he said he had not yet discussed this with his Class A directors.
Feb. 28, 1929. 181

Gov. Young prepared a memorandum setting out the Board's reasons for disapproving the N.Y. application, which the Board adopted.

He said he did not remember telling Gov.Harrison that if N.Y. made an application the Board would take it under Review. He certainly did, however. (See supra, p. 175)

Gov. Young said so far the Board was right and N.Y.wrong as to the discount rate dispute.
Feb. 28, 1929. 181

Gov. Young said Gov. Harrison called him up saying the N.Y. directors were still anxious to increase discount rates but made no application yesterday as they knew the Board would not approve.
Mar. 1, 1929. 182

Gov. Young also said that C.E. Mitchell, now in the South, before leaving, had left a memorandum opposing any increase in discount rates at this time.
Mar. 1, 1929. 182

Gov. Young said Ogden Mills hoped that if rates were not to be increased now, - and he saw no reason for an increase, - the Board would make no increase until some time after the new issue of Govt. securities was placed,as it might lay the Treasury open to a charge of bad faith.
Mar. 1, 1929. 182

Gov. Harrison told Gov. Young that if N.Y. did not increase now, it would not for some weeks because of the Treasury issue and Gov. Young said he agreed with this, - which he jokingly added, made Gov. Harrison miserable.
Mar. 1, 1929. 183

Discount rates (Cont'd.)

Gov. Young said New York was ridiculous in attaching the condition of immediate action by the Board, for it meant either that some crisis was impending, - which all knew was not a fact, - or that they were acting like children who, if they could not have at once just what they wanted, did notwant anything.
Mar. 1, 1929. 183

Gov. Young said Ogden Mills told him that Gov. Case was opposed to a rate increase Mar. 1, 1929. 183

Gov. Young said he told Gov. Harrison that if his directors had recommended an increase yesterday it would have been voted down by the Board, 7 to 1, and that he would not have been the 1, - referring doubtless to Platt or Sec. Mellon.
Mar. 1, 1929. 183

Board approves 5% rate for Dallas.
Mar. 1, 1929. 184

Gov. Young calls up C.S.H. -Sunday - and said he had talked with Gov. Harrison who said his directors earnestly desired to increase to 6%; that they feared a runaway market tomorrow.

Gov. Young asked C.S.H. if he was willing to revise his conclusions and vote in favor of an increase to 6%.

C.S.H. said he would never change unless and until the figures showed the necessity or desirability.

C.S.H. feels the N.Y. directors are in a blue funk, - "still harping on heir daughter."
Mar. 3, Sunday, 1929. 185

Board considers letter from Gov. Norris pleading for a 6% rate which his directors were to vote tomorrow. He said that direct action was a failure; that discounts were increasing and his reserve ratio had fallen to 55%.

The Board felt a national situation was involved as this increase would be followed at least by every F.R. bank east of Mississippi River.

The Board had about decided to disapprove when Gov. Norris called up and said that quite an amount of discounts had been paid off and that his directors would not ask for an increase!

C.S.H.thinks they are about as weak as the N.Y. directors!
Mar. 5, 1929. 186

Discount rates (Cont'd.)

C.S.H. told Gov.Young he thought the N.Y. directors were very weak.

Gov. Young did not agree, but said the trouble lay with Gov. Harrison, Burgess, etc.p that he felt Gov. Harrison lived and breathed for Gov. Norman.
Mar. 5, 1929. 186

Gov. Young said Sec. Mellon and Mills hoped the Board would do all it could not to increase for some time after the Treasury had put out the new issue of certificates, as it would cause a charge of bad faith; that they had no objection to an increase if the Board so decided; that Sec. Mellon said he would stand by the Board in whatever action it took; that he had doubts whether a rate increase would cure the existing situation.

C.S.H. said he would try to avert any rate increase, at least for a reasonable time after the Treasury issue, unless some crisis, - not now in sight- should necessitate an increase.

Gov. Young said this was a most reasonable position to take.
Mar. 5, 1929. 186, 187

Gov. McDougal came in and said his directors wanted to increase to 6%. Gov. Young told him it would be voted down 7 to 1.
Mar. 7, 1929. 187

Gov. Young told Board Sec. Mellon did not believe increased rates would help the situation, and that he was prepared to stand by the Board. Mar. 7, 1929. 187

Warburg, in address as President of International Acceptance Bank, attacked Board for not increasing discount rates.

He said it was disgraceful to have in any F.R. bank a 4½% rate with acceptances over 5%. (See scrap book.)
Mar. 8, 1929. 189

C.S.H.tells Board that before consenting to increase discount rates up to 6, 7 or 8%, he was willing to consider some form of credit rationing, applicable to all banks alike. Miller said such an increase would cause a recession in business and would be a confession that the F.R. System had failed.

Gov. Young and Platt said they believed a rate increase must eventually come and was the proper remedy.

Platt thought it should come at once, but Gov. Young was willing to wait altho he felt sure it must come.
Mar. 19, 1929. 195

Discount rates (Cont'd.)

Board asked Gov. Young to call up Gov. Harrison and say the Board would like a conference with the directors either in N. Y. or Washington as to discount rates.

Gov. Harrison said his directors would meet at 2 p.m. and wanted to increase discount rates. His only reason was that the large N.Y. banks said it would be easier to cooperate in reducing speculative loans if they had a 6% rate.

In afternoon Gov. Harrison telephoned that his directors had established 2 6% rate with same condition as to immediate decision by Board. *

C.S.H. said N.Y. had never officially given the Board its reasons for an increased discount rate; that all the figures pointed to lower rather than higher discount rates; that the reasons heretofore given by Gov. Harrison orally to Board, - easier to cooperate if discount rates were increased, - was really but another way of saying that higher discount rates would do away with the necessity for cooperation.

C.S.H. moved to disapprove application, fixing rates at 5%.

Platt moved as substitute approval of the 6% rate asked for.

Lost
Aye: Platt
No: Gov. Young, Comptroller, C.S.H., James, Cunningham

Gov. Young said he would vote No altho he believed rates eventually must be increased.

C.S.H.'s motion was then put to vote.

Same vote as above, on Platt's motion.

Gov. Harrison told Gov. Young that his directors would be glad to meet with our Board but felt the discount rate must be increased first.

C.S.H. said that then there would be nothing about which to consult.

Miller talked with Woolley who said he comes to Washington tomorrow.
Mar. 21, 1929. 196, 197, 198

Cunningham moved that Wyatt be instructed to show a Regulation along the lines of his opinion, - not to bind in advance any member of the Board.

Passed unanimously.

Mar. 21, 1929. 198

Discount rates (Cont'd.)

Gov. Harrison and Woolley came before Board.

Gov. Harrison said the figures as to discounts etc. did not call for higher rates, but said they would help the N.Y. banks to cooperate with the F.R. Board.

C.S.H. asked him if the 135 million increase in brokers loans since Feb. 7 - the date of the publication of Board's warning was caused by use of F.R. credit. Gov. H. gave an equivocal answer.

C.S.H. pointed out that while brokers loans had risen 135 millions, the total N.Y. discounts had decreased by 70 millions, and its reserve ratio had increased from 76% to 83%, showing that direct pressure was working.

C.S.H. asked Gov. Harrison how an increase to 6% could reduce loans "for others", and he gave an equivocal answer.

Gov. Harrison said of course much more could be done, e.g. rationing of the member banks, asking the stock exchange arbitrarily to limit credit to brokers; that he was against both at the present time.
Mar. 22, 1929. 199

Woolley said the existing 5% rate was seriously affecting his business, but he wanted a rate increase which would diminish the demand for credit by the small speculators.

C.S.H. asked him how the continuance of a 6, 7 or 8% rate for an extended period would affect his business, but he gave no satisfactory answer.
Mar. 22, 1929. 199, 200

The Board left in the minds of Gov. Harrison and Woolley the distinct feeling that the policy of direct action just be continued without any rate increase, for the present at least.
Mar. 22, 1929. 200

Gov. Young pointed out that the N.Y. application said nothing about acceptance buying rates, and that if the Board had approved the 6% rate it would have left an acceptance hole thru which F.R. credit would flow.
Mar. 22, 1929. 200

C.S.H. said that if a 6% rate would not reduce loans "for others," - and all agreed it would not, there was no reason for a rate increase. Mar. 22, 1929. 200

Discount rates (Cont'd.)

Miller had a talk over telephone with Mr. Simpson, Director of F.R. Bank of Chicago, who said the effort now being made in Chicago, to reduce speculative loans was not being done under any order of the F.R. Board, but by voluntary cooperation of the member banks and large business interests under the leadership of George B. Reynolds, a Director of the F.R. Bank; that these efforts were being carried out in a careful, cautious manner and that any violent break would be guarded against.

He said, however, he still favored a rate increase.
Mar. 22, 1929. 201

See - Acceptance rates
Open Market Committee
Preferential rates
Seasonal crop marketing rates.

Discriminating rates
See - Collateral notes, Member bank

Divorce
Nelly Lyman, daughter of George Lyman, has been divorced by her husband, Mr. Lovering.
Feb. 1, 1929. 142

Dodd, Prof.
Spoke at dinner in memory of Wilson at Woman's Democratic Club.

Said Jefferson, Lincoln, and Wilson were the three great liberals in our history; that each of them suffered defeats; that Jefferson failed to repeal slavery; that Lincoln was repudiated in Congressional elections of 1862; that Wilson failed as to League of Nations at home and abroad; that Wilson failed in appointing the Peace Commission.

He then went on to show that the apparent defeats of Jefferson and Lincoln were but the stepping stones to ultimate victory.

He undoubtedly intended to show the same as to Wilson, but he cut himself short as he had to catch a train.

Delano called on C.S.H. who carried out what he thought Prof. Dodd would have said had he had time.

C.S.H. said that Wilson had laid an iternal foundation for the peace of the world, citing the anti-war treaty as founded upon Wilson's work and that his work for League of Nations - admittedly now the bulwark of civilization in Europe, - had placed him in history as easily one of the

Dodd, Prof. (Cont'd.)

greatest Presidents the U.S. ever had.

After the meeting Bertha Bolling thanked me in the name of her sister, Mrs. Wilson (she was not there) and herself for my splendid tribute.

She told H.P.H. she was glad her sister was not there to hear what Prof. Dodd had said.

Some time later Mrs. Wilson told H.P.H. "to tell Charlie how grateful she was for what he had said.
Dec. 28, 1928. 117, 118

Domination of F.R. Board
C.S.H. cites Sec. Mellon's acts in signing a letter of Board against giving a lower rate to member bank collateral notes secured by Government bonds, although such action would have greatly helped Treasury in its financial operations, - as proof that he has not in any way attempted.

This ought to meet Miller's general argument against having Secretary on Board.
Sept. 7, 1928. 24, 25

Donaldson, Mr.
President of Commercial National Bank, Washington, gave a dinner to retiring Comptroller McIntosh. 100 were present. Held at Carlton Hotel. C.S.H. regretted for Gov. Young. Platt and some members of Federal Advisory Council were there.

Wyatt, who was there, said that wines and champagne were openly served throughout the dinner; that the dinner was said to have cost $60 per plate!

A fair sample of Republican enforcement of Volstead Act!
Nov. 22, 1928. 89, 90

Du Maurier. 38
See - Alice Ben Bolt
Trilby

Dudley, Mr. and Mrs.
We meet, at dinner of Harry St. George Tucker at Powhatan Hotel.
Jan. 31, 1929. 141

-E-

East Boston Land Co.46
See - Cow pasture

Edwards, Gen. Clarence
Mrs. Preble Motley told C.S.H. that, had been blackballed for Boston Tennis and Racquet Club; that his manner towards women was very offensive.
Feb. 1, 1929. 142

Eligible paper
Gov. Harrison said the banks in gross had plenty of.
Feb. 5, 1929. 155

Gov. Harrison said a F.R. Bank could not refuse to discount, for a bank wishing to make good its reserves.
Feb.5, 1929. 158

Elliott, Milton P.
We attend funeral of. Dec. 16, 1928. 106

Ellis, Mr. and Mrs. Wade
We meet, at dinner given by Harry St. George Tucker at Powhatan Hotel. Jan. 31, 1929. 141

Emmons, Nelson. 17, 18
See - Mattapoisett property
Stoddard

English, Thomas Dunn. 38
See - Alice Ben Bolt

Episcopal Church
Delano is disgusted at attitude of, towards Gov. Smith.
Nov. 26, 1928. 91

See - Bratenahl
Johnston, Dr.

Evans, Lawrence
Died at Cosmos Club
Oct. 30, 1928. 64

C.S.H. attends funeral. Nov. 1, 1928. 65

Examination, State member banks
Gov. Young offers resolution that hereafter the F.R. Agents be charged with duty of examination; that Herson supervise work of F.R. Agents; that F.R. Agents should no longer send reports of examination to Board except in special cases involving expulsion; that Gilbert's examination division be abolished.

Examination, State member banks (Cont'd.)

Cunningham felt reports should still be forwarded to Board

C.S.H. suggested they be sent to Herson, and this satisfied Cunningham.

Miller suggested that Herson be directed to report to Gov. Young, to which the latter agreed.

Board agreed with Gov. Young's suggestion that matter be postponed until he returned from Texas.

Miller did not seem to favor this new plan, but C.S.H. does

At last meeting the Board had voted that credit investigations should no longer be used in place of examinations which must be assessed, as to cost, against the bank examined, - not to take effect, however, until after a conference with the F.R. Agents.
Oct. 11, 1928. 51, 54

Exchange, Foreign
See - British Exchange

-F-

Fancher, Gov.
Writes Gov. Young that business is not being hampered by the 5% F.R. rate.
Aug. 16, 1928. 14

Federal Advisory Council
Meeting with F.R. Board.
Sept. 28, 1928. 33 - 36

See -Discount rates
Nov. 22, 1928. 83, 130
See - Direct pressure

Certain members of Council were at Donaldson dinner to Comptroller McIntosh.
Nov. 22, 1928. 90

Meeting with Board. Feb. 14, 1929.
See - Discount rates
167, 168, 169, 170, 171, 172, 173, 174, 175

C.S.H. works with Platt and Cunningham preparing letter to F.R. banks on recommendation of Federal Advisory Council for a conference of banks.
Feb. 19, 1929. 178

Federal Intermediate credit banks
Board given permission to F.R. banks to buy bonds of, under certain restrictions.

Gov. Young said the F.R. banks would discount paper for such banks and Board arranged for such inter-bank rediscounts at same rate as in force at rediscounting F.R. bank.
F.R. Bank, New York, said it would be glad to take any such rediscounts.

Gov. Young said in this way the crops could be moved successfully.
Sept. 7, 1928. 24

Federal Reserve Act
Cunningham resolution for amendment of: - member banks having speculative loans can not rediscount for more than 3 days except with affirmative approval of 5 members.
Jan. 21, 1929. 130

See - Cunningham

Federal Reserve Act (Cont'd.)

Willis says spirit of F.R. Act does not forbid member banks discounting to restore reserves against deposits arising out of speculative loans; that it was purely a matter of good banking policy.

Jan. 25, 1929. 135, 136

Federal Reserve Agent, Minneapolis

Willis says John Mitchell, although he liked him personally, was not fit for his position.

Jan. 25, 1929. 136

Federal Reserve Agent, St. Louis

Board appoints Rolla Wells as.

Sec. Mellon asked what political party he belonged to.

Gov. Young said he did not know.

C.S.H. said he was a Democrat and was Treasurer of National Democratic Committee 8 or 12 years ago.

Gov. Young said he accepted only reluctantly until another could be chosen; that James had another man under consideration, from Memphis, and he supposed he was a Democrat.

C.S.H. had nothing to do with this choice and knew of it only after James had reported it.

Jan. 22, 1929. 132

Federal Reserve Agents

Board voted to have stenographer at the Joint Conference of Governors and F.R. Agents with the Board.

Some time ago the Board voted against this and C.S.H. opposed it.

Miller said, however, the discussion over the Open Market Committee would be the most important in history of F.R. System and that James and he wanted it taken down, but as to this particular topic only.

C.S.H. voted for this but feels that a stenographer will destroy all freedom of speech.

Comptroller tells C.S.H. that Gov. Young was terribly upset and felt this vote was discourteous to him as he had always opposed having a stenographer; that Gov. Young thought the vote was to take down all of the proceedings by the stenographer.

C.S.H. went into Gov. Younng's office and found him preparing a protest based on above assumption.

Federal Reserve Agents (Cont'd.)

C.S.H.explained the narrow scope of the vote.

At the Board meeting, however, Gov. Young filed a protest saying the Board had no right to direct that what he was to say should be taken down stenographically, as his remarks would be essentially confidential. He also expressed the hope that the vote was not an expression of discourtesy to him.

C.S.H. gave reasons for his vote and said it was always recognized in congressional hearings that a witness could ask that his remarks on any particular subject be not put in the record, and he felt this would be the rule at the conference.

Miller and James agreed to this.

Gov. Young then put in another resolution that no stenographic report be made except with consent of the Governors and F.R. Agents.

Cunningham, after praising Gov. Young's fairness and courtesy, moved that no stenographic report be made unless with consent of Governors and F.R. Agents.

Passed:
Miller, and James voted No.

Nov. 15, 1928. 71, 72, 73

Gov. Young really seemed to have a brainstorm. No one intended any discourtesy to him.

The original negative resolution expressly referred to "exceptional circumstances" only as warranting a stenographer and Board only voted there should be none except under such circumstances.

In final resolution the Board found that the topic "Open market Investment Committee" was a special circumstance warranting a stenographer.

Nov. 15, 1928. 74

Miller seemed much disturbed at the motion of Cunningham. C.S.H. feels this was not solely a meeting of the Board but a <u>conference</u> with the Governors and F.R. Agents which might lead up to some agreement, and therefore it was clearly proper to ask the consent of the Governors and F.R. Agents.

Nov. 15, 1928. 74

Board held conference with Governors and F.R. Agents.

Federal Reserve Agents (Cont'd.)

Just before convening, the Governors voted against having a stemographer and this killed the matter.

The principal discussion arose over the suggestions of Board as to Open Market Investment Committee.

1. The Conference voted to have the Governor of each F.R. Bank on the Committee.

   The principal issue was whether the Board should create the Committee as a Committee of Governors, or whether, as provided in Board's plan, the respective directors could appoint some one else, - e.g. the Chairman.

   Newton, of Atlanta, said the Governor and Chairman should serve for alternate years.

   Gov. Harding said if his directors should appoint the chairman, he should at once resign as Governor.

   The conference overwhelmingly voted that the Committee should consist of the 12 Governors.

2. Conference voted for Executive Committee of the Open Market Investment Committee - to be chosen by the Governors. The Board plan did not specify how it should be chosen.

3. Voted that Open Market Committee should prepare plans for purchase and sale of Govt. securities.

   Board's draft was substantially the same.

4. Voted, such purchases and sales should be primarily to accommodate commerce and business.

   Substantially same as Board plan.

5. Passed by Conference but "executive officer of Board" substituted for "Governor."

6. Passed. Substantially same as present procedure, except that for "action by Board" was substituted, "approval, disapproval or modification by Board." McGarrah voted No, as he thought "action" was better.

   On reconsideration, "for such action as Board may deem advisable" was adopted.

Federal Reserve Agents (Cont'd.)

7. Question arose as to name of Committee.

Board suggested "Policy Committee"

Curtiss moved to accept this.

McGarrah and Gov. Seay objected on ground that the public may not understand it.

Gov. Harding said Board can give it any name it pleases.

New name voted down.

Curtiss asked Gov. Young to define "securities" in paragraph 3 of Governors draft.

Gov. Young said the word included bills as well as Govt. securities,- to which no one objected.

Dr. Miller answered Gov. Harding's objections that Board had no power to prescribe any such plan.

Dr. Miller said he did not want the Board to operate any more than did Gov. Harding; he admitted there was doubt as to whether the Board had power to prescribe such a plan and that this was why Board was trying to come to an agreement with the Governors and Agents as to the matter; that the Open Market power was the very heart of System policy, and that although operated chiefly by one F.R. Bank (New York), it vitally affected all of the F.R. banks; hat the policy should be considered by the Board and by all of the F.R. banks.

Nov. 16, 1928. 74, 75, 76, 77.

C.S.H. feels that a stenographer would have been of little help, as the discussion was open, frank, and simple.

Nov. 16, 1928. 77

Board approved increase of $2000 in salary of Asst. F.R. Agent Burgess.

Jan. 11, 1929. 127

Motion of C.S.H. to increase F.R. Agent Curtiss's salary from $20,600 to $24,000 failed.

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

It was then moved to fix Curtiss's salary at present amount, -$20,000.

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

Jan. 11, 1929. 126, 127

Federal Reserve Agents (Cont'd.)

James moved to increase salary of Newton of Atlanta from $20,000 to $24,000.

C.S.H. said this would give Newton the same as the Governor of Atlanta bank, while Gov. Harding would receive 50% more than Curtiss.

Defeated:
Aye: James
No: Gov. Young, C.S.H., Platt, Cunningham
Jan. 11, 1929. 127

Platt moved to increase to $22,500.
Defeated:
Aye: Platt, James
No: Gov. Young, C.S.H., Cunningham.
Jan. 11, 1929. 127

C.S.H. moved samesalary as now, - $20,000.

Passed unanimously.
Jan. 11, 1929. 128

Federal Reserve Bank, Atlanta
See - F.R.Agents

Federal Reserve Bank, Boston
C.S.H. spends morning at, and lunches with Curtiss.
Aug. 7, 1928. 3

C.S.H. calls on Gov. Harding at.
Sept. 17, 1928. 27

See - Harding, Gov.

C.S.H. attends directors meeting.

After the meeting we all drive to the East Walpole Inn, founded in 1806, where director Philip Allen gave us lunch, and later drove us 10 miles to his house in an old stage coach owned by the Inn, drawn by four horses of Mr. Allen's.

Later drove to Boston with Mr. Hollis.
Oct. 24, 1928. 61

C.S.H. attends stockholders meeting.
Makes short address
Gov. Young also spoke.
Nov. 9, 1928. 68

Federal Reserve Bank, Boston (Cont'd.)

Gov. Harrison seemed to want the, to lead off in increasing discount rates.
Feb. 5, 1929. 155

Gov. Young tells Gov. Harrison that Gov. Harding has decided to make no recommendation as to discount rates until had replies to his circular to member banks.
Feb. 14, 1929. 168

See - Curtiss
F.R. Agents
Harding, Gov.
Paddock
Snyder

Federal Reserve Bank, Chicago

Gov. Young tells Federal Advisory Council Board may have an application from, to increase from 5 to 5½% and from Federal Reserve Bank, Cleveland, to decrease from 5 to 4½%.
Sept. 28, 1928. 33

See - Federal Advisory Council

Mr. Wetmore defends increase of, to 5% against James attack.
Sept. 28, 1928. 35

See -Federal Advisory Council

Board approves all salary changes of, except Olsen.
Jan. 11, 1929. 127

Gov. Young said Gov. McDougal was at New York directors meeting and wanted to increase rates.
Feb. 2, 1929. 143

Gov. McDougal told Gov. Young his directors wanted to increase rates.

Gov. Young said Board would disapprove, 7 to 1.
Mar. 7, 1929. 187

Board votes to send letter to Chicago asking why the member banks were not cooperating more closely with Board's policy.
Mar. 19, 1929. 193

See - Heath
McDougal

Federal Reserve Bank, Cleveland

Gov. Young tells Federal Advisory Council Board might possibly receive two requests, 1. From F.R. Bank of Cleveland to reduce rates from 5 to 4½%. 2. From F.R. Bank, Chicago, to increase rates from 5 to 5½%.

See - Fancher, Gov.

Federal Reserve Bank, Dallas

Wires stating desires to increase from 4½% to 5% to stop banks borrowing on Govt. securities and lending proceeds on call, also to correct relation of discount rates to acceptance rates, the latter being higher.

The Board believed the first was the real reason and wired asking if the telegram was to be construed as a statement that direct action had failed.

Feb. 7, 1929. 160, 161

Letter from Gov. Talley read showing that 18 out of the total of member banks were borrowing for speculative purposes, and that when he admonished them they replied that they had as much right to do this as did the Chicago and N.Y. banks.

He ended by saying that two courses were open: - 1. Direct action. 2. Increase in discount rate.

C.S.H. said this was an admirable diagnosis of the situation, but not an answer to our letter asking what he had done or proposed to do.

C.S.H. moved to table the application at least until our letter was answered.

Passed:

All but Platt voted Aye

Platt voted No.

Feb. 8, 1929. 161, 162

See - Direct action

Board voted to approve increase from 4½ to 5%.

Mar. 1, 1929. 184

Federal Reserve Bank, Minneapolis

Willis tells C.S.H. that the Governor of, was formerly President of a bank which became insolvent.

Jan. 25, 1929. 136

Gov. Young told Board that he strongly urged direct pressure when Governor of, in 1919, and read a circular then sent out, but he said it accomplished nothing.

Feb. 4, 1929. 148

Federal Reserve Bank, New York

Tells Gov. Young it will gladly extend rediscounts to Federal Intermediate credit banks. Gov. Young believes this will ensure successful moving of the crops.
Sept. 7, 1928. 24

C.S.H. attends meeting of directors and later attends Gov. Strong's funeral. Oct. 18, 1928. 60

C.S.H. is satisfied that, was not discourteous to F.R. Board as to announcing appointment of Harrison as Governor.
Nov. 22, 1928. 88, 89
Nov. 26, 1928. 91, 92

See - Harrison
Young, Gov.

Motion in Board to approve an agreement between Gov. Strnng and directors to pay his salary as Governor to end of year if he withheld his contemplated resignation until then, failed by a tie vote.

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

Wyatt gave opinion that, while not free from doubt, the N.Y. directors could not legally make the payment and that our Board, therefore, could not approve it.

C.S.H. justified his vote by his construction of the agreement as one giving to Gov. Strong, when agreement was made, of a lump sum, - $2800 - payable by installments over 2 months.

Miller opposed approval, saying that Wyatt's suggestion, in his opinion, that only the Treasury could raise question of the legality because it would reduce the amount payable to Treasury as a franchise tax, was, in effect, collusion and might cause scandals like the oil scandals.

Miller said the payment to F.R. Agent Wills or to his widow after his death, which the Board approved, was not a precedent as in that case the money, differing from this case - had already been paid by the Cleveland directors.
Dec. 18, 1928. 108

Board, after long discussion voted to notify, of failure to approve above agreement, but notified, that the opinion of the Attorney General might be asked.

C.S.H. during the discussion spoke of a talk we had had with Gov. Harrison on the matter.

Federal Reserve Bank, New York (Cont'd.)

Miller objected strenuously to any member talking of the matter to the N.Y. bank.

C.S.H. reminded Miller that a question of law was involved, and that, as a member of the Law Committee he had the right to ask for any information he desired, and further said that McGarrah might write the Board explaning in greater detail the actual agreement.

During the discussion McGarrah called up C.S.H. and said the directors resolution stated essentially all the facts, but he would merely add that Gov. Strong made certain commitments by virtue of the agreement which he would have been released from had he resigned. C.S.H. reported this to the Board.
Dec. 19, 1928. 109, 110

C.S.H. said during the discussion that, while he would vote and had voted to approve the $2800 agreement, he agreed with Miller that, involving as it did a question of law, in which our Council advised against approval, it would be unfortunate for the Board to approve by a bare majority, - that there should be a substantial majority; that therefore he was ready to vote to inform the directors of Counsel's decision and till then we would ask an opinion from the Attorney General if they so desired.

On motion, the Board so voted unanimously, except that Gov. Young was recorded as "Not voting."
Dec. 19, 1928. 112

Board discuss N.Y. acceptance rates.
Jan. 4, 1929. 121, 122, 123

See - Acceptances

Warburg tells Board that, had the right to protect itself against a flood of acceptances by increasing rates.
Jan. 5, 1929. 124, 125

See - Acceptances

Board approves all salary increases of, including increase of $5000 to Gov. Harrison and $2000 to Burgess but voted to defer salary to be paid to Snyder and to Manager of Buffalo branch until later.
Jan. 11, 1929. 126, 127

McGarrah confers with Board as to salary of manager of Buffalo branch.
Jan. 25, 1929. 133

Federal Reserve Bank, New York (Cont'd.)

McGarrah told Board his directors wanted to issue a public statement warning corporations loaning "For others" that it was for their own interest to stop this practice.

McGarrah also said his directors wanted to throw out an intimation that the collateral behind these call loans on Wall Street might be found not to be liquid.

The whole Board pointed out to him that such an intimation, if of any effect at all, would cause fear and uncertainty and might even bring on a panic.

Miller, at first, thought a statement, omitting of course- the imtimation of lack of liquidity - would do no harm and might do good.

Gov. Young opposed any statement as likely to cause trouble.

No definite conclusion was reached.

In the afternoon, Sec. Mellon, at first favorable, changed his views and doubted wisdom of any statement.
Jan. 25, 1929. 133, 134

The Board read to McGarrah the proposed credit warning, - Miller resolution.

McGarrah opposed it vigorously as it might be construed as an attack on the stock market and cause trouble!
Jan. 25, 1929. 134

In reading records of last meeting the Secretary omitted reference to Mr. McGarrah's statement that his directors wanted to put in their proposed statement an intimation that the collateral behind call loans might prove not to be liquid.

C.S.H. moved that this statement be added to the minutes.

At first there was opposition but finally Miller agreed that, - as McGarrah made the statement as representing the view of his directors, and not merely his personal views,- it should be added and the Board amended the records accordingly.

In recording the afternoon proceedings all agreed that McGarrah's criticism of the pending credit warning, - being merely his personal, off hand, criticism, should be omitted, and the

Federal Reserve Bank, New York (Cont'd.)

statement be made merely that he conferred with the Board as to its proposed credit warning.
Jan. 28, 1929. 137, 138

Board voted to wire McGarrah that, confirming its objections stated informally on Saturday, if the N.Y. directors put out any statement it should be so phrased as to exclude any possibility of construction that they were speaking for the F.R. banks or F.R. Board.

In afternoon Gov. Young said McGarrah had telephoned that his directors would issue no statement.

Gov. Young said McGarrah asked if the Board would issue a statement as to "Loans for others"; that he told him the Board did not contemplate issuing any such statement; that McGarrah seemed greatly disturbed and said the Board should issue some statement.
Jan. 28, 1929. 137, 138

Gov. Young said Gov. Harrison had asked the Board to go to N.Y. to meet his directors Thursday.

Gov. Young thought it important, as did also Platt, and both said they would go.

C.S.H. said Gov. Norman arrives in N.Y. today and he thought it likely he would be at the directors meeting; that he did not desire to confer with Gov. Norman in N.Y. but would prefer to have him come to Washington if he wished to confer with the Board.

Miller took the same view.
Jan. 29, 1929. 140

Gov. Young goes to N.Y. today for a conference with the N.Y. directors tomorrow.

Eddy told C.S.H. that F.R. Agent Heath said he was going on to confer with Gov. Norman.

C.S.H. believes this means there is to be a large conference tomorrow, other Governors and F.R. Agents to be present, similar to that held in 1927.

C.S.H. firmly believes no such a general conference should be held at any other place than Washington, and is very glad he declined to go.
Jan. 30, 1929. 141

Federal Reserve Bank, New York (Cont'd.)

Gov. Young reported that Gov. Harding, Gov. Norris and Gov. McDougal, and for a short time F.R. Agent Heath, were at the N.Y. directors meeting; that Gov. Norman was not at the meeting.

Discount rates were also discussed.

See - Discount rates.
Feb. 2, 1929. 143

Gov. Young said he had several conferences with Gov. Norman at the F.R. Bank, at which, I understood him to say, Governors Harding and Norris were also present; that Gov. Norman said the Bank of England would shortly increase its rates by 1%; that Gov. Norman would be in Washington Wednesday.
Feb. 2, 1929. 143

Miller reminds C.S.H. that Gov. Norman at lunch in Washington told the Board he had come to pay his respects to Gov. Harrison of F.R. Bank of New York, - never mentioning Gov. Young or the F.R. Board.
Feb. 11, 1929. 166

C.S.H. stays in his office until 5:30 hoping to hear from the N.Y. directors who were meeting, Eddy said, to answer Board's credit warning letter.

Eddy told me he had heard, indirectly, that they had adjourned without taking any action on discount rates.
Feb. 11, 1929. 166

See - Discount rates

N.Y. directors unanimously establish a 6% discount rate, subject to review and determination of F.R. Board.
Feb. 14, 1929. 167, 168, 169, 170,171,172

See - Discount rates
Goldenweiser

Federal Advisory Council, not knowing of yesterday's action on N.Y. application, approved Board's warning issued Feb. 7. Board publishes it. Feb. 15, 1929. 173, 174, 175, 176

See - Direct action
Discount rates
Federal Advisory Council

Federal Reserve Bank, New York (Cont'd.)

Gov. Young, returning from New York, said the directors had little to say about discount rates, except that Mitchell could not seem to understand why the Board did not approve the increase.
Feb. 20, 1929. 178

See - Discount rates

Gov. Young prepared a memorandum giving Board's reasons for not approving N.Y.'s request.
Feb. 28, 1929. 181

Gov. Young said he did not remember telling Gov. Harrison that if N.Y. increased the Board would take it under review.

He certainly did so.
Feb. 28, 1929. 181

Gov. Young said so far the Board was right and the N.Y. bank wrong as to discount rates.
Feb. 28, 1929. 181

Gov. Young says Gov. Harrison told him the directors took no action as to rates yesterday at directors meeting, as they knew the Board would not approve.
Mar. 1, Friday. 182

See - Discount rates

Gov. Young said Mitchell, on leaving for the South, left a memorandum opposing increase in rates.
Mar. 1, 1929. 182

See - Discount rates

Gov. Young said the N.Y. directors were ridiculous in attaching the condition of immediate decision by our Board, as this meant either that a crisis was impending, - which all knew was not a fact, - or that the directors were acting like children who, if they could not have at once what they wanted, did not want anything.
Mar. 1, 1929. 182, 183

See - Discount rates

Gov. Young said Ogden Mills told him that Gov. Case opposed a rate increase.
Mar. 1, 1929. 183

Federal Reserve Bank, New York (Cont'd.)

Gov. Young said he told Gov. Harrison that if the directors had recommended an increase at their last meeting the Board would have voted it down 7 to 1 and that he would not have been the 1.
Mar. 1, 1929. 183

Gov. Young calls up C.S.H. and says Gov. Harrison said Hoover his directors earnestly desired an increase as they feared a run away market tomorrow, and asked if C.S.H. would revise his opinion.

C.S.H. said No, he would never change until the figures showed some necessity.

Mar. 3, 1929. Sunday
185

C.S.H. feels the N.Y. directors are in a blue funk "still harping on their daughter."
Mar. 3, 1929. 185

C.S.H. refers to N.Y. Money Committee during the war, conducted by F.R. Bank, New York.
Mar. 19, 1929. 194

See - Discount rates

Gov. Harrison says N.Y. directors wish a conference with our Board; that they were to meet at 2 p.m. and wished to increase rates, on ground that the N.Y. City bank felt cooperation would be more effective in reducing speculative loans if rates were increased.

Gov. Harrison telephoned in p.m. that his directors had established a 6% rate.

Board disapproved.
See - Discount rates.
Mar. 21, 1929. 196, 197

Gov. Harrison said his Board of directors would be glad to confer with our Board but felt that rates should be increased first.

C.S.H. pointed out that then there would be nothing to confer about.

Woolley told Miller he would come before Board tomorrow.
Mar. 21, 1929. 197, 198

Gov. Harrison and Woolley appeared before Board asking for increased rates. Mar. 22, 1929.199, 200, 201

See - Direct action
Discount rates
Harrison, Gov.
Reyburn
Strong, Gov.

Federal Reserve Bank, Philadelphia
Board votes increase to Gov. Norris from $25,000 to $30,000.
Jan. 11, 1929. 127

Board considered letter from Gov. Norris pleading for a rate increase and had decided to reject it, when Gov. Norris telephoned that a large amount of discounts had just been paidd off and, therefore, his directors would not ask for an increase. Mar. 5, 1929. 186

See - Norris, Gov.

Federal Reserve Bank, San Francisco
Board voted to write, asking why it had been more successful in enforcing our credit warning.

Gov. Young and James objected saying there might be special circumstances and that it should have more time, especially as it had not applied to increase over its 4½% rate.

Miller felt that having written Chicago we were bound to write San Francisco.

James finally voted in favor of sending the letter.
Mar. 19, 1929. 192, 193

Federal Reserve Bank, St. Louis
Board appoints Rolla Wells, F.R. Agent.
Jan. 22, 1929. 133

See - F.R. Agents

Federal Reserve banks
See - Acceptances
Domination
Examination
Federal Reserve Board

Federal Reserve Board
See - Acceptance rates
Acceptances
Black resolution
Discount rates
Federal Advisory Council
Examination
Federal Reserve Agents
Federal Reserve banks. By name
Federal Reserve Board members. By name
McFadden
National bank notes
Stenographer
Open Market Investment Committee
Norman, Gov.
Strong, Gov.
Warburg
Young, Gov.

Federal Reserve System
Willis says, has gone to prices.
Jan. 25, 1929. 135

C.S.H. disagrees. Jan. 25, 1929. 136

See -Federal Reserve Board

Fidelity Trust Co.
C.S.H. writes Donald Hale congratulating him on his promotion in, and sending him some books on Federal Reserve System. Sends copy to Rachel Hale.
Donald Hale never acknowledged the letter.
Mar. 18, 1929. 195

Fifteen-day collateral notes
See - Collateral notes

Finance paper
See - Collateral notes

Finland
We meet Minister to U.S. from, at dinner with Gertrude Myer.
Feb. 22, 1929. 179

Finley, Mrs.
We meet, at dinner with Mrs. Graef.
Jan. 30, 1929. 140

Fisher, Gov.
Dr. Butler says, will be the future boss of Pennsylvania.
Dec. 6, 1928. 98

Fisher, Sally
See - Nelson, Mrs. Alexander

Five affirmative votes. 130
See - Cunningham

Food administrator
See - Hoover

For others, Loans
See - Brokers loans

Foreign editors
C.S.H. meets, at dinner of Carnegie Foundation.
Nov. 22, 1928. 84

Forest Hills
C.S.H. drives out to cemetery.
Sept. 17, 1928. 28

See - Cunningham, Henry V.

France
Miller says Great Britain should have not gone so suddenly to the gold standard butshould have contented itself at first with stabilization as did France and Belgium.
Feb. 5, 1929. 151, 152

Gov. Norman said France had obtained gold for capital rather than for gold standard purposes.
Feb. 6, 1929. 156, 157

Franchise tax
Miller objects to Board asking Sec. Mellon to consent to payment of salary for 2 months after death of Gov. Strong on ground that he, because of, was the one who could raise the question of legality, and said it would give rise to scandal similar to the oil scandal.
Dec. 18, 1928. 108, 109

Freeman, Bishop
Attends dinner at Woman's Democratic Club in memory of Wilson and says Grace.
Dec. 28, 1928. 117

We meet, at dinner at Larz Anderson's and H.P.H. says he drank champagne freely during the dinner.

C.S.H. noted he did not take a cocktail before dinner.

In view of his public attitude favoring the Volstead Act, we thought this very extraordinary.
Mar. 19, 1929. 195

Frequent and continuous borrowers
See - Direct pressure
Willis

Frothingham, Louis
We started out to attend funeral of, in North Easton, but found it was at noon instead of at 2 p.m. as we thought, so when we reached there it was all over.
Aug. 25, 1928. 18

Frothingham, Mrs. Paul Revere
We dine with.
Mar. 18, 1929. 192

Funeral of President Wilson
Bishop Atwood told Charles Warren he had seen a telegram from Mrs. Wilson or Mr. Bolling to Col. House saying he was not expected to attend.
Nov. 24, 1928. 90, 91

Funerals
See - Elliott, Milton C.
Evans, Lawrence
Frothingham, Louis
Lansing, Robert
McClennan, Mrs. Tytus

-G-

Garrison, Ex-Secretary
Miller said Wilson intended to appoint another N.Y. man of same name but by error the letter was sent to Lindley Garrison who accepted.
Feb. 7, 1929. 161

Glass, Senator
Henry W. Anderson says Glass was so bitter in the campaign that he can not be reelected to Senate.
Dec. 5, 1928. 96

Glidden, Mr.
We meet, at dinner with Bishop Rhinelander.
Feb. 19, 1929. 178

Goebel, Peter
See - Federal Advisory Council

Gold, Gold standard
Gov. Young said Gov. Norman said he should no longer protect British Exchange and would allow some gold to be exported to U.S.

Board agreed not to offset this.

Gov. Young said the member banks would pay off rediscounts with it.

James claimed they would put it on call because of higher rates.

Gov. Young denied they would be moved by desire for profit, citing that some N.Y. banks had sold bonds at a loss and with proceeds had reduced their rediscounts.
Sept. 7, 1928. 23

Gov. Harrison also gold Gov. Young of Gov. Norman's intention of ceasing to support British Exchange.
Sept. 7, 1928. 24

Miller favors taking away gold reserve behind the greenbacks leaving them as an unsecured Govt. obligation.
Dec. 28, 1928. 116

C.S.H. sarcastically said, why not seize the gold behind the gold certificates as McAdoo wanted to do during war?
Dec. 28, 1928. 116

Gold, Gold standard (Cont'd.)

Miller said Great Britain went too quickly into gold standard; that she should have gone more slowly, contenting herself with stabilization as did France and Belgium.
Feb. 5, 1929. 151, 152

Miller puts many questions to Gov. Norman as to operation of gold standard in Europe.
Feb. 6, 1929. 156

Gov. Norman said gold standard was in peril in near future; that the purpose of a gold standard originally was to protect the exchanges; that recently, however, European and South American countries had obtained gold for capital and not for exchange purposes, - e.g. France, Brazil, Argentina; that it was a strain on gold even when used to maintain a central banks reserves; that while he believed a much lower ratio would be safe, his people did not feel so, and any appreciable decline in gold reserves was reflected at once in the country's exchange, and the country must increase discount rates to protect its gold although no increase was necessary from the commercial standpoint; that he feared trouble if countries need gold for other than its real purpose, - settling of balances with other countries.

He said prices were now adjusted on an international world level and that any pronounced fall would be most injurious.
Feb. 6, 1929. 156, 157

See - Goldenweiser

Goldenweiser, Dr.
Defends his figures as to production, distribution, chain store figures etc. from criticisms of James.
Oct. 11, 1928. 49, 50

Board disapproves request of, to appoint a foreigner to help him as to foreign statistical data, although he said he had tried in vain to get a competent American.

Tie vote:
Aye: Gov. Young, C.S.H., Platt
No: Miller, James, Cunningham
Nov. 12, 1928. 69

Explains to C.S.H. the appointment of Harrison as Governor of F.R. Bank, N. Y.
Nov. 24, 1928. 88, 89

Goldenweiser, Dr. (Cont'd.)

Protests against putting into Board's credit warning a copy of our letter to the Chairmen of F.R. Banks, as it would make public a difference between the F.R. Board and F.R. banks. The Board accepted this suggestion.
Feb. 5, 1929. 152

Tells Federal Advisory Council existing speculative conditions are a menace to F.R. System; that business rates had increased at least 1% and must increase more unless speculation thru use of F.R. credit declined; that farther increase of F.R' rates threatened industrial conditions in U.S. and even threatened disruption of gold standard abroad, as it would draw gold from Europe which would be very undesirable for U.S.
Feb. 14, 1929. 171, 172

Gordon-Cummins, Mrs.
We dine with.
Dec. 24, 1928. 114

Government securities
Gov. Young defines word "securities" as used in Board's draft on Open Market Investment Committee as including bills and.
Nov. 16, 1928. 77

Gov. Young gave notice that he would introduce a resolution that no F.R. bank could invest more than a certain percentage of its capital in. Jan. 4, 1929. 123

Warburg agrees with Gov. Young that the proceeds of acceptances leak into the call market more slowly than proceeds from sale of. Jan. 5, 1929. 124

Warburg favors a discriminating rate against member bank collateral notes secured by. Jan. 5, 1929. 125

See - Collateral notes
Open Market Investment Committee

Governors Conference
Miller wanted to call a, to discuss direct pressure, but Board felt this would prove to be another "May, 1920" conference.
Feb. 7, 1929. 163

Governors, F.R. Banks
See - F.R. Agents; Joint Conference

Graef, Mr. and Mrs.
We dine with.
Present: Sec. Mellon, Mrs. Finley, Mrs. Corbin, Lady Lester-Kaye.
Jan. 30, 1929. 140

Graef, Mr. and Mrs. (Cont'd.)

Mrs. Graef said that some years ago two young Englishmen , one an artist, spent some time in Washington and saw much of the young society girls; that she asked them who they thought was the most attractive girl they had met; that they replied they had discussed this question with one another the day before; that they agreed that Anna Hamlin was the most beautiful girl they had met in America; that her features were absolutely perfect.
Jan. 30, 1929. 140

Mrs. Graef told us that some time ago the people of Rome, Georgia, had erected a monument to the first Mrs. Wilson and had written inviting each of his daughters to attend at the unveiling but that neither ever even acknowledged the invitation.
Feb. 10, 1929. 165, 166

Grange, National
See - National Grange

Grant, Alexander
See - Grant, Catherine

Grant, Alexander Jr.
Writes C.S.H. thanking him for the album of facsimiles of U.S. postage stamps which I gave Catherine last summer for his birthday.
Dec. 31, 1928. 120

Grant, Catherine (Mrs. Alexander Grant)

Lunches with us on my 67th birthday at Mattapoisett.

Gave me 2 books as birthday presents.

1. "A deputy was King." by G. B. Stern.
2. "He Rather Enjoyed It" by Wodehouse.

Aug. 30, 1928. 21

Drives us over to call on the Misses Howlands, Fairhaven

She spoke of a poem of hers in the New Bedford Standard and C.S.H. got it. It was well done (See scrap book.)
Sept. 2, 1928. 22

C.S.H. called up Catherine and asked her if she would chaperone Gertrude Myer and himself at lunch at Somerset Club tomorrow. She suggested that we drop Gertrude and have lunch together at the Club, and then drive out to see her new home in Longwood. She said that would be selfish, and that of course she would join us if I wished it. Bertie said there was no reason why C.S.H. should ask Gertrude, so he reserved a table for two at the Club.
Sept. 16, 1928. 26, 27

Grant, Catherine (Cont'd.)

C.S.H. met Catherine at Somerset Club. Before she arrived Mrs. Larz Anderson told him that Gertrude Myer was there lunching with Mr. and Miss Codman. When Catherine came in I told her of this. At first she thought I had accepted an invitation from Gertrude and later had gotten out of it by pleading an important engagement. I told her, however, that I had declined Gertrude's invitation because of another engagement. So there was no reason to try to avoid Gertrude. We went in to lunch and soon Gertfude came over to us with a smile almost a leer on her face and said, "Now I know what your important engagement was!

C.S.H. said jestingly to Catherine, - "Gertrude is very discreet" and Gertrude said, "I shall never tell Bertie."

She evidently thought or pretended to think that we had made a date together and that Bertie did not know it, and that this would give her a hold over me. We thought it a good joke to let her think so.

After lunch I drove out with Catherine to see her new house.
Sept. 17, 1928. 26, 27, 28

Called up Bertie from Washington. She said Catherine called in afternoon and they had a good laugh over the lunch incident.
Sept. 18, 1928. 29

Catherine came over from Fairhaven and gave me a book to read.

C.S.H. said he hoped she would write occasionally during the winter and let us know how she was getting along, and she said she would.

While driving out with her to her house last Monday, she kept calling me "Mr. Hamlin" and I suggested that as we looked on her as practically one of our family, almost like a younger sister, she had better drop the "Mr" and use instead "Charlie." She said she would be delighted to but that her family would probably make all sorts of fun of her. When I left she dropped the "Mr."

Today I suggested that if she would be subjected to any embarrassment or ridicule, she could drop the "Mr." only when we were alone with Bertie and be very formal on other occasions. She smilingly said she would do this.
Sept. 21, 1928. 29, 30.

Grant, Catherine (Cont'd.)

Bertie and I are feeling really blue at Catherine's moving up to Boston and especially so as she says she will probably be in Nahant next summer. We have seen her almost every day in the summer for many years, and she has been absolutely devoted to us. Her coming over with her children to bathe has meant much to Bertie, and we both have a feeling of deep affection for her as if she was one of our family, - a sister or even a daughter.

Sept. 21, 1928. 30

Catherine came over with the children to bathe and loaned me the "Chronicles of Clovis" by H.H. Munro (Saki)

Sept. 20, 1928. 30

Catherine dined with us, with Mrs. Stanley McCormick and others. Alexander Grant said he had a cold and could not come.

On leaving she said she hoped I would write her some more of my delightful gossipy letters, giving all the news from Washington, and I said I wouldbut that when she wrote me she must drop "Mr." and substitute "Charlie" or even "Grandfather" if she preferred that. This she said she would do.

She spoke of her deep love and affection for Bertie and said whenever Bertie came to Boston she must stay with her.

She also said it was within the bounds of possibility that she might be back in Fairhaven, or possibly in Mattapoisett next summer.

C.S.H. said he would write her a formal birthday letter.

C.S.H. writes her as to Alice Ben Bolt.

Sept. 23, 1928. 31, 38

See - Alice Ben Bolt

Catherine moves to Boston with her family.

Sept. 25, 1928. 31

C.S.H. writes Catherine sending back a book she loaned him and giving some reminiscences of Longwood as it was when he lived there.

Sept.26, 1928. 31, 32

Grant, Catherine (Cont'd.)

Bertie telephoned Catherine to come down with the children. She said she could not as she was exhausted from house moving, but they were going to Fairhaven Friday for over Sunday and would take a meal with us.

She told Bertie she had received my letter but had been so used up after paying bills, etc. that she had not been able to write.

She begged Bertie to come up with me and spend the night. Bertie said I was not going back via Boston this week as I could not get a berth on the Federal Express, but that she would surely go to her in November.

C.S.H. told Bertie not to mention his name over the telephone nor send his love, because she had neglected to acknowledge his letter. This has never happened before and she will understand it.

Oct. 6, 1928. 43, 44

We wrote Mr. and Mrs. Delano to visit us and surprise Catherine who wa s to be in Fairhaven on Friday.

Oct. 8, 1928. 47

Catherine came down to Fairhaven with Fred and Anne to say over Sunday. She came to dinner and we all listened over radio to Franklin Roosevelt's Boston speech.

She said she surely expected me to go to her house in Longwood Monday when en route to Washington.

Oct. 12, 1928. 55

Catherine brought Miss Abby Howland over to tea.

She told C.S.H. the reason she had not answered his letter before this was that it was so brilliant and fascinating that she felt she ought to try and write an interesting and carefully written answer somewhat near the level of his; that she had been so overwhelmed with the details of the new house she had not been able to even write her Mother; that if C.S.H., however, would be content with a simple, uninteresting letter she would gladly write.

C.S.H. said this would be perfectly satisfactory, and that if he did not hear from her soon he might send her a printed statement of different facts and all she would have to do would be to place an X opposite her choice; that he would even enclose a stamped,

Grant, Catherine (Cont'd.)

addressed return envelope. She laughed and said that if C.S.H. did not hear from her within two weeks, to send on such a letter.

Before she left C.S.H. promised to call at the house in Longwood Monday.

She said she would try to get Judge Grant to meet me, and she begged Bertie to come with me and spend the night.

Bertie and I look on Catherine as if she were our own daughter.
Oct. 13, 1928. 57, 58

C.S.H. calls on Catherine at Longwood.

Judge Grant and Alexander were there, and C.S.H. drove Judge Grant home.

Catherine and Alexander both begged C.S.H. to come there as often as he could and she would give me a quick dinner.

Judge Grant said he should vote for Hoover but realized that his election would fasten prohibition on the country forever. He seemed disturbed at Democratic radicalism. C.S.H. fears he distrusts the Roman Church.

Catherine told Bertie some time ago she should vote for Gov. Smith.
Oct. 15, 1928. 58, 59

C.S.H. writes Catherine a bread and butter letter and asks her to come down some day next week.
Oct. 19, 1928. 61

Bertie called up Catherine asking her to come down, but she could not as Alexander was off on a hunting trip and would probably return on Saturday.

Catherine told C.S.H. she had sent him a letter to the Cosmos Club yesterday. She said she would surely come down before we left.
Oct. 23, 1928. 61

Catherine sent us some chrysanthemums in memory of Anna's birthday.
Oct. 26, 1928. 62

C.S.H. receives Catherline's letter sent to Cosmos Club, dated Oct. 22, 1928. She addressed it or rather began it, "Dear Charlie."
Oct. 26, 1928. 62

Grant, Catherine (Cont'd.)

C.S.H. calls up Catherine who said she would be at home in the afternoon and would give me a quick supper so I could catch my train to Washington.

I asked if she would go with me to call on Lady Ames and she said she would.

I called at 4:30 and we walked over and had a delightful call on Lady Ames who gave us tea and kept us an hour.

Returning I had supper with Alexander and the children, and left in time to catch the Federal Express.

Oct. 29, 1928. 63

While Catherine was dressing for supper, I had a talk with Alexander about brokers loans. He always addressed me as Mr. Hamlin and I finally told him his Father and I had used their Christian names for 30 or 40 years; that for many years I had called him Alexander; that Bertie and I looked on Catherine and himself as one of our family and as a younger brother and sister; that I really wished, at least in the bosom of the family, he would drop the "Mr." and call me Charlie. He seemed very much pleased and said, - would you consider it respectful? I said yes, and when I left he addressed me as "Charlie."

Oct. 29, 1928. 63

C.S.H. told Alexander that we considered him one of the luckiest men in the world in having Catherine.

Later I told Catherine of my talk with Alexander and she was very much pleased. During our walk she told me how she admired and loved Bertie, and that she felt as if she were a younger sister to us both. She finally said she expected a bread and butter letter right away.

Oct. 29, 1928. 64

C.S.H. sends a bread and butter letter to Catherine filled with Washington gossip.

Nov. 1, 1928. 65

Catherine told me Alexander would probably vote for Hoover. I am sure, however, she will vote for Gov. Smith.

Nov. 4, 1928. 66

Grant, Catherine (Cont'd.)

Miss Hathaway, of New Bedford, on whom we called, praised Catherine in highest terms, but spoke in almost contemptuous terms of Alexander. She said he was supremely selfish and did not appreciate what a wife he had.
Nov. 4, 1928. 66

Annie Nourse, when here two weeks ago, said she saw much of Alexander at Nahant, this summer, and thought him very uninteresting and disagreeable.
Nov. 4, 1928. 66, 67

We celebrated the election of Franklin Roosevelt by opening a bottle of sherry left by Catherine and telephoned her at Longwood but she was out at dinner.
Nov. 8, 1928. 68

C.S.H. called up Catherine from Boston. She said she wrote him yesterday and was going down tomorrw; that Bertie had just telephoned her and she was to dine with us tomorrow night.
Nov. 9, 1928. 68

C.S.H. received a very sweet note from Catherine dated Nov. 8.
Nov. 9, 1928. 68

Catherine dined with us and asked me to come to her a week from Monday when I returned from my last visit to Mattapoisett for the season. She asked me to telephone her from Boston, and if she had any evening engagement for dinner she would frankly say so.

Before she arrived Bertie said she should again ask her henceforth to call her Bertie, but Catherine did this twice (C.S.H. had several times and Bertie also had previously asked her to do this) - so Bertie did not need to mention it. She also several times addressed me as "Charlie."

She also said she hoped I would continue to write her from time to time, altho she felt her letters in reply would not be worth reading.

We again opened the bottle of sherry and all drank to health of Governor Elect Roosevelt.
Nov. 10, 1928. 68, 69

Mr. Delano told C.S.H. that Catherine did not want to leave Fairhaven.
Nov. 13, 1928. 70

Grant, Catherine (Cont'd.)

C.S.H telephones Catherine from Boston and she said she was at home and I must surely stay for dinner.

In afternoon I called on her and we went together to call on Mrs. Henry Howe, having tea there and staying nearly an hour.

We returned and had supper with the children, Alexander, and Mr. Devens.

Both Catherine and Alexander repeatedly addressed me as "Charlie." Left on Federal Express.

Nov. 19, 1928. 80

Catherine said her Mother was telegraphing and writing her as to some things they wanted to send on; that she feared they were old "bunk." She begged me to tell them her house was already filled to overflowing, which C.S.H. saw it literally was.

She again asked C.S.H. to write and said she would surely answer his letters.

We feel that Catherine really feels as if she was a member of our family, like a younger sister, - as we have begged her to feel.

Nov. 19, 1928. 80, 81

C.S.H. telephoned Mrs. Delano that he dined last night with Catherine and Alexander, and she was much pleased, saying it was good for them and for C.S.H. too.

C.S.H. told her how full their house was. She spoke of her letter and telegram, saying Catherine had not answered and she supposed they did not care for the things.

She asked me if Catherine had mentioned her letter and telegram, and I answered equivocally by asking what the things were. She spoke ofsome old tiger skins, not of great value because of frequent repairs.

Nov. 20, 1928. 81, 82

C.S.H. sends Catherine for her birthday present, a book, - Introduction to Drama" which she picked out from a list I gave her some time ago.

I wrote on it,- "To Catherine:
With love and birthday greetings from
Huybertje and Charlie.
Nov. 25, 1928.

Nov. 21, 1928. 82

Grant, Catherine (Cont'd.)

C.S.H. sends Catherine a birthday letter.
Nov. 22, 1928. 83

Catherine's 39th birthday.
Nov. 25, 1928. 91

Bertie, en route to Albany, takes tea with Catherine. Mrs. Grant was there.

Catherine said they could find no place for the tiger skins.
Nov. 26, 1928. 92

C.S.H. receives long letter from Catherine thanking him for his birthday present. Dec. 10, 1928. 100

Catherine sends a large package "not to be opened before Christmas."
Dec. 14, 1928. 106

Bertie sends Catherine as a Christmas present from both of us a Mexican glass flower vase.
Dec. 18, 1928. 108

Mrs. Delano told Bertie Catherine was worried about Freddie and was to take him to a celebrated Doctor in N.Y. and later might come down to Washington.
Dec. 22, 1928. 113

C.S.H. writes Catherine a long letter thanking her for her Christmas present of two books, and for her Christmas card. The books were, - "Meet General Grant," and "Harness."
Dec. 22, 1928. 113

C.S.H. received a letter from Alexander, Jr. thanking him for the facsimile of U.S. postage stamps he gave Catherine last summer.
Dec. 31, 1928. 120

Bertie received a letter from Catherine dated Dec. 29, 1928 thanking us for the Mexican bowl, and saying she would write C.S.H. soon. She began it, "Dearest Bertie."
Jan. 2, 1929. 120

C.S.H. receives a charming letter from Catherine dated Jan. 9, 1929, enclosing a clipping quoting Robert Washburn on C.S.H. which he already had.
Jan. 11, 1929.128

C.S.H. sends long letter to Catherine.
Jan. 21, 1929. 131

Grant, Freddie 113
See - Grant, Catherine

Grant, Judge Robert. 58, 59
See - Grant, Catherine

Grant, Mrs. Judge. 92
See - Grant, Catherine

Great Britain
Miller said, made a mistake in going so suddenly on the gold standard. Feb. 5, 1929. 151

See - Gold standard
Norman, Gov.

Greenbacks
Miller favors taking the gold from behind the greenbacks leaving them as an unsecured obligation of the Government. Dec. 28, 1928. 116

Guaranty Trust Co.
Gov. Harrison names, among the N.Y. banks as occasionally being out of line with the mass of the N.Y. banks by frequent discounts. Feb. 5, 1929. 150

See - Federal Advisory Council
Potter

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Hale, Chandler 85
See - Hale, Rachel

Hale, Donald Cameron
See - Hale, Rachel

Hale, Eugene. 87
See - Hale, Rachel

Hale, Mary. 10, 37, 48, 71, 83, 87
See - Hale, Rachel

Hale, Rachel
C.S.H. writes, a full account of his interview with Dr. Ruffin as to Gertrude Myer.
Aug. 2, 1928. 2

C.S.H. writes, another letter that Gertrude is to visit us Aug. 4.
Aug. 2, 1928. 2

C.S.H. writes long letter to, telling of Gertrude's visit to us.
Aug. 11, 1928. 4

Gertrude says Mary Hale has written her that Rachel has had a nervous breakdown, that her Doctor advised a trained nurse, and that she had given up her proposed visit to her.
Aug. 18, 1928. 10

C.S.H. feels that his letter to Rachel made it clear to her that she was in no condition to have Gertrude for a visit this summer. Aug. 18, 1928. 10

Gertrude tells C.S.H. she has heard nothing more from Rachel but that Mrs. Stokes (Carol) had written her that she had called on Rachel in Bar Harbor, but that she and her sister, Mrs. Clark, were too ill to see her.
Aug. 25, 1928. 18

C.S.H. writes Rachel as to Gertrude.
Sept. 4, 1928. 22

C.S.H. receives a very appreciative letter from Rachel Dated Sept. 7, 1928. Sept. 11, 1928. 25

C.S.H. writes Rachel from Somerset Club.
Sept. 17, 1928. 28

Hale, Rachel (Cont'd.)

C.S.H. started to write Rachel when something seemed to say to him that she was at her house in Washington.

I called her up and found she was there but was resting.

Later I called up again and she had returned unexpectedly and would have called me up before (she arrived on Thursday) but her house was in such utter confusion that there was not a room in which she could receive any one. She begged me to come right over, which I did.

We had a delightful talk of nearly 1½ hours, and I told her in detail <u>everything</u> Gertrude had said to me during the summer.

She said my letters were perfectly fascinating, -that she had never read such charming letters, that Mary also was entranced with them, and would often meet her at the door, when she was returning after a call, and explain in great excitement, - another "Chronicle" has come; that they would both run up to read it with avidity.

She said she told Mrs. Rogers about my letter describing Gertrude's visit, and had finally destroyed it lest some one might come across it unawares.

She spoke of Gertrude's nephew and said he was a bad lot.

She said Major Leonard told her that Gertrude had between $30,000 and $40,000 per year.

She spoke of her own income saying she could not tell exactly what it was, she was so stupid about such matters, but she rather implied it was not much more than that.

She said Gertrude was amply able to take a house for the summer and ought not to expect that her friends should entertain her for long visits.

She agreed with C.S.H. that Gertrude was crazy to marry if she could get a husband who suited her.

C.S.H. said he would call up Rachel when he returned on Wednesday and she said she might ask us both to dinner, if her house painting was finished. Sept. 28, 1928. 36, 37

C.S.H. called up Rachel and had a fine talk with her. I told her I feared Gertrude was angry with me because of my frankness in answering her questions, but Rachel said I ought to call her up as she was most friendly to and appreciative of Bertie and myself.
Oct. 2, 1928. 39

Hale, Rachel (Cont'd.)

C.S.H. writes Rachel thatGertrude has asked him to dine with her at the Carlton in the evening in her sitting room; that I hoped she would ask her to chaperone us; that if I did not find her at the dinner, I would call tomorrow afternoon.
Oct. 2, 1928. 39

C.S.H., after dining with Gertrude, again wrote Rachel that he would call tomorrow. Oct. 2, 1928. 40

Called on Rachel and had a long talk lasting 1½ hours.

C.S.H. reminded her of her statement that she had thought it best to destroy my letter describing Gertrude's visit to us and asked her if I had better not destroy her letters to me as to Gertrude. She said she thought I had better do this.

As to my letters, she said she feared she might leave one on her desk and that Gertrude might thus see it.

We both agreed that she could write much more frankly in the knowledge that her letters as to Gertrude would be immediately destroyed.

C.S.H. said he did not care whether she destroyed his letters or not, but he thought itbetter to destroy hers; that he had not destroyed hers yet but would immediately do so without, of course, keeping any copies.
Oct. 3, 1928. 40

Rachel said that Gertrude suddenly said to her, - "You never told me you had a long talk over the telephone with Charlie the other day," and that she gave her a somewhat equivocal reply.

C.S.H. told Rachel that all he said to Gertrude was that he had called you up to find whether you had returned, - absolutely nothing more; that Gertrude exaggerated so that one could believe nothing she said.

C.S.H. said if Gertrude were to quote you (Rachel) as saying anything unpleasant about him, he would not believe a word of it but would tell her (Rachel) at once about it. Rachel said she would do the same and we made a mutual agreement to that effect.
Oct. 3, 1928. 40, 41

Hale, Rachel (Cont'd.)

Rachel said she called on Gertrude the other day and that she looked ill and wretched and down at the heel, - very "sloppy."

C.S.H. confirmed this telling Rachel how "sloppy" Gertrude was at dinner last evening; that one of her stockings had slipped down between her knee and foot, that her hair was out of kelter, and that her general appearance was anything but conventional. He also described the humorous features of the dinner with Gertrude.

Oct. 3, 1928. 41

Rachel said she fully agreed with C.S.H. that Gertrude's nephew aided by a skillful lawyer, might after Gertrude's death show very much oddity in Gertrude, and that we both felt that she was of sound mind, from the point of view of making a will; that we were Gertrude's closest friends and that it was our duty to watch over her and guide her.

This duty seems clear to C.S.H. as Rachel is one of Gertrude's executors and C.S.H., although having several times declined to act as executor, yet has always been an intimate friend and adviser.

Oct. 3, 1928. 41

Rachel said Gertrude did not seem to want to prepare a memorandum - as C.S.H. had asked her to do - as to any differences she has had with her nephew, - feeling that after all there was not much to tell, and that perhaps this was why she had not done it.

Oct. 3, 1928. 41

Rachel loaned me "The Old Dark House" and said she hoped her drawing room would be free from paint next week when I returned, so we could have dinner together, and she asked me to call her up.

Oct. 3, 1928. 42

C.S.H. destroyes all of Rachel's letters, - dated July 1, 1928, July 28, 1928 and Sept. 7, 1928, keeping no copies. The spoke of Gertrude with such frankness that we both agreed it would be better not to keep them and it would enable her to write me about Gertrude with perfect frankness in the full knowledge that they would never be seen by anyone (except, of course, by Bertie.)

These letters were all begun, "Dear Charlie."

Oct. 5, 1928. 42

C.S.H. writes Rachel that he has destroyed the letters and returns "The Dark House."

Oct. 5, 1928. 42

Hale, Rachel (Cont'd.)

C.S.H. calls on Mrs. Rodgers but she said nothing especial about Gertrude.

C.S.H. was not surprised at this as he had told Rachel in one of his letters that he would be most circumspect about speaking of Gertrude to Mrs. Rodgers, but that he hoped Rachel would tell her about our talks and his letters.

Oct. 5, 1928. 42

C.S.H. takes from the Mattapoisett files Rachel's letter of sympathy within just after Anna's death, and puts it in his trunk with other letters from various people on other matters. He advised Rachel of this.

Oct. 7, 1928. 44

Rachel telephones at 8:45 a.m. asking me to come to dinner at 7:30 to meet Mr. and Mrs. Horace Washington. She said not to wear even a dinner jacket as Mr. Washington had none with him.

C.S.H. went to Rachel's a little before 7:30 and met her coming down the stairs from her room winding an alarm clock. C.S.H. said that he knew this clock was prepared because of the long dinner Bertie and I once had at her house, when, no clock being visible, we stayed very late. She seemed almost embarrassed at this witticism but said it was not on my account that she wanted the clock.

C.S.H. had on his heavy winter cut away suit (his other being at Mattapoisett) and as it was a very hot evening he felt almost suffocated.

To his surprise, Mr. Washington arrived dressed in a dinner jacket, which Rachel had said he did not have with him. Soon after, Major and Mrs. Leonard appeared, the Major in a dinner jacket also!

Rachel meekly apologized for having insisted that I should not dress and the incident afforded much humor.

We had a most interesting dinner. Rachel put me vis a vis to her. During the dinner Mary Hale came in dressed for another dinner, and she really looked most charming and attractive; her dress was most becoming and beautiful. She is really getting to be more like her mother every day, and bids fair to be a very beautiful woman. She is also a girl of good sense and has a good mind. The man who gets her will be lucky indeed!

Hale, Rachel (Cont'd.)

After dinner Rachel asked me to sit in the corner of the drawing room with her and we had an interesting talk together. She repeatedly addressed me as "Charlie" as did also Ellen Leonard.
Oct. 9, 1928. 48

C.S.H. writes Rachel describing the seizure Gertrude had at dinner last evening. Oct. 11, 1928. 49

C.S.H. calls up Rachel but found she had gone to Donegal for 3 or 4 days. Oct. 16, 1928. 59

C.S.H. called and had tea with Rachel.

She asked me again to promise that, if Gertrude ever quoted her to C.S.H. as saying anything even apparently unpleasant or disagreeable about Bertie or himself, he would at once tell her; that any such statement C.S.H. could put down at once as a deliberate lie. C.S.H. gave this promise and Rachel gave a similar promise in return.
Oct. 31, 1928. 64, 65

Rachel said Gertrude once quoted her falsely saying that she said "the wife of Bishop Rhinelander was a dangerous woman" and that it gave her great embarrassment.

She said also that if Gertrude ever realized how intimate her (Rachel's) intimacy was with Bertie and C.S.H., she would be furiously jealous and would try to break it up at any cost.
Oct. 31, 1928. 65

C.S.H. calls on Rachel but she was not at home.
Nov. 13, 1928. 70

Gertrude tells C.S.H. that Rachel was not well and had been ordered by her new Doctor to go to bed for 10 days and then to go to Garfield Hospital for another gall bladder test.
Nov. 13, 1928. 70

C.S.H. writes Rachel expressing sympathy at her illness.
Nov. 13, 1928. 70

Rachel called C.S.H. on telephone at Cosmos Club at 9 a.m. Said she had received my note, and added, - referring to Gertrude's statement to him, - "Well, I suppose the fat is in the fire!" She asked me to drop in tomorrow - Friday - at any time and I said I would at 5:30. She said any time, however late, would do as Mary was giving a dinner and she would have to stand around and help. Nov. 14, 1928. 71

Hale, Rachel (Cont'd.)

C.S.H. calls on Rachel and we had a long talk together.

She said she had been feeling wretchedly for some time, and had lost all the weight she had gained during the summer; that her regular Doctor, Dr. Miner, was away; that her new Doctor had ordered her to stay in bed every day until lunch, which she said she was doing; that he also said she must go to Garfield Hospital to have another gall bladder test, - which she certainly would not do, at least not until her regular Doctor returned.

She did not seem at all disturbed because Gertrude spoke to me.

She thanked me for my most kind letter offering to come and read to her, and seemed very much pleased with it. (In it, C.S.H. said Bertie and he considered her the closest and dearest friend we had.)

Nov. 16, 1928. 78

Rachel told C.S.H. she had purchased an old Manorial estate called "His Lordship's Kindness" about 3/4 of an hour distant from Washington, not far from Ellen Leonard's place.

She said she had already paid down $15,000 on it; that the sale required an order of the court which had only recently been issued. C.S.H. asked if she had an Attorney to represent her and she said No, but that the Maryland Trust Co. was looking up the title. She said she was worried at the delay in getting the title, and wished to be able to say, from time to time, if in any doubt that she must consult some one as her adviser, and would like to be permitted to say that C.S.H. was her adviser.

C.S.H. at once said she could use his name in any way, and at any time she saw fit, and this pleased her very much.

She said she waned to drive us down to see the place as soon as Bertie returned to Washington.

She asked me surely to call again on my return next week.

C.S.H. apologized for his somewhat hysterical letter to her about her health, but she said, on the contrary, it was a most delightful letter to her.

Nov. 16, 1928. 78, 79

C.S.H. calls on Rachel and met Sen. Hale there.

She showed me photographs of her new place.

Hale, Rachel (Cont'd.)

She said Gertrude told her the other day that she was goingto sell two tables owned by Walden; that she asked the price she wanted for them and she said $50 each; that she went around to see them in an antique shop and the man said the price was $100 each, which she (Rachel) paid.

She said Gertrude made her very angry by saying, "You can have these for $50 each, but I have no doubt you will sell them later at a handsome profit!"

C.S.H. asked Rachel what reply she made to this, and she said she merely gave her a soft answer.

C.S.H. said she ought to have slapped Gertrude's face and Mary Hale agreed enthusiastically.

Rachel asked me what I would have said to Gertrude if she had said that to me, and I said I would have said to her, "No woman who wears a wig can speak to me in that fashion.

Both Rachel and Mary laughed at this.

Rachel said Gertrude once told her that her hair under her wig was very white.

Nov. 22, 1928. 83

Gertrude told C.S.H. that in her will she had provided that of her 3 executors only Rachel was to receive compensation for her services.

Nov. 23, 1928. 84

Gertrude seemed angry with Rachel at dinner. She said some time ago she was walking around the Washington monument and sat down on a bench to rest; that later Rachel said that she drove around the monument and saw some one in the distance who looked like Gertrude, just as she was driving off in her motor, but that she was so tired she really did not have the strength to drive around to see if it was Gertrude and drive her home to lunch.

Gertrude evidently had not seen Rachel on that occasion, but she told C.S.H. that Rachel evidently had a guilty conscience, and she evidently was very angry at Rachel's remark.

She said that Rachel, tired as she was, had strength enough to take her old friend, Mr. Appleton, that very afternoon to her new home in Maryland.

Hale, Rachel (Cont'd.)

She said Mr. Appleton had been a great admirer of Rachel's for many years; that he could not, however, have proposed to Rachel, for no one could conceive her turning him down and then accept Chandler Hale.

She said Mr. Appleton was a fine looking man, but not at all brilliant, and had never married.

Nov. 23, 1928. 85

Gertrude also said that although Rachel and she were very close friends, she fully believed that if she should die and Rachel had taken passage for Europe she would not postpone her sailing on that account.

C.S.H. vigorously dissented at this statement.

Nov. 23, 1928. 85, 86

Gertrude said that Mrs. Warder had said many times to her that Rachel was beautiful and fine in all things, - but -

She gave C.S.H. to understand that Mrs. Warder felt that there was something lacking in Rachel's character.

This, to C.S.H., is utter nonsense. That Rachel should have so long and so patiently put up with Gertrude's inconsistencies, prevarications and petty jealousies, would be proof enough, for any reasonable person, of her character and loyalty.

When C.S.H. thinks of her care for Gertrude and the devotion she showed to Miss Loring, not to speak of her kindness and sweetness to Bertie and himself, such twaddle as the above fairly makes his blood boil.

Nov. 23, 1928. 86

Gertrude also said that when Walden died and Rachel went down from Bar Harbor to her at Eastern Point, Rachel said she came down as much for Walden's sake as for hers. This, however, did not seem to disturb Gertrude for she said she always hoped Walden would fall in love with Rachel and that she would accept him, but that while Walden was a great friend of Rachel's, he never was in love with her.

C.S.H. thinks this also is utter rubbish as he firmly believes Walden worshipped Rachel and that it was not his fault that they never became engaged. On the other hand, good and fine as Walden was, C.S.H. could not conceive of such a thing as Rachel, with all her charm and beauty, falling in love with him.

Nov. 23, 1928. 86

Hale, Rachel (Cont'd.)

Gertrude also said that when Rachel's son, Eugene, was ill at St. Paul's School with measles, Rachel called her up and asked her whether she thought she ought to go to Concord to take care of him; that Rachel said Mary thought she ought to go, but as it was merely a simple case of measles she feared she would merely be in the way.

Gertrude did not say what advice she gave Rachel, but merely said Rachel did not go at once, and that later scarlet fever set in, and that then Rachel went at once to Concord but that Eugene died.

Gertrude did not, of course, say that Rachel had been derelict in her duty towards her child. C.S.H. fears that she hoped it would leave that impression on his mind.

At first C.S.H. could not understand Gertrude's reason for these vitriolic attacks as she seemed outwardly calm and sober, but finally she said she merely wished to give C.S.H. an inkling as to Rachel's character.

It seems clear to C.S.H. that Gertrude is morbidly jealous and thinking that C.S.H. admires Rachel greatly is determined to break up the friendship by such vile slanders as the above.

Rachel has been a loyal friend to Gertrude, often under trying circumstances, and such contemptible innuendos stamps Gertrude's character most clearly.

Gertrude has often told C.S.H. that she considered Rachel as her dearest friend! Heaven save one from such friends!

Nov. 23, 1928. 87

C.S.H. writes Racheltelling her of his talk with Gertrude as to executor's fees.

Nov. 24, 1928. 88

C.S.H. calls on Rachel and found Ellen Leonard there. After she went we had a nice talk.

Rachel said she had had Gertrude for Thanksgiving dinner for many years but did not invite her this year until quite late, as she was not certain she would feel well enough to have anyone, - even her own sister, Mrs. Rodgers; that finally she asked Gertrude to come but Gertrude said she had invited Major and Ellen Leonard to dine with her. Rachel said she feared this would put her on Gertrude's black list!

Hale, Rachel (Cont'd.)

Rachel said that Friday morning, the day after Thanksgiving, while she was in bed, Gertrude called her up and said her Thanksgiving dinner was cold and spoiled through the fault of the cook, who had been Rachel's cook for some years before; that Gertrude almost cried and said, "Why didn't you tell me about the cook when I took her!"

Rachel said her patience was nearly exhausted. C.S.H. feels the same.
Dec. 1, 1928. 94

C.S.H. dines with Gertrude and casually referred to her Thanksgiving dinner thinking she would pour out rage on Rachel, but, to C.S.H.'s surprise, she was as sweet as honey and explained why Rachel could not invite her before she did, and talked of Rachel as her dearest friend.
Dec. 2, 1928. 94, 95

C.S.H. wrote Rachel telling her how affectionately Gertrude talked of her. Dec. 3, 1928. 95

Rachel called up C.S.H. at 7 p.m. and said, "Charlie, I fear I may have told you a lie!"

She then explained that Gertrude had just had tea with her and referred to the matter of a fee for Dr. Ruffin for acting as her executor; that she told Gertrude he ought to have at least $500; that Gertrude quickly said, "That is just what Charlie said, have you been talking with him?"

Rachel said she was completely nonplussed and said No.

C.S.H. said this was litterally true for though he had written Rachel about it, we had not conferred together about it; that if Gertrue spoke to him about it he would take care of her easily.
Dec. 11, 1928. 101

Rachel called Bertie up this morning and asked her to lunch to meet Molly Coles of Philadelphia, or to dinner next Sunday, but we were engaged. She then asked us to tea for either Saturday or Sunday.
Dec. 11, 1928. 101

We called on Rachel and her friend Miss Coles and had a long delightful chat with them both.
Dec. 15, 1928. 102

Gertrude tells C.S.H. she has put his name in a paper authorizing Dr. Ruffin, Rachel, in case of her serious illness, to step in and protect her from any possible annoyance from her nephew.
Dec. 15, 1928. 104, 105

Hale, Rachel (Cont'd.)

Gertrude said Rachel told her she did not want any fees for service as her executrix and that she had agreed with her that she should accept the fees and use them to compensate any one she wished whom she thought deserving of compensation in connection with her estate.
Dec. 15, 1928. 105

C.S.H. writes Rachel telling about Gertrude's latest troubles with her maid, etc. Dec. 22, 1928. 113

C.S.H. called on Rachel.

Rachel said Canon Anson Stokes Phelps years ago told Gertrude that her (Rachel's) father and mother did their best to catch him for Rachel, especially "her old man." Rachel said this was grotesquely absurd; that Stokes was a very ungainly fellow, uncouth, with almost no chin; that his only merit came from the fact that he was the son of wealthy parents; that no girl could possibly fall in love with him; that her (Rachel's) father and mother, when she told them, treated it as a huge jest.
Jan. 3, 1929. 120

C.S.H. calls on Rachel. Good talk about Gertrude.
Jan. 19, 1929. 130

Rachel calls on us at Hay-Adams House, staying nearly an hour.
Feb. 4, 1929. 149

We both call on Rachel. Feb. 17, 1929. 177

C.S.H. calls up Rachel at 7 p.m. to tell her that Mr. Clephane had agreed to look after her investments.

I began to tell her when suddenly she said, "Gertrude is here with me!"

I at once shifted the conversation and said that Bertie has just gone out to call on Mrs. Stevens, that she asked me to call up Rachel and say she had heard she was not very well and to send her her love and ask just how she was.

Rachel instantly "caught on" and gave me a long account of how her Doctor had ordered her to stay in bed every day until 3 p.m., saying she was in bed now, but was getting along finely and sent her love to Bertie.

Hale, Rachel (Cont'd.)

C.S.H. asked her to tell Gertrude he hoped to see her soon but that just now he was overwhelmed with business matters. We then rang off.

A few minutes later Rachel called me up. I said, "I fear I spilled the beans!" She replied, "No you managed it wonderfully and Gertrude went off blissfully happy."

I told her the moment she first answered me I knew something was up as she gave me what Bertie calls her "office voice."

I then told her about Clephane and she said Ellen Leonard went with Gertrude this a.m. to see a National Metropolitan Bank officer to whom, Ellen said, she was almost rude.
Feb.18, 1929. 177, 178

C.S.H. calls on Rachel and has a good talk about Gertrude.
Mar. 1, 1929. 184

C.S.H. calls on Rachel. She said her son Donald had just been promoted in the Fidelity Trust Co., New York. C.S.H. said he would write and congratulate him, which pleased her very much.
Mar. 17, 1929.195

C.S.H. writes Donald Hale a congratulatory letter and sends him some pamphlets onthe F.R. System.
Mar. 18, 1929. 195

C.S.H. writes Rachel sending a copy of his letter to Donald. C.S.H. also sends her a short memorandum to be used by her for an address she is to make favoring the improvement of the road at her Maryland place.
Mar. 19, 1929. 196

Hale, Senator. 83
See - Hale, Rachel

Hamlin, Anna
Would be 28 years old today.

We are still stunned but will work along. We believe she is always near us.
Oct. 26, 1928. 62

Two young Englishmen told Mrs. Graef Anna was the most beautiful girl in Washington. Jan. 30, 1929. 140

See - Graef, Mrs.

Hamlin, C. S.
Memorandum on effect of 3½ discount rate and open market operations of Govt. securities from Aug. 4, 1927 to Feb. 3, 1928.

Sec. Mellon praises. Oct. 6, 1928. 44

Pays two notes given to Edward and George Hamlin, dated Jan. 5, 1921, plus interest. Oct. 3, 1928. 45

Writes Henry V. Cunningham as to mother's lot in Forest Hills cemetery. Nov. 18, 1928. 79

See - Cunningham

Presides at dinner of Carnegie Foundation to National Grange. Nov. 20, 1928. 82

Interview with Gov. Smith at Albany, N.Y. Nov. 29, 1928. 92

At Carnegie meeting, N.Y. Dec. 6, 1928. 96

Spoke at Unitarian Mens Club, Washington. Dec. 20, 1928. 112

Speaks at Wilson dinner, Washington. Dec. 28, 1928. 117

Has mild attack of influenza. Jan. 8, 1929. 126

Tries to increase F.R. Agent Curtiss's salary but fails. Jan. 11, 1929. 127

Moves to add to Miller's draft of credit warning that Board has no desire to bring about drastic deflation. Lost. Feb. 2, 1929. 144

Believes restriction of speculative loans is really a rationing of credit. Feb. 5, 1929. 153

Had tooth extracted. Mar. 20, 1929. 195

Give dinner to Mr. and Mrs. Langdon Wilks. Mar. 21, 1929. 200

See - Acceptances
Direct pressure
Discount rates
Dinners
Federal Advisory Council
Miller

Hamlin, C. S. (Cont'd.)

See -

Federal Reserve Bank, New York
Graef, Mrs.
Grant, Catherine
Hale, Rachel
Hawtrey, Prof.
Hiden, Dr.
Hamlin, Anna
Hamlin, Edward
Hamlin, George
Hamlin, H. P.
Joslin, Dr.
Lunches
Morrison, Dr.
Open Market Investment Committee
Ruffin, Dr.
Stoddard, Mrs.
Strong, Gov.
Votes
Wilson, Mrs.
etc. etc.

Hamlin, Edward

C.S.H. pays, and George each $1500 on notes dated Jan. 5, 1921, plus 5% interest. Tore up both notes. Ned's had an indorsement for $350, the value of Raleigh Street furniture bought of us.
Oct. 3, 1928. 45

Ned sends back for excess interest paid.
Oct. 8, 1928. 54

See - Washington, Horace

Hamlin, George

C.S.H. pays note for $1500 dated Jan. 5, 1921, with interest at 5%.
Oct. 6, 1928. 45

Tells C.S.H. of Hodgdon's plans for cow pasture.
Oct. 6, 1928. 45

See - Cow pasture

Tells C.S.H. of what C.E. Hellier said about Metropolitan Industries Co. Oct. 6, 1928. 47

See - Metropolitan Coal Co.

Sends C.S.H. a check for excess interest paid on above note.
Oct. 8, 1928. 55

Hamlin, George Jr.
Calls on us returning from South.
Jan. 2, 1929. 120

Hamlin, Huybertie P.
Listens over Radio from Mattapoisett for C.S.H.'s address at dinner to National Grange but gets nothing.
Nov. 20, 1928. 82

Arrives in Washington from Mattapoisett via Albany.
Dec. 3, 1928. 95

Goes to New York to meeting of National Civic Federation.
Jan. 2, 1929. 120

See - Corning, Parker and Edwin
Hamlin, C. S.
Wilson, Mrs.
Woman's National Democratic Club

Hamlin, Katharine
Operated on for appendicitis in New Bedford Hospial.
Aug. 16, 1928. 6

Harding, Governor
Tells Gov. Young F.R. banks can easily increase purchases of acceptances.
Aug. 19, 1928. 13

C.S.H. calls on, at F.R. Bank, Boston

Gov. Harding believes no more Govt. securities should be bought to ease up the money market, but that acceptance rates should be lowered and bills bought; that proceeds of acceptances filter into money market more slowly than proceeds of sale of Govt. securities.
Sept. 17, 1928. 27

Gov. Harding said that if his directors should appointment the chairman on the Open Market Committee he would immediately resign as Governor.
Nov. 16, 1928. 75

Claims Board has no power to change Open Market Committee in manner indicated, as it would make Board an operating Board.

Miller answered that while Board had the power, it was not using it but was simply seeking a voluntary agreement.
Nov. 16, 1928. 77

Harding, Governor (Cont'd.)

Board votes increase in salary of, from $25,000 to $30,000.
Jan. 11, 1929. 126

Was present at meeting of directors of F.R.Bank, New York, when Gov. Norman was at the bank, but not at the meeting.
Feb. 2, 1929. 143

Writes Gov. Young that discounts were heavily increasing in his district and that proceeds were leaking into N. Y. Stock market; he intimated that direct pressure was not possible and that his directors wanted to increase rates to 6%.

Gov. Young feels that N.Y. is egging on Gov. Harding to increase rates, so as to give N.Y. an excuse for following.

Board wrote Gov. Harding that our letter and his had crossed and we hoped he could use direct pressure without increasing rates, and we authorized him to inform the member banks how the Board felt.

Later Gov. Harding telephoned he might decide not to call his directors together this week; that no one bank was borrowing excessively but that the total was large, - about 80 millions.

Gov. Young signed the letter to Gov. Harding but said in his opinion, neither direct pressure nor increase in rates could reduce speculative loans.
Feb. 4, 1929. 147, 148

Gov. Young believes Gov. Harrison is egging on Gov. Harding to increase rates so that N.Y. can follow - yet McGarrah says his directors do not want to increase!
Feb. 4, 1929. 148, 149

C.S.H. moves that a copy of Gov. Harding's letter to his member banks be sent to each F.R. bank unless Gov. Harding objects because of its confidential nature.

Miller moved to substitute, - advise Gov. Talley to consult with Gov. Harding as to steps he was taking.

Finally it was felt undesirable to advise one Governor to consult another. Agreed to lay matter on table until Board knew more accurately as to conditions.
Feb. 8, 1929. 162

Harding, Governor (Cont'd.)

Writes Gov. Young suggesting increasing member bank collateral notes secured by Govt. securities to 6%, leaving other rates at 5%.

Says that N.E. banks, outside of Boston, are using these notes to replenish these reserves against security loans.
Feb. 28, 1929.
181

Harrison, Gov.
Gov. Young went with James to New York and talked at Woolley's office with Owen D. Young, Woolley, and Reyburn; that Harrison wanted to ease the market; that the others would not consent and fairly riddled Gov. Harrison.

Gov. Young said he felt sure that if Gov. Strong should resign the directors would never elect Harrison as Governor.

Gov. Young said that if Harrison and the executive officers of N. Y. bank should complain that our Board did not trust them, he would reply that apparently their own directors showed a lack of trust by forbidding them to exericse the powers the Board had already granted them to buy British exchange or Govt. securities, without the consent of Young, Woolley, and Reyburn.
Sept. 4, 1928. 22, 23

Tells Gov. Young that Gov. Norman said he should cease protecting British exchange and allow gold to go to U.S.
Sept. 7, 1928. 24

Harrison elected Governor of F.R. Bank, New York.
Nov. 22, 1928. Thursday 88, 89

A newspaper reporter told C.S.H. of this. C.S.H. had not heard of it, but did not disclose this to the reporter.

Mr. Eddy said he saw notice in last evening's papers.

Board received official notice this Saturday morning.

Goldenweiser said appointment made at directors meeting Thursday, Nov. 22, at which Miller was present; that Gov. Young went to New York Thursday; that he talked with Harrison on telephone Friday a.m. but he did not mention it; that Gov. Young first learned of it at luncheon Friday, from Warburg; that later it was announced at the lunch.

Goldenweiser said Gov. Young felt he had been treated discourteously and C.S.H. agrees, as the Board received official notice only on Saturday. C.S.H. feels such lack of courtesy is not calculated to develop much harmony!
Nov. 24, 1928. 88, 89

Harrison, Gov. (Cont'd.)

C.S.H. finds N.Y. bank was not discourteous at least as to notification to the Board of Harrison's appointment, for Sec. Eddy told him the N.Y. bank telephoned Platt a little before 11 a.m. on Friday, Nov. 23; that Platt was just going to the train and forgot to tell C.S.H. and Cunningham,- the only Board members present; that Eddy knew it but did not tell C.S.H.; that C.S.H. received a printed notice, dated Saturday, Nov. 24, on Monday morning, Nov. 26.

C.S.H. feels this does not explain the apparent discourtesy to Gov. Young.

Nov. 26, 1928. 91, 92

C.S.H. talsk with, about agreement of N.Y. directors to pay Gov. Strong's estate two months' salary after death.

Miller objected to any member talking over the matter outside of Board.

C.S.H. said as a member of Law Committee it was his privilege and duty to do this.

Dec. 19, 1928.109

Gov. Young was almost violent in abuse of Gov. Harrison for increasing his bill rates without applying to Board for approval; he wanted to suspent the increase. Platt said this would look like a slap in the face at Gov. Harrison. Gov. Young said that was just what he wanted. Most of the Board felt N.Y. was not bound to apply for approval, as it was within the minimum and maximum limitation fixed by Board.

Jan. 3, 1929. 121

Gov. Harrison wired that the directors had kept in the present rate until the crop movement and export movement had practically ceased; that rates on the open market were high and increasing and that it would be flooded with acceptances, the proceeds of which would feed the stock market.

Jan. 3, 1929. 122

C.S.H. said Gov. Young had not been treated courteously as Gov. Harrison had been told by him that our Board would consider acceptance rates at the open market meeting on Monday.

Gov. Young said Gov. Harrison had said that N.Y. might possibly have to act before then.

Harrison, Governor (Cont'd.)

It was found that Governor Harrison had notified the other F.R. banks of the change yesterday, so the rate was already in effect.

All agreed to this except that James said the rate should not have been increased.

Gov. Young said he did not claim that Gov. Harrison had treated him with discourtesy, but C.S.H. feels he did and believes Gov. Young in his heart does also, for he gave notice that within within a week he should put in a resolution that no F.R. bank could hold more than a certain percentage of its capital in Govt. securities, - for which there could be no possible reason than pique or anger.

C.S.H. believed Gov. Harrison was within his legal rights in increasing the rate and that the proposed regulation should refer to the future simply.
Jan. 4, 1929. 121, 122, 123

Gov. Harrison at Open Market Committee meeting said Committee should be given discretion as to an easing or firming policy, as otherwise there would be no reason for its existence.
Jan. 7, 1929. 126

Board approves salary of $50,000 for Gov. Harrison.
Jan. 11,1929. 126, 127

Willis tells C.S.H. that the appointment of Harrison as Governor, although he liked him personally, was a severe disaster to the F.R. System. Jan. 25, 1929. 136

Gov. Harrison invites Board to meet his directors in N.Y. on Thursday.

Gov. Young and Platt said they would go.

C.S.H. said Gov. Norman would probably be there and he did not want to confer with him in New York.
Miller took same view.
Jan. 29, 1929. 140

Gov. Young feels that Gov. Harrison is egging on Gov. Harding to increase his discount rates so that N.Y. can have an excuse to follow. Feb. 4, 1929. 147 *

James said Gov. Norman wanted Gov. Harrison to increase rates to break the stock market and enable him to maintain present rates (4½%) of Bank of England.
Feb. 4, 1929. 148

Harrison, Gov. (Cont'd.)

Gov. Young says Gov. Norman said he would certainly put up his rates and C.S.H. believes Gov. Norman went to N. Y. to persuade Gov. Harrison to increase N.Y. rates -so he could have an excuse for increasing his rates.
Feb. 4, 1929. 149

C.S.H. feels Gov. Young thinks Gov. Norman has great influence over Gov. Harrison who wants to increase rates and is egging on Gov. Harding, so he can increase N.Y. rates, - altho McGarrah says his directors do not want to increase rates.
Feb. 4, 1929. 149

Gov. Harrison refers to direct pressure on Guaranty Trust Co. and other N. Y. banks. Feb. 5, 1929.

Gov. Harrison pleads for higher discount rates.
Feb. 5, 1929. 149, 150

See - Discount rates
F.R. Bank, New York

Gov. Harrison admits that N.Y. banks by frequent rediscounting are really obtaining capital.
Feb. 5, 1929. 150

See - Discount rates
F.R. Bank, New York

Gov. Harrison tells C.S.H. that direct pressure, as he employed it, did not mean rationing of credit, which meant credit restriction for individual banks and not merely restriction of amount of credit.
Feb. 5, 1929. 153

See - Discount rates
F.R. Bank, New York

Gov. Harrison said they used direct pressure only on banks which were out of line with the mass of banks.
Feb. 5, 1929. 154

See - Direct pressure

C.S.H. expressed opinion that if Schacht and not Harrison had been Governor of N.Y. bank he would before this have cleaned up the situation.

Harrison, Gov. (Cont'd.)

Gov. Young said this was not fair to Gov. Harrison as Schacht had the power to ration credit.

C.S.H. believes the F.R. Board also has this power in any emergency requiring its use but Gov. Young seems not to believe this.
Feb. 5, 1929. 154

See - Direct pressure

Gov. Harrison seemed to want Boston to increase first, but C.S.H. believes this was merely to have an excuse to follow.

See - Discount rates.
Feb. 5, 1929. 155

C.S.H. feels that Gov. Harrison, doubtlessly unconsciously, is influenced by wish to help Gov. Norman who wants to use him as a cat's paw to pull his chestnuts out of the fire.
Feb. 5, 1929. 155

Gov. Norman said his principal reason for coming over was to pay his respects to Gov. Harrison.
Feb. 6, 1929. 157

Gov. Harrison told C.S.H. he was sorry our credit warning was to be issued just at the time of Gov. Norman's visit to Washington as the charge would be made that Gov. Norman wanted the Board to break the stock market to help him protect his gold.
Feb. 6, 1929. 158

C.S.H. explained to Gov. Harrison that this was purely accidental; that the Board had been considering the warning for some months and would have issued it had Gov. Norman never come to U.S.
Feb. 6, 1929. 158

Gov. Harrison said he had done all that could be done as to direct pressure.
Feb. 6, 1929. 158

Gov. Harrison asks how could a F.R. Bank refuse to discount eligible paper offered to replenish its reserves.
Feb. 6, 1929. 158

C.S.H. told Gov. Harrison the F.R. bank could ask the member banks to cooperate in stopping the future growth of speculative loans and that this would save an individual bank from losing customers when they refused to loan to keep up speculation.
Feb. 6, 1929. 158, 159

Harrison, Gov. (Cont'd.)

Gov. Harrison calls up Gov. Young and wants to increase discount rates.
Feb. 7, 1929. 160

See - Discount rates

Miller reminded C.S.H. that Gov. Norman said his principal reason for coming over was to pay his respects to Gov. Harrison and never alluded to Gov. Young or the F.R. Board.
Feb. 11, 1929. 166

Gov. Harrison and directors make no change in discount rates.
Feb. 11, 1929. 166

See - Discount rates

Gov. Harrison called up and said his directors had unanimously established a 6% rate.
Feb. 14, 1929. 167

See - Discount rates

Gov. Harrison said the application by telephone omitted to state that the increase was conditional on immediate decision by F.R. Board.
Feb. 14, 1929. 168

See - Discount rates

Gov. Harrison said his directors were to announce publicly their 6% rate and fact that Board had disapproved.

Gov. Young said this would be on their own responsibility and called attention to the Board's regulations.
Feb. 14, 1929. 169

See - Discount rates

Gov. Young told Gov. Harrison some days ago that Board would take under Review any application from him for higher rates.

This shows that Gov. Harrison thought he could force the hand of the Board by the condition of immediate decision and that Board would not dare to disapprove.

The Board, however, called his bluff!
Feb. 15, 1929. 175

Gov. Young prepared a memorandum giving reasons for disapproving Gov. Harrison's application.
Feb. 28, 1929. 181

Harrison, Gov. (Cont'd.)

Gov. Young does not remember telling Gov. Harrison as above, but he certainly told the Board he had.
Feb. 28, 1929. 181

Gov. Young said so far the Board was right and Gov. Harrison wrong in the discount rate dispute.
Feb. 28, 1929. 181

Gov. Harrison calls up Gov. Young and says his directors still want to increase but took no action as they knew the Board would disapprove.
Mar. 1,1929. 182

See - Discount rates

Gov. Harrison told Gov. Young if New York did not increase now it could not for some weeks because of Treasury financing.

Gov. Young agreed and said it made Gov. Harrison miserable.
Mar. 1, 1929. 183

Gov. Young said Gov. Harrison and his directors were ridiculous in attaching condition of immediate decision, for this implied either that a crisis was inevitable, which all knew was not, or they were acting like children.
Mar. 1, 1929. 183

Gov. Young told Gov. Harrison that if his directors had recommended 6% it would have been voted down 7 to 1, and that he would not have been the 1!
Mar. 1, 1929. 183

Gov. Young called up C.S.H. and said Gov. Harrison had just told him he feared a runaway market tomorrow and wanted immediate increase.

C.S.H. refused to agree.
Mar. 3, 1929. 185

See - Discount rates

C.S.H. thinks Gov. Harrison and his directors are in a blue funk - still "harping on their daughter"!
Mar. 3, 1929. 185

Harrison, Gov. (Cont'd.)

C.S.H. tells Gov. Young he thinks that Gov. Harrison and the N. Y. directors are very weak.

Gov. Young said he did not think so and said in confidence the trouble arose from the attitude of Gov. Harrison and "the boys" meaning Burgess and some of the executive officers.
Mar. 5, 1929. 186

Gov. Young said Gov. Harrison lived and breathed for Gov. Norman.
Mar. 5, 1929. 186

Gov. Harrison admits to Board that the figures showing discounts, reserves, etc. do not call for increased rates, but that increased rates would help the member banks in their cooperation with the Board.
Mar. 22, 1929. 199

C.S.H. received an equivocal answer from Gov. Harrison when he asked if the 135 million increase in brokers loans was caused by use of F.R. credit.
Mar. 22, 1929. 199

C.S.H. told Gov. Harrison that while brokers loans had increased 135 millions since Feb. 7th the date of publication of Board's warning, the total discounts of his bank had declined 70 millions and that its reserve ratio had increased from 76% to 83%, - showing that direct pressure was working.
Mar. 22, 1929. 199

Gov. Harrison answered equivocally when C.S.H. asked him if a 6% rate would pull down "loans for others."
Mar. 22, 1929. 199

Gov. Harding said much more could be done - the member banks could be rationed, the stock exchange could direct brokers to limit brokers credit artificially, but he was against both at the present time.

We left no doubt in Gov. Harrison's mind but that the policy of direct pressure under the 5% rate must continue for the present at least.
Mar. 22, 1929. 200

See - Discount rates
Direct pressure
Federal Reserve Bank, N. Y.

Harvey, George
Mr. Bright tells C.S.H. that, in 1893, told leading financiers that he could bribe Sec. Carlisle in the matter of the repeal of the silver purchasing clauses of the Sherman law and was given $200,000 for this purpose; that Harvey had found out what Carlisle was to come out for some days before, and after Carlisle had spoken he put the money in his own pocket pretending he had given it to Carlisle.
Aug. 20, 1928. 14

Hathaway, Miss
We call on, in New Bedford.
Nov. 4, 1928. 66

Hawtrey, Prof. and Mrs.
Prof. Taussig gave a letter to me to, and I secured rooms for them at the Hay-Adams House. They arrived today.

Prof. Hawtrey lunches with C.S.H. at Cosmos Club and they both took tea with us. Jan. 22,1928.131

They take tea with us. Jan. 25, 1929. 135

They leave Washington. Jan. 27, 1929. 137

They left without calling or leaving a note for us, although we had been very cordial and attentive and had secured rooms for them atthe Hay-Adams House at only $7 per day including a parlor, a special rate at C.S.H.'s suggestion to the Manager.

Hay-Adams House
Agreed to lease suite in, for 7 months beginning Dec. 1 at $220 per month. Sept. 10, 1928. 25

Signed lease. Sept. 18, 1928. 29

Bertie arrived from Albany and went to, occupying a single room until our furniture was moved into our suite.
Dec. 3, 1928. 95

C.S.H. moves to, from Cosmos Club.
Dec. 8, 1928. 98

See - Hawtrey-Prof.

Heard, Mr. 171
See - Federal Advisory Council

Heath, Federal Reserve Agent
Says he is going to New York to the conference to meet Gov. Norman.
Jan. 30, 1929. 141

Was at conference or at N.Y. directors meeting.
Feb. 2, 1929. 143

Hellier, C. E. 47
See -Metropolitan Coal Co.

Helm, Edith
C.S.H. lunches with, at Cosmos Club.
Oct. 5, 1928. 43

Comes to visit us at Mattapoisett.
Oct. 13, 1928. 56

C.S.H. returns from New York via Providence and New Bedford where he meets H.P.H. and, who had attended a Democratic rally. Oct. 18, 1928. 60

Left us today. Oct. 25, 1928. 62

C.S.H. dines with, at her apartment.
Nov. 14, 1928. 70

Edith Helm dines with us at Hay-Adams House.
Dec. 11, 1928. 101

Dines with us. Dec. 30, 1928. 118

Some days ago, told us Mrs. Wilson had changed her telephone number on Nov. 16; that she had it but had promised not to give it to anyone.
Jan. 8, 1929. 126

Dines with us. Jan. 27, 1929. 137

We dine with. Feb. 12, 1929. 167

Dines with us. Mar. 17, 1929. 192

Herrick, Ambassador. 189
See - Joslin, Dr.

Herson. 51
See - Examination, State member banks

Hiden, Dr.
Finds C.S.H. blood pressure 190.
Mar. 9, 1929. 190

Finds blood pressure 180. Mar. 10, 1929. 190

Finds blood pressure 180.

Blood sugar 20

Said this was great improvement.
Mar. 18, 1929. 192

Hodgdon 45, 46
See - Cow pasture

Hoover, Herbert
Judge Grant says he will vote for, but realizes that his election will fasten prohibition on the country forever.
Oct. 15, 1928. 59

Catherine Grant said last week that Alexander would probably vote for.
Nov. 4, 1928. 66

Hoover elected by a clean sweep.
Nov. 6, 1928. 67

Mattapoisett gave Hoover 534 and Gov. Smith 131

Marion gave Hoover 519 and Gov. Smith 80.

Hoovers and Gov. Smiths increase over 1924:

Mattapoisett, Hoover 19%, Smith 157%
Marion, Hoover 34%, Smith 150%
67

Col. Wise of Richmond tells C.S.H. he hopes Hoover will put H. W. Anderson in his cabinet; that Hoover carried Virginia by a much larger vote than the returns showed.
Dec. 5, 1928. 95

Dr. Butler told C.S.H. that Hoover was a man of no intelligence; that his course as Food Administrator in permitting shipments of lard to Belgium firms knowing it was en route to Germany, made him doubt his patriotism and even his honesty; that Hoover had said to a friend of his that he would tell those damned Wall Street bankers where to get off.
Dec. 6, 1928. 97

Hoover, Herbert (Cont'd.)

Dr. Butler said Hoover was furtive and indirect, - that he could do nothing directly or frankly.
Dec. 6, 1928. 97

Dr. Butler said that Vare, of Pennsylvania, was pulled over to Hoover by Senator Moses who was on Senate Committee on elections and was said to have intimated to Vare that if he wished to hold his seat in the Senate, he had better come over to Hoover.
Dec. 6, 1928. 98

Dr. Butler said President Coolidge was not friendly with Hoover.
Dec. 6, 1928. 98

Dr. Butler said he voted for Gov. Smith and, of his close friends, he knew not more than 4 who voted for Hoover.
Dec. 6, 1928. 98

Mrs. Senator Bruce told us that Charles R. Crane told her he disliked both Hoover and Smith but would vote for the latter; that Dr. Butler told him (Crane) that when the Belgian relief matters were wound up there were two millions left over which the Red Cross asked for to continue their relief work; that Hoover had never accounted for this; that he had used it to pay Secretaries to work up propaganda for him; that while Judge Payne was away he asked Hoover to take charge of Red Cross Relief; that when he returned the letter heads were changed to "Hoover relief."
Dec. 19, 1928. 110, 111

Mrs. Bruce said Crane told her that he had introduced Hoover to President Wilson and asked for his appointment as Food Administrator; that, later, Hoover told him there was a good field in Washington for an independent paper and that he could buy one for $200,000; that Hoover asked him to contribute and that he gave him $25,000; that later he sent his secretary to Washington to report as to the operation of the paper; that he stayed a month inWashington and finally reported that the paper was being used to boom Hoover; that he wrote Hoover as to this and that Hoover returned him the money; that Frank Kent (Baltimore Sun) did all he could to help Hoover; that everyone believes he was paid by Couzens and Hoover.
Dec. 19, 1928. 111

C.S.H. hopes Miller is not speaking for Hoover in favoring taking the gold from behind the greenbacks leaving them an unsecured Government obligation.
Dec. 28, 1928. 116

Hoover, Herbert (Cont'd.)

Miller spoke of Hoover as one who would back up the F.R. Board on direct pressure; that he said Hoover knew Wall Street well; he seemed to want to give the impression that Hoover knew of and approved the Board's action, and said that if the Board weakened, Hoover might take a position in the matter.

Gov. Young asked Miller if this reference to Hoover was a threat, and Miller, evidently somewhat abashed, said "No, Not at all."
Feb. 8, 1928. 163

George McClellan said that when Hoover was in China he was asked by a British syndicate to report on certain mineral land; that he made a report on three sections, A,B and C; that he reported that A was the best, that B was fair and that C was no good; that the syndicate, on Hoover's advice, bought the A land; that Hoover then organized the company which bought the B lands which turned out to be much richer than the A lands; that the syndicate was very angry and brought suit in England against Hoover; that, later, Hoover was blackballed at several London clubs through the influence of the syndicate.
Feb. 24, 1929. 180

Washington Post says Hoover has not asked Mellon to remain in the Cabinet, although Mellon would like to remain; C.S.H. asked Miller about the rumor and Miller said it did not surprise him; that he would say, not of course for Hoover, that he thought Mellon would stay over for a short time and then his successor would be appointed.

C.S.H. does not believe Mellon would think of holding over unless Hoover made him the offer without any string attached to it.
Feb. 26, 1929. 180, 181

Hoppen, Nina
Comes to Washington at Hay-Adams House.
Mar. 1, 1928. 184

Houghtalling, Mrs.
We call on Mrs. Delano to meet, - Laura Delano.
Feb. 9, 1929. 164

Houghton, Mr.
We meet, at dinner at Harry Tuckers.
Jan. 31, 1929. 141

House, Col.
Tells Mr. John W. Davis that for the first time he begins to think Gov. Smith has a chance of election.
Oct. 31, 1928. 65

Charles Warren had C.S.H. read his review of the last two volumes of Col. House's book and that Seymour had done good work.

C.S.H. said he was not satisfied with Col. House's explanation of his break with Wilson, that he - C.S.H. - knew there were other facts which Col. House had not mentioned.
Nov. 24, 1928. 90

Warren said it was generally believed in New York that Mrs. Wilson did not like Col. House and that she was the cause of the break; that Bishop Atwood told him he had seen a letter from Mrs. Wilson, or possibly Randolph Bolling, in response to one from Col. House asking if it would be agreeable to have him attend the funeral, stating that it would not be agreeable.
Nov. 24, 1928. 90, 91.

House of Representatives
See - Black resolution. 179

Hot Springs, Virginia
See - Myer, Gertrude

Howe, Mrs. Henry
C.S.H. and Catherine Grant call on, at Longwood.
Nov. 19, 1928. 80

Howland, The Misses.
Catherine Grant brings over, to tea with us.
Sept. 2, 1928. 22

Catherine Grant brought over Miss Abby Howland to tea.
Oct. 13, 1928. 55

We call on.

The spoke in great admiration of Catherine Grant but in contemptuous tones of Alexander Grant; they said he was supremely selfish and did not appreciate his wife.
Nov. 4, 1928. 66

Hyde, Mr. and Mrs.
We meet, at dinner given by Harry Tucker.
Jan. 31, 1929. 141

-I-

Inauguration Day
Day opened cloudy. At noon heavy rain set in lasting all day.
We sat on Treasury outside seats but gave it up after 1/2 hour. We gave our seats at Inauguration Ceremonies at Capitol to Nina Hoppin and Annie Mourse.
Mar. 4, 1928. 185, 186

Infected tooth
Dentist extracted. Mar. 20, 1929. 195

Influenze
C.S.H. has mild form of. Jan. 8, 1929. 126

Interest
See - Hamlin, Edward
Hamlin, G. P.
Note

International world level
Gov. Norman said prices have been adjusted to an, and any pronounced fall would cause great damage.
Feb. 6, 1929. 157

James, George R.

Opposes giving Open Market Committee any discretionary authority to buy Govt. securities.
Aug. 14, 1928. 4, 10

Votes against giving Open Market Committee discretionary power to buy Government securities upto 100 millions.
Aug. 16, 1928. 8

Favors a preferential rate on bankers acceptances and trade bills, regardless of their origin.
Aug. 16, 1928. 8

Went to New York last week with Gov. Young and meets Woolley, Reyburn, Harrison and Owen D. Young at Woolley's office.
Sept. 4, 1928. 23

See - Young, Gov.

Claims that member banks would not use gold imports to take down discounts because more profitable to loan on call. Gov. Young denied this. Sept.7, 1928. 23

Says is satisfied that F.R. Bank, New York, is being well managed by its directors. Sept.7, 1928. 24

Says is satisfied the crop moving demand for 2 or 3 hundred millions can be met. Sept. 7, 1928. 24

Says Chicago was present at Open Market Committee meeting at which it was agreed to make no further increase in discount rates, but immediately broke the agreement, giving no adequate reasons.
Sept. 28, 1928. 35

Complains of Goldenweiser's statement as to retail trade; says statement that 2 mail order houses had increased sales 24% in September, 1928, over September, 1927, was false as it gave the impression that retail trade had increased by that amount, which he, as a business man, knew not to be true; that these two houses had bought out retail stores and had established others; that the new stores had increased the gross sales but that the increase may have come from previously existing stores; that this percentage, therefore, did not represent additional buying by the public.

Goldenweiser said that while this may be true it was covered by the statement that the figures of these two firms reflect in part an increase in number of retail outlets placed in operation each month.

James, George R. (Cont'd.)

James still objected and moved to discontinue this publication of retail trade.

C.S.H. moved amendment of statement by adding that the statement, until the number of stores be ascertained, should not be taken as a measure of retail trade.

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

Finally agreed that statement should be published but that a full explanation should be put in F.R. Bulletin.

James said these companies were putting out debentures and that our statement would deceive the public and help the companies place the debentures.
Oct. 11, 1928. 49, 50, 51

Voted against approving appointment by Goldenweiser of a foreigner to help him in financial statistical data, no American being available.
Nov. 12, 1928. 69

Asks to have stenographer at joint conference of F.R. Agents and Governor.

Agrees that any member asking not to be quoted stenographically should have this privilege.
Nov. 15, 1928. 71, 72, 73

Votes against Cunningham's motion that no stenographer be employed without consent of F.R. Agents and Governors. Carried.
Nov. 15, 1928. 73

Goes to Baltimore with Gov. Young. CSH and Cunningham to examine F.R. branch building.
Dec. 14, 1928. 101

Votes against permitting F.R. Bank, N. Y. to pay two months salary to estate of Gov. Strong after his death, under a contract.
Dec. 18, 1928. 108

Votes for Miller's motion that F.R. banks be asked what they proposed to do to prevent diversion of F.R. credit into stock market in 1929.
Dec. 31, 1928. 119

James, George R. (Cont'd.)

Protests against action of F.R. Bank, New York, in increasing bill buying rates without approval of Board.
Jan. 4, 1929. 122

Votes against increasing salary of Deputy Governor Paddock, F R. Bank, Boston. Jan. 11, 1929. 126

Votes against increasing F.R. Agent Curtiss's salary, F.R. Agent, Boston. Lost. Jan. 11, 1929. 127

Moves and votes in favor of increasing salary of F.R. Agent Newton to $24,000. Lost Jan. 11, 1929. 127

Votes to increase Newton's salary to $22,500. Lost.
Jan. 11, 1929. 127

Has heated discussion with Gov. Young and Cunningham as to what Gov. McDougal said as to direct pressure in Chicago last week when here. C.S.H. was ill.
Jan. 15, 1929. 128

Gov. Young said he knew that the F.R. banks had not exercised direct pressure successfully, whatever James and Cunningham might think.
Jan. 22, 1929. 131

Recommends and votes for Rolla Wells as F.R. Agent, St. Louis.
Jan. 22, 1929. 132

Votes against C.S.H.'s motion that the statement of Board as to credit warning of Feb. 7 be amended by adding that Board did not wish to enforce drastic liquidation but looked rather to avoidance of future growth.
Feb. 2, 1929. 144

Agrees with statement of Miller and Platt that they hoped it would be construed as calling for drastic liquidation.
Feb. 2, 1929. 145

Favors giving Gov.Case discretion to buy Treasury certificates maturing in 7 days to help the dealers.
Mar. 7, 1929. 188

Opposes letter to F.R. Bank, San Francisco, asking why it had not been more successful in enforcing Board's credit warning but finally voted for it.
Mar. 19, 1929. 192, 193

Votes against Platt's motion to approve 6% rate for N.Y.
Mar. 21, 1929. 197

James, George R. (Cont'd.)

Votes for C.S.H. motion to disapprove.
Mar. 21, 1929. 197

Japan
See Debuchi

Jefferson, President
Prof. Dodd says Jefferson, Lincoln and Wilson were the three great Liberals in our history; that Jefferson, however, failed to abolish slavery.
Dec. 28, 1928.117

See - Dodd

Johnson, Mr. and Mrs.
We meet, at dinner with Harry Tucker.
Jan. 31, 1929. 141

Johnston, Dr.
Delano says, rector of St. Johns Church was very bitter against Gov. Smith. Nov. 26, 1928. 91

Joint Conference F.R. Agents and Governors.
Nov. 16, 1928. 74, 75, 76, 77

See - F.R. Agents

Joslin, Dr.
Writes C.S.H. he wants to dedicate a new edition of his popular book on Diabetes to Clemenceau, with a picture and an inscription, "To the oldest and most beloved diabetic in the world" etc.etc; that he wrote Clemenceau to this effect and received a card from him in an envelope, saying "with many thanks", George Clemenceau. Asks C.S.H. if this would justify his proceeding. C.S.H. wrote back No, but said if he would write another letter he would try to get the State Department to deliver it and cable to him Clemenceau's answer, which Dr. Joslin did.

C.S.H. asked Sec. Kellogg who agreed to have this done and C.S.H. sent him the letter to be forwarded to Ambassador Herrick.
Jan. 26, 1929. 139

Dr. Joslin writes C.S.H.that Ambassador Herrick has just cabled that Clemenceau was not willing and sent C.S.H. a copy of a very courteous note from Clemenceau on the subject.
Mar. 8, 1929. 189

-K-

Karolik, Mr. and Mrs. (Martha Codman)
Call on us at Hay-Adams House.
Jan. 25, 1929. 135

Kent, Frank
Charles R. Crane tells Mrs. Bruce that Frank Kent had always been a strong Democrat (Baltimore Sun), but that first he began to side with Sen. Couzens in his attack on Sec. Mellon and later did all he could to help Hoover; that everyone believes he was paid by Couzens and Hoover.
Dec. 19, 1928. 111

Knears, Nelson. 38
See - Alice Ben Bolt

Ku Klux Klan
The rumor in Washington is that the reason Hoover wants a simple inauguration, is to head off the Ku Klux Klan which it was feared would demand a prominent place in the inaugural parade.
Dec. 19, 1928. 111

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Lansing, Mrs. Robert
We call on.
Dec. 18, 1928. 107

C.S.H. gives Ray Stannard Baker a letter of introduction to, and arranges an interview between them. She turned over to Mr. Baker all of Sec. Lansing's memoranda and many notes of Mr. Wilson. He said they were priceless.
Mar. 21, 1929. 198

Lansing, Robert
Mrs. Denby calls up C.S.H. to say that, died at 4 p.m. today.
Oct. 30, 1928. 64

C.S.H. attends funeral. Nov. 1, 1928. 65

See - Lansing, Mrs. Robert

Lay, Fannie
C.S.H. dines at Gertrude Myer's with.

Gertrude had a seizure and Miss Lay and C.S.H. helped her to the sofa.
Oct. 10, 1928. 49

League of Nations
John Barton Payne praises Wilson and, at Carnegie dinner to foreign editors. Nov. 22, 1928. 84

League of Nations Non-partisan League
Gives dinner in memory of Wilson at Woman's National Democratic Club.

Prof. Dodd and C.S.H. speak.
Dec. 28, 1928. 117

See - Dodd, Prof.

Sends a wreath to Washington Cathedral on anniversary of Wilson's death. Feb. 3, 1929. 156

Ledyard, Mrs.
Dines with us. Feb. 27, 1929. 181

Leffingwell, Mr.
Gives letter to us introducing Mr. and Mrs. Bean.
Dec. 10, 1928. 99

Leland Stanford University. 161
See - Wilbur

Leonard, Major and Mrs.
Rachel Hale says, Major Leonard told her that Gertrude Myer had an income of between $30,000 and $40,000 per year.
Sept. 28, 1928. 37

C.S.H. meets, at dinner with Rachel Hale.
Oct. 9, 1928. 48

Ellen Leonard repeatedly called me "Charlie."
Oct. 9, 1928. 49

Rachel Hale says her new house is not far from Ellen Leonard's.
Nov. 16, 1928. 78

C.S.H. meets Ellen Leonard at Rachel Hale's.
Dec. 1, 1928. 94

Gertrude Myer says Ellen Leonard suggested that Ben Thoron, her son and Major Leonard would advise her as to her property if she would go to Murphy & Co. (where Ben was) or to the National Metropolitan Bank, of which Major Leonard was a director.
Feb. 2, 1929. 146

Rachel Hale says Gertrude Myer went with Ellen Leonard to see a National Metropolitan Bank official and that she was almost rude to him.
Feb. 18, 1929. 178

Lincoln, Mass. 10, 117
See - Myer, Gertrude

Liquidation, Drastic
C.S.H. reads Gov. Young's draft of changes in Miller's draft of credit warning and suggests that he add a clause that the Board was not seeking drastic liquidation of speculative loans but wished to curb the future growth and incidentally this would bring about some liquidation of past loans.
Jan. 22, 1929. 131

C.S.H. sends to each Board member a memorandum to effect that the Board was not seeking drastic deflation of speculative loans, but that the warning was directed primarily to the future, with a conservative liquidation as to the past.
Jan. 22, 1929. 132

Miller, at C.S.H.'s request, agreed to add above to his draft.
Feb. 2, 1929. 144

Liquidation,Drastic (Cont'd.)

Miller's final draft contained no such reference.

C.S.H. moved that such a reference be added.

C.S.H.'s motion was defeated.

Aye: C.S.H., Cunningham
No: Gov. Young, Miller, James, Platt
Feb. 2, 1929. 144

C.S.H. suggested that it be placed on the records that the Board voted down C.S.H.'s motion not because they wanted drastic liquidation, but because they felt Miller's draft could not so be construed.

Platt, to C.S.H.'s surprise, said he hoped the public would construe it as evidencing a desire for drastic liquidation, which it did show.

James and Miller agreed with Platt.

These three seem oblivious or reckless of the dangerous consequences which might ensue, if it were so construed.
Feb. 2, 1929. 144

In discussing the proposed credit warning, Miller said it would not cause any drastic liquidation of speculative loans; that nothing the Board could do would have that effect; that he personally would like to see a sudden liquidation and crash.
Feb. 5, 1929. 151

Lister-Kaye, Lady
We meet, at dinner with Mr. and Mrs. Graef.
Jan. 30, 1929. 140

Loans for others
C.S.H. asks Gov. Harrison how an increase to 6% would pull down loans for others and he answered equivocally.
Mar. 22, 1929. 199

C.S.H. said if a 6% rate would not reduce loans for others there was no reason for an increase.
Mar. 22, 1929. 200

Lothrop, Sam
Mrs. Preble Motley said that, had got into trouble with other women and that his wife, a daughter of Fiske Warren, was getting a divorce.
Feb. 1, 1929. 142

Lovering, Mr. and Mrs.
Mrs. Motley said that Mr. Lovering had divorced his wife, Nellie Lyman, daughter of George Lyman; that for years she had been the mistress of Hugh Scott who was married to Helen Sanders, a Philadelphia girl; that Mrs. Scott wrote Mrs. Lovering that she knew all about the affair, that Hugh was devoted to her, and that Mrs. Lovering was only an incident; that, finally she asked Mrs. Lovering to lunch with her, but Mrs. Lovering did not accept; that Mrs. Lovering was now working in Emanuel Church.
Feb. 1, 1929. 142

Lowden
Dr. Butler said Coolidge was determined that Lowden should not be nominated for President.
Dec. 6, 1928. 98

Lunches. (See also dinners, suppers)
C.S.H. with Clephane, Cosmos Club.
Aug. 21, 1928. 14

C.S.H. lunches at Somerset Club with Catherine Grant.
Sept. 17, 1928. 27, 28

C.S.H. gives Edith Helm lunch at Cosmos Club.
Oct. 5, 1928. 43

C.S.H. lunches with directors of F.R. Bank, Boston, at East Walpole, Inn.
Oct. 24, 1928. 61

C.S.H. lunches with Dr. Butler at Century Club, N.Y.
Dec. 6, 1928. 97

We lunch with Mr. and Mrs. Delano.
Dec. 9, 1928. 99

Bertie gives lunch at Womans Democratic Club on occasion of Norman Davis' address. Present, C.S.H., H.P.H., Mrs. Delano, Mr. and Mrs. Bean, and her father and mother.
Dec. 10, 1928. 99, 100

We lunch with Mrs. McCagg.
Dec. 16, 1928. 106

With Mr. and Mrs. Delano. Dec. 23, 1928. 114

With Senator and Mrs. Bruce Dec. 30, 1928. 118

With Japanese Ambassador and Madame Debuchi.
Jan. 19, 1929. 130

Lunches (Cont'd.)

C.S.H. gives lunch to Prof. Hawtrey at Cosmos Club.
Jan. 22, 1929. 131

C.S.H. at Board lunch to Gov. Norman.
Feb. 6, 1929. 156

H.P.H. lunches with Mrs. Delano.
Feb. 16, 1929. 176

We lunch with Mr. and Mrs. George McClellan.
Feb. 24, 1929. 180

We lunch with Mr. and Mrs.Langdon Wilks at Wardman Park Hotel.
Mar. 17, 1929. 192

Lyman, George. 142
See - Lovering, Mr. and Mrs.

-M-

Maguire, Dr. and Mrs. Hunter
We meet, at dinner with Harry Tucker.
Jan. 31, 1929. 141

Marblehead
See - Myer, Gertrude

Marion, Mass.
Vote for President. 1928
Hoover, 519, Smith 80
Increase over 1924:
Hoover 35%; Gov. Smith 150%

Vote for Senator
Young 450, Walsh 109

Vote for Governor
Allen 481, Cole 81.
Nov. 6, 1928. 67

Marshall House, York Harbor, Maine
See - Myer, Gertrude

Maryland Club
Mr. Wilcox gives lunch to Gov. Young, C.S.H., James and Cunningham at.
Dec. 14, 1928. 101

Maryland Trust Co.
See - Hale, Rachel

Mattapoisett
Left for.
Aug. 3, 1928. 3

Left, for Washington.
Aug. 19, 1928. 10

Arrived at Washington. Aug. 20, 1928. 12

Leave for. Aug. 25, 1928. 17

We sell part of our property to Mrs. Frances B. Stoddard and her husband James K. Stoddard, of Wooten, Leslie County, Kentucky, for $15,000, which we apportion - $14,000 for shore lot (1-1/3 acres) and $1000 for lot across the road (½ acres).

Sold under restrictions.
List of restrictions.
Aug. 28, 1928. 17, 18, 19, 20.

Mattapoisett (Cont'd.)

James M. Metcalf, Surveyor marked bounds of property sold.

C.S.H. asked Mr. Brownell to draw deed.
Aug. 29, 1928. 21

Leave for Washington. Sept. 3, 1928. 22

Sold lot across road to Mrs. DeKoven for $2000 (about 1 acre).
Sept. 16, 1928. 26

Asked Brownell to try and buy Bye's 1/32 interest in fee under Beacon Street, as an heir of Abraham Payne.
Sept. 16, 1928. 26

Left for Washington. Sept. 17, 1928. 27

Leave for Mattapoisett. Sept. 20, 1928. 29

Leave for Washington. Sept. 25, 1928. 31

Leave for Washington Oct. 1, 1928. 39

Left for Mattapoisett Oct. 5, 1928. 43

Left for Washington Oct. 8, 1928. 47

Left for Mattapoisett Oct. 11, 1928. 54

Left for Washington Oct. 15, 1928. 58

Left for Mattapoisett via N. Y. Oct. 17, 1928. 60

Left for Mattapoisett. Nov. 2, 1928. 66

Vote:
President, 1928
Hoover 534, Smith 131
Increase over 1924:
Hoover 19%, Smith 157%

Senator:
Young 467, Walsh 146

Governor:
Allen 505, Cole 112

Nov. 6, 1928. 67

Mattapoisett (Cont'd.)

Mattapoisett gave Gov. Smith the largest vote ever cast for a Democratic President.
Nov. 6, 1928. 67

Went to Washington. Nov. 11, 1928. 69

Left for Mattapoisett. Nov. 17, 1928. 79

Left for Washington Nov. 19, 1928. 80

H.P.H. leaves Mattapoisett for Washington via Albany, N.Y.
Nov. 26, 1928. 91

Matsukata

Ambassador Debuchi says that Prince Matsukata has given up his title and is now living as a commoner in a small house in Tokio, but that Otohiko was in fairly comfortable circumstances.
Nov. 23, 1928. 88

McAdoo, W. G.

C.S.H. reminds Miller that, favored seizing the gold behind the gold certificates, during the war or just after.
Dec. 28, 1928. 116

Daniel Roper tells C.S.H. he fears, is not doing very well in his law practice; that his chief client was Mr. Wilson, the public utilities man; that McAdoo erred in coming out for Gov. Smith as he did; that he should have come out earlier or should have said nothing; that if he were to have come out for Smith he should have done it with some decent appearance of enthusiasm and of regard for the Party; that one day Mr. Wilson asked him what he thought of the interview and he said as above; that Mr. Wilson made McAdoo give this interview so that, as my counsel, he could keep his influence in the Democratic Party, and thus help me!

Roper said Wilson was a very pronounced Republican!
Feb. 9, 1929. 165

C.S.H. feels Sec. Mellon's abstention from trying to dominate the Federal Reserve Board is in refreshing contrast to what McAdoo would have done had he been Secretary of Treasury today.
Feb. 20, 1929. 179

McCagg, Mrs.

We lunch with. Dec. 16, 1928. 106

McClellan, Mr. and Mrs.
We meet,at lunch with Senator Bruce.
Dec. 30, 1928. 118

We lunch with. Feb. 24, 1929. 180

Mr. McClellan talks with H.P.H. as to Hoover.
Feb. 24, 1929. 180

See - Hoover

McClenahan, Dr.
Pulls out tooth for C.S.H.
Mar. 20, 1929.195

McCormick, Mrs. Stanley
Dines with us. Sept. 23, 1928. 31, 38

See - Alice Ben Bolt

We dine at Marion with. Oct. 14, 1928. 58

McDougal, Gov.
Gov. Young, James and Cunningham have almost a violent discussion as to what, said last week as to direct pressure at Chicago. Gov. McDougal read from a statement and Board asked him to forward it. Jan. 15, 1929. 128

Attends meeting of Directors of F.R. Bank, New York.
Feb. 2, 1929. 143

Said F.R. Bank of Chicago wants to increase rates.
Feb. 2, 1929. 143

Gov. Young said, seemed pleased at Board's credit warning.
Feb. 7, 1929. 161

Tells Gov' Young his directors all want to increase rates. Gov. Young told him this would be voted down by F.R. Board, 7 to 1.
Mar. 7, 1929. 187

McFadden, Cong.
Gov. Young telephones, that Board would have no hesitation about answering the Black resolution as to its talks with Gov. Norman but that it would operate to prevent the heads of European central banks from talking with us for fear of the publicity.

The H.R. Committee reported adversely and the H.R. defeated the Black resolution without a roll call.
Feb. 22, 1929. 179

McGarrah, F.R. Agent, F.R. Bank, New York
Takes lunch with us, with Mrs. McGarrah, at Mattapoisett.
Aug. 14, 1928. 4

Tells C.S.H. he was with Gov. Crissinger when Gov. Strong telephoned Sec. Mellon's request for postponement for one day of decision in Chicago rate case.
Aug. 14, 1928. 6

In joint conference of F.R. Agents and Governors votes against using words "approval, disapproval or modification" by Board, as he thought "action" was better.
Nov. 16, 1928. 76

Votes against changing name of Open Market Investment Committee to Open Market Policy Committee, as the public might not understand it.
Nov. 16, 1928. 76

Offers to write Board explaining more fully the N.Y. resolution as to payment of salary for two months after Gov. Strong's death. Later he telephoned C.S.H. that the resolution stated essentially all the facts but would merely add that Gov. Strong made certain commitments because of the agreement from which he would have been released had he resigned at once as he wished to do. C.S.H. reported this to Board.
Dec. 19, 1928. 109, 110

Discusses salary of Manager of Buffalo branch with Board.
Jan. 25, 1929. 133

Told Board his directors wished to issue a public statement warning corporations which were loaning in Wall Street that they were injuring the F.R. System and that it was for their own interest to stop this practice.
Jan. 25, 1929. 133

* McGarrah also said his Board wished to throw out an intimation that the collateral behind these loans might prove not to be liquid.
Jan. 25, 1929. 134 *

* The Board pointed out to McGarrah that such an intimation, if it had any effect at all, might cause uncertainty and fear and bring on a panic.
Jan. 25, 1929. 134

In the afternoon the Board read to McGarrah the draft of its credit warning. McGarrah opposed it as it might be construed as an attack on the stock market and cause trouble!
Jan. 25, 1929. 134

McGarrah, F.R. Agent (Cont'd.)

On reading the minutes of above meeting there appeared no reference to McGarrah's statement as to an intimation of lack of liquidity of the collateral behind "Loans for Others." *

C.S.H. asked that this be inserted and after some objection Miller finally agreed, and Board voted to insert it into the records. *

The records as to the afternoon meeting simply stated that McGarrah discussed with the Board the proposed draft of credit warning.

C.S.H. moved that McGarrah's criticism that the warning might be construed as an attack on the stock market be inserted.

Miller said that here McGarrah was giving only his personal views and not those of his directors. Finally Board agreed merely to state that McGarrah discussed he draft with the Board.
Jan. 28, 1929. 137, 138

Board voted to telegraph McGarrah that, confirming its objections stated to him informally on Saturday, the Board felt that any statement the directors might make should be so phrased as to exclude the possibility of construction by the public that they were for the F.R. Board or the other F.R. banks.
Jan. 28, 1929. 138

Gov. Young, in afternoon, said McGarrah had just telephoned that the Board of directors of his bank had decided to give out no statement as to loans for others; that he told McGarrah the F.R. Board did not contemplate any statement of its own; that McGarrah seemed very much disturbed at this and said our Board should do something.
Jan. 28, 1929. 138

Although Gov. Harrison wants to increase discount rates, McGarrah told us his directors did not want to.
Feb. 4, 1929. 149

McIntosh, Comptroller

Votes to permit Open Market Committee to purchase not over 100 millions of Govt. securities, as a list resort, after trying to ease through the bill market.
Aug. 16, 1928. 8

Attends, with C.S.H. and Platt the dinner of the Baltimore Clearing House in honor of opening of F.R. Branch.
Oct. 17, 1928. 59

McIntosh, Comptroller (Cont'd.)

Tells C.S.H. that Gov. Young is very much upset by vote of Board for a stenographer at the joint conference of F.R. Agents and Governors.
Nov. 15, 1928. 72

Mr. Donaldson, of Commercial National Bank of Washington, gave a dinner at Carlton Hotel in honor of.

Wyatt who attended said wines and champagne were openly served throughout the dinner, which was said to have cost $60 per plate.
Nov. 22, 1928. 89, 90

See - Comptroller of Currency

McLennan, Mrs.
H.P.H. telephones C.S.H. of death of.
Oct. 30, 1928. 64

Mellon, Sec.
Wanted Gov. Young to sign letter disapproving suggestion that member bank collateral notes be given a lower rate than commercial paper, but Gov.Young said it was important to show that the Secretary was in harmony with the Board, so, rather reluctantly, he signed it.

Such a rate would have helped the Treasury in its financial operations, but Sec. Mellon never thought of taking such an advantage. This ought to be an answer to Mellon claim that the Secretary of Treasury, even unconsciously, dominates the Board.
Sept. 7, 1928. 24, 25

Writes C.S.H. that he fully agrees with his memorandum on effect of Open Market operations during period of the 3½% rate, - from Aug. 4, 1927 to Feb. 3, 1928.
Oct. 6, 1928. 44

Dr. Butler says political power of, in Pennsylvania is gone.
Dec. 6, 1928. 98

Miller says that Wyatt's suggestion that, be asked not to object to payment of salary after death of Gov. Strong, on ground of franchise tax, was collusion and would cause a scandal like the oil scandals.
Dec. 18, 1928. 109

Mellon, Sec. (Cont'd.)

Charles R. Crane told Mrs. Bruce that Frank Kent, of Baltimore Sun, sided with Senator Couzens against Sec. Mellon, and then helped Hoover all he could; that he believed he was paid by Couzens and Hoover.
Dec. 19, 1928. 111

Miller said Sec. Mellon made himself ridiculous by saying in Annual Report that F.R. System increased rates to check speculation; that Mellon had predicted easier money but his report was construed as a prediction of higher money.
Dec. 26, 1928. 114

Presides at Board meeting to consider N.Y. increase in acceptance rates.
Jan. 4, 1929. 121

Asks to what political party Rolla Wells just appointed F.R. Agent, St. Louis, belongs. C.S.H. said Democratic; that he had nothing to do with the appointment and had never heard of it until James reported it.
Jan. 22, 1929. 132

Thought at first that a statement of New York directors as to loans for others, - without of course, any reference to possible lack of liquidity of the collateral, - might do no harm and might do some good, but later he felt it was better not to publish any statement.
Jan. 25, 1929. 134

We meet, at dinner with Mr. and Mrs. Graef.
Jan. 30, 1929. 140

The Stock Exchange broke violently as result of Board's credit warning but recovered fairly after issuance of a Treasury statement, not signed, evidently intended to minimize the effect of the warning.

Sec. Mellon told Gov. Young that when he received the newspaper men this a.m. he said nothing for publication. Evidently, however, he said something and the statement probably quoted more or less accurately what he said.
Feb.7, 1929. 159, 160

Sec. Mellon took no part in the preparation or discussion of Board's warning, nor was he present at the final vote.

C.S.H.believes that Gov. Young in voting against it, really expresses Sec. Mellon's views also.
Feb. 7, 1929. 160

Mellon, Sec. (Cont'd.)

Gov. Young told C.S.H. that he kept Sec. Mellon fully informed as to the proposed credit warning from day to day; that he (Sec. Mellon) did not approve the Board's letter to the F.R. banks nor the Board's announcement of Feb. 5, published Feb. 7, 1929; that he (Gov. Young) told him that the vote would be 7 to 1 in favor; that he finally decided not to go into the meetings.
Feb. 20, 1929. 178, 179

Sec. Mellon, however, has in no way tried to influence the Board members - in refreshing contrast to what McAdoo would have done were he still Sec. of Treasury.
Feb. 20, 1929. 179

Presides at Board meeting to advise McFadden as to Black resolution concerning Gov. Norman.
Feb. 22, 1929. 179

Washington Post says Hoover has not asked Secretary Mellon to remain in Cabinet, although he would like to remain.
Feb. 26, 1929. 180

C.S.H. asks Miller as to above.

Miller said this did not surprise him; that he would say, not of course for Hoover, that he thought Mellon would remain in Cabinet for a short time, and then his successor would be appointed. C.S.H. does notbelieve Mellon would think of such a thing, unless, at least, an offer has been made without any string to it and he has voluntarily declined to accept it.
Feb. 26, 1929. 180, 181

Gov. Young tells C.S.H. that Sec.Mellon told him a month ago that he was to continue as Secretary of the Treasury.
Feb. 28, 1929. 182.

Gov. Young said Sec. Mellon hoped that the Board, if it did not now increase discount rates, would try not to increase them for some time after the new issue of Treasury certificates, as it would subject the Treasury to a charge of bad faith; that he had no objection to a rate increase if Board so desired.
Mar. 5, 1929. 186, 187

Mellon, Sec. (Cont'd.)

Gov. Young tells C.S.H. that Sec. Mellon said he would stand by the Board in whatever action it took; that he had doubts whether a rate increase would cure the situation.
Mar. 5, 1929. 187

Gov. Young repeats above to Board.
Mar. 7, 1929. 187

Board took up proposition of Gov. Case to buy 25 millions of Treasury certificates maturing in 7 days to help the dealers, as otherwise they would interfere with the new issue of 4¾% certificates.

Gov. Young said Sec. Mellon would not attend the meeting as the interest of the Treasury might not be the same as that of the Board and he wanted the Board to use its own untrammeled judgment.

We all thought this a fine attitude for Sec. Mellon to take.
Mar. 7, 1929. 188

Member bank collateral notes
Board opposes suggestion that a preferential (lower) rate be fixed for.
Sept. 7, 1928. 24

Warburg favors a discriminatory (higher) rate on, secured by Govt. securities.
Jan. 5, 1929. 125

Willis favors a discriminatory (higher) rate on, secured by Govt securities.
Jan. 25, 1929. 135

Willis asks C.S.H. if he does not agree with him in his criticisms of the F.R. System.

C.S.H. said No, that the System had developed all lines different from what its framers intended largely because of the amendment permitting, secured by Govt. securities, which were in effect finance paper; that he was not prepared to say this was wrong but that possibly a discriminatory rate might be advisable.
Jan. 25, 1929. 136

Gov. Harrison said a discriminatory rate against, would not affect speculative loans as banks had plenty of commercial paper; that it would merely inconvenience the banks.
Feb. 5, 1929. 154, 155

Gov. Harrison writes Gov. Young suggesting increasing rates on, secured by Govt. securities to 6%, leaving other rates at 5%. He said the N.E. banks, outside of Boston, were using these notes to replenish their reserves against collateral loans.
Feb. 28, 1929. 181

Messengers salaries
Miller induced Board to increase salary of messenger - Carter - who is assigned to him as a clerk, although he is only doing messenger's work. He now receives $1600 while the highest messengers get only $1380. No other member has this privilege. Although each member is entitled to a secretary and stenographer, this is a gross abuse of this right of members.

If any other member tried to do this, Miller would attack it as immoral!
Dec. 31, 1928. 118, 119

Metcalf, Surveyor
See - Mattapoisett

Metropolitan Coal Co.
George told C.S.H. that C.E. Hellier told him that a company had been formed in Chicago called the Metropolitan Industries, having 4 millions preferred and 2 millions common stock and a large amount of stock having no par value; that the only property behind these shares was the common stock of the Metropolitan Coal Co.

George said the common stock of Metropolitan Coal Co. had never paid dividends as I understood him.

He asked me to look it up in Moody's Manual.
Oct. 6, 1928. 47

Metropolitan Industries Co.
See - Metropolitan Coal Co.

Miller, Dr.
C.S.H. decides not to go on to open market meeting on Monday, as he has a slight attack of ptomaine poisoning, and Gov. Young says Miller et als are to be there.
Aug. 11, 1928. 4

Votes against giving open market committee discretion to buy not over 100 millions of Govt. securities if absolutely necessary and if required ease can not be secured thru bill market.
Aug. 14, 1928.8

At meeting of Aug. 14, Miller presented draft of letter to F.R banks saying that the Board will approve a "seasonal crop moving" rate of from ½ to 1% below other rates, to constinue only until close of normal crop moving season.
Aug. 14, 1928. 8

Miller, Dr. (Cont'd.)

Miller is unalterably opposed to give any authority to purchase Government securities.
Aug. 14, 1928. 10, 12

Gov. Young said he was not prepared to accept Miller's suggestion of a commodity rate; that such a rate should apply to business as well as to agricultural paper; that purchases of acceptances would probably accomplish what Miller had in mind.
Aug. 20, 1928. 13

Under Sec. Mills tells C.S.H. that Miller was the worst bore he had ever met; that he was intellectually dishonest; that he had a supreme contempt for him.
Aug. 21, 1928. 16

Sec. Mellon's hesitation in signing Board's disapproval of proposed preferential rate on member bank collateral notes secured by Government bonds - which would greatly help Treasury - is a good answer to Miller's testimony that Sec. of Treasury must tho unconsciously, dominate the Board.
Sept. 7, 1928. 24, 25

Miller objects to giving any power to act to Executive Committee of Open Market Committee.
Sept. 28, 1928. 35, 36

Miller says Herson, if in charge of F.R. Agents examinations of State member banks, should report to Gov. Young, to which the latter agreed.
Oct. 11, 1928. 51

Votes against permitting Goldenweiser to appoint a foreigner for statistical work, altho no American could be found.
Nov. 12, 1928. 69

Miller says the Open Market Committee meeting discussion will be the most important in history of the Board and wishes to have a stenographer take down entire proceedings.
Nov. 15, 1928. 71

Votes against Cunningham's motion that no stenographer be employed without consent of F.R. Agents and Governors.
Nov. 15, 1928. 73

Miller seemed very much disturbed at passage of above motion.
Nov. 15, 1928. 74

Miller, Dr. (Cont'd.)

Answers Gov. Harding's claim that Board has no power to prescribe new plan for Open Market Committee. He said he did not want Board to operate any more than did Gov. Harding; that there was some doubt as to power of Board and that is why Board is trying to secure an agreement. He also said the Open Market power went to the very heart of the System and that, altho chiefly operated by the F.R. Bank, New York, it vitally affected all the F.R. Banks, and that questions of policy should be considered by the F.R. Board and by all of the F.R. banks.
Nov. 16, 1928. 77

Goldenweiser says Miller was present at meeting of directors of F.R. Bank, New York, which elected Harrison Governor.
Nov. 24, 1928. 89

Delano tells C.S.H. he talked in N.Y. with Warburg and other bankers about Miller as a possible Secretary of the Treasury and that the consensus of opinion was that Hoover would not be such a fool as to appoint him; that he was not fitted for such a place; that the economists looked on Miller as decidedly not of the first rank.
Dec. 9, 1928. 99

Voted against approving agreement of N.Y. directors and Gov. Strong to pay his salary thru the year if he would not resign immediately. The agreement would have given his estate two months salary after his death.
Dec. 18, 1928. 108

Miller opposed approval bitterly and said that Wyatt's statement that only the Treasury could object, because of its interest in the franchise tax, and his suggestion that we get a statement from Sec. Mellon that he would not object, was collusion to evade the law and would give rise to a scandal like the oil scandals.

He said this case differed from the case of F.R. Agent Wills, because in that case the money had been already paid Will's widow.
Dec. 18, 1928. 109

C.S.H. spoke of his talk with Gov. Harrison about the above and Miller said no member had the right to discuss the matter with the N.Y. bank.

C.S.H. told Miller this was a question of law and that as a member of the Law Committee he could and should discuss the question with anyone he pleased. Miller then subsided.
Dec. 19, 1928. 109

Miller, Dr. (Cont'd.)

Votes for motion to advise N.Y. Bank of Board's decision as to Gov. Strong's salary and to advise it that if it wishes the Board will ask opinion of Attorney General.
Dec. 19, 1928. 112

Miller says the two outstanding events in F.R. history for 1928 are:

1. Board's refusal to accept stabilization of prices.

2. Giving up of easing market by open market operations and forcing the banks to relieve situation by rediscounting.

Dec. 26, 1928. 114

Says Sec. Mellon made himself ridiculous by saying that F.R. System had put up rates to curb speculation.
Dec. 26, 1928. 114

Says that Sec. Mellon had predicted easy money conditions but in his annual report made statements that were construed as a prediction of tighter money conditions.
Dec. 26, 1928. 114, 115

Miller said long ago that the only wayt to curb speculation was through discount rates and he certainly voted to approve higher rates with this end in view.
Dec. 26, 1928. 115

Miller, not long ago, put in a resolution favoring higher acceptance buying rates for the specifically alleged purpose of drawing money out of the call loan market, although finally he struck out this reference to the call loan market. This resolution failed although Miller, Platt and C.S.H. voted for it.

Gov. Young put on record an answer to Miller to the effect that money was now tending away from the call loan market.
Dec. 26, 1928. 115

C.S.H. asked Miller how much less F.R. credit would be now outstanding if there had been no undue speculation on Wall Street and he promptly replied, - "About 500 millions."
Dec. 26, 1928. 115

Miller says it will be a sad day for the country if the national bank circulation were wiped out, as they will be needed surely in view of possible future gold scarcity; that if F.R. notes were issued in their place it would increase reserve requirements from 5% (Natl Bank notes) to 40% (F.R. notes.)
Dec. 28, 1928. 115, 116

Miller, Dr. (Cont'd.)

Miller said he favored taking away the gold reserve behind the greenbacks leaving them an unsecured obligation of the Govt.
Dec. 28, 1928. 116

C.S.H. sarcastically reminded Miller that the Govt. could also seize the gold behind the gold certificates, as McAdoo wanted to do during or just after the war.
Dec. 28, 1928. 116

C.S.H. believes Miller is looking along a road leading ultimately to irredeemable paper currency and hopes Miller is not speaking for Hoover.
Dec. 28, 1928. 116

Miller got thru a vote increasing the salary of Carter, a messenger, assigned to him as a clerk, to $1600, calling him a clerk is simply to give him higher pay than a messenger, the highest salary for messengers being $1380. No other member has this privilege. While each member can have a private secretary and stenographer, Carter is neither and this is merely a scheme to favor one messenger at the expense of all.

None of the messengers are assigned to particular members except Carter who is still assigned to Miller.

Miller always objects to increases of salaries and if any other member acted as he is doing, he would be the first to denounce it.
Dec. 31, 1928. 118, 119

Puts in Resolution:

Existing spread between F.R. rates and call loan rates and other speculative loan rates tempts member banks to put F.R. credit into stock exchange.

Asks F.R. banks what they propose to do in 1929 to correct this.
Dec. 31, 1928. 119

Gov. Young objected because resolution implied that banks having call loans should be refused rediscounts.

Vote:

Aye: Miller, C.S.H., James, Cunningham, Platt
No: Gov. Young
Not voting: Comptroller of Currency Pole

Miller, Dr. (Cont'd.)

C.S.H. said he voted Aye because he construed the resolution:

1. Not intended to mean that speculative loans were necessarily illegal.

2. Nor that a bank should be refused rediscounts to replenish its reserves where deficiency was caused in part by speculative loans.

3. Merely pointed out as abnormal, dangerous condition and asked F.R. banks how they proposed to meet it in the coming year, 1929.

Dec. 31, 1928. 119

Board met at 4:30 - C.S.H. having gone - to take action on N.Y.'s increase in acceptance rates.

Miller suggested that N.Y. bank be asked not to announce it until Board could consider it. This was agreed to.

Jan. 3, 1929. 121

Board found rate had already been announced and sent to other banks. Miller said Board should enact a regulation requiring approval by Board of acceptance rates just as discount rates.

Jan. 4, 1929. 121, 122, 123

Miller said if Warburg was correct in saying that the proceeds from acceptances seeped into the stock market much more slowly than proceeds of sale of Govt. securities to F.R. banks, he should oppose the increase in bill rates at N.Y. for there was no justification for it except that it would tend to divert money from the call loan market.

Jan. 5, 1929. 124, 125

C.S.H. asked why it was that Gov. Strong in Dec. 1924 said that Miller's suggestion that acceptance buying rates should be put above discount rates, was ridiculous.

Warburg said it was ridiculous, as acceptances were better paper than promissory notes.

Jan. 5, 1929. 125

Miller denied he ever made such a statement, and C.S.H. sent him an extract from his diary, quoting him .(See scrap book).

Jan. 5, 1929. 125

Miller, Dr. (Cont'd.)

Miller said the F.R. System has been drifting, - perhaps that was the best policy, ; - that money was now getting tighter, and that rates must be increased if there was any hope of curbing stock speculation; that the really courageous way would be to announce that in the future credit would be available at reasonable rates for agriculture and business, but that the Board would watch the rise in rediscounts and prevent seepage into Wall Street.

Gov. Young did not agree.

C.S.H. said Board could not issue any stronger statement favoring direct action and restraint of brokers loans than did the Federal Advisory Council on Nov. 22, 1928.

These recommendations were then read. They advised direct action but distinguished between customers loans and other loans.

C.S.H. quoted what Alexander said in 1926, and later copied it out and sent it to Miller.

Jan. 19, 1929. 129, 130

Miller introduces draft of letter to F.R. banks suggesting direct action and asks each member to criticise it in writing.

Jan. 21, 1929. 130

Gov. Young shows C.S.H. his suggestions as to Miller's draft.

Jan. 21, 1929. 131

Gov. Young said he objected to writing the F.R. banks along lines of Miller's draft, but he wanted to put it in the least objectionable terms.

Jan. 21, 1929. 131

C.S.H. sends his suggestions on Miller's draft to each member. He suggested a statement that Board was not seeking radical deflation of credit, but merely conservative liquidation and that the statement looked primarily to the future. He also suggested a statement that some F.R. banks had exercised direct pressure successfully.

Jan. 21, 1929. 132

Board considered Miller's draft of proposed letter to F.R. banks and voted tentatively to approve it as the basis of future discussion.

C.S.H. moved to add a clause that it was not intended to indicate a desire or to be an order for drastic deflaton of speculative loans.

Miller, Dr. (Cont'd.)

The Board voted against this on the ground, as C.S.H. then supposed, that there was no need of such an addition as it could not be construed as an order or a desire for drastic liquidation.

(See scrap book for C.S.H.'s suggestion).

Jan. 24, 1929. 133

Miller said Ambassador Morrow was very absent minded and one day went to the train but could not find his railroad ticket; that the gatekeeper knew him and told him to go thru; that Morrow said he could not remember where he was going.

Jan. 24, 1929. 133

McGarrah opposes Miller's draft on ground that it would be construed as a blow at the stock market.

Jan. 25, 1929. 134

Miller voluntarily said he would eliminate the part defining what were "proper" rediscounts.

C.S.H. was pleased at his as he had criticised the draft as not correctly defining the law or good banking practice.

(See C.S.H. memo. scrap book.)

Jan. 25, 1929. 135

Miller, after objecting, finally agreed with C.S.H. that McGarrah's reference to his directors wishing to intimate that the collateral behind brokers loans might prove not to be liquid, should be inserted in the Board's minutes, and it was so voted.

Jan. 28, 1929. 137

Miller and C.S.H. declined to go to N.Y. to meet Gov. Norman as they felt any conference with him should be held in Washington.

Jan. 29, 1929. 140

Yesterday, Miller, Cunningham and C.S.H. had a conference together and Miller accepted Cunningham's suggestion to add a clause - as first suggested by C.S.H., - so as to exclude any intention of drastic deflation.

Feb. 1, 1929. 143, 144

Board considers Miller's draft, which he read.

It did not contain C.S.H.'s suggestion but Miller added a paragraph in the alternative which did not mention it.

Miller moved his draft, without the alternative.

Miller, Dr. (Cont'd.)

C.S.H. moved to substitute for one paragraph the alternative paragraph as to no desire for drastic inflation.

C.S.H.'s motion was lost.

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

Miller's motion was passed.

All voted Aye except Gov. Young who was recorded as voting No. *
Feb. 2, 1929. 143, 144

Aye: Platt, Hamlin, Miller, James, Cunningham
No: Gov. Young

C.S.H. asked to have recorded the same explanation of his vote as when the draft was tentatively approved.
Feb. 2, 1929. 144

C.S.H. then suggested a minute to effect that the members voted down his proposed addition by way of a substitute motion, not because they did not approve the substance but for reason that they regarded as really covered in the draft as adopted.

To C.S.H.'s great surprise, Platt said he hoped it would be construed as calling for drastic deflation of existing speculative loans, and James and Miller agreed with Platt!

Evidently these three are oblivious of or reckless of the dangerous consequences which might ensue if the letter were so construed.
Feb. 2, 1929. 143, 144, 145

C.S.H. asked Gov. Harrison if there would be a necessity for increasing the N.Y. discount rate, if the Bank of England rate was not increased, and Gov. Harrison said Yes.

Miller said something indicating that he thought C.S.H. felt we should be guided by the Bank of England rate.

C.S.H. said Miller mistook his position which was that in 1927 we lowered rates partly because it would help the Bank of England altho it also helped business and the agricultural export trade, but that under present conditions we should decide as to rates from domestic conditions wholly apart from the action of the Bank of England.
Feb. 2, 1929. 151

Miller, Dr. (Cont'd.)

In afternoon Board again considered Miller's draft, and suggestion that it be put in the F.R. Bulletin.

Miller said it would not cause any drastic deflation of speculative loans; that nothing we could do would have that effect; that he personally, however, would like to see a sudden liquidation and crash!
Feb. 5, 1929. 151

Miller said Great Britain made a mistake in so suddenly adopting the gold standard; that it would have been better to have gone more slowly and be content with stabilization as did France and Belgium.
Feb. 5, 1929. 151, 152

Goldenweiser advises against putting in the Bulletin warning a copy of Board's letter to the Chairmen as it would disclose a difference of opinion between the Board and the F.R. banks.

Miller agreed that only the first page of the letter be put in, and this was agreed on.
and its release at once

Lumped by Board minds

Gov. Young alone voted against putting the warning in the F.R. Bulletin, although he said it was very much like his Phila. address.
Feb. 5, 1929. 152

aye: Platt. Miller. Hamlin. Young. Cunningham.
No: Gov. Young.

Miller agreed with a statement of Gov. Young that he was becoming more and more convinced that a central bank was a necessity.
Feb. 5, 1929. 153

Cunningham feared that the response to our letter to the Chairmen and the warning in the F.R. Bulletin would be a simultaneous demand by the F.R. banks for higher discount rates.

Miller said it would be construed just the opposite.
Feb. 5, 1929. 155

At the lunch given by Board to Gov. Norman, Miller put some interesting questions to him as to the operation of the gold standard.
Feb. 6, 1929. 156

Miller says President Coolidge intended to appoint Mr. Wilbur of Leland Stanford University in his cabinet but the letter or telegram by error was addressed to his brother who immediately accepted; also that President Wilson intended to appoint a Judge Garrison of New York but by error the message was sent to Lindley Garrison who at once accepted.
Feb. 7, 1929. 161

Miller, Dr. (Cont'd.)

Votes to lay on table application of F.R. Bank of Dallas for higher rates until it has answered Board's letter specifically.
Feb. 8, 1929. 162

C.S.H. moved that a copy of Gov. Harding's letter to his member banks be sent to each F.R. bank, unless Gov. Harding objected.

Miller moved as a substitute that Gov. Talley be advised to consult Gov. Harding as to what steps he was taking.

Finally it was dropped.
Feb. 8, 1929. 162

Miller wanted to call a conference of Governors to discuss F.R. policy but most of Board felt that this would end in another "May 1920" convention and would cause trouble.
Feb. 8, 1929. 163

Miller said he did not favor drastic deflation but was looking merely to the future, as day or two ago he wanted deflation.
See p. 145.
Feb. 8, 1929. 163

Miller, during the discussion, referred to President Hoover as one who would back up the Board; that he knew Wall Street well. He seemed to act as if Hoover knew and approved the Board's policy, and he finally intimated that if the Board should weaken, Hoover might take a hand in the matter.

Gov. Young asked if this was a threat.

Miller ,evidently somewhat abashed, said No! Certainly not!
Feb. 8, 1929. 163

Miller reminds C.S.H. that Gov. Norman, at our lunch, said his purpose in coming over was to pay his respects to Gov. Harrison,- never mentioning Gov. Young or the F.R. Board.
Feb. 11, 1929. 166

Miller agrees with C.S.H. that the Board must give the Federal Advisory Council any information it asked as to discount rates.
Feb. 15, 1929. 173

Miller told C.S.H. that the Washington Post rumor that Hoover had not asked Sec. Mellon to remain in the Cabinet did not surprise him; that he would say - not representing Hoover - that he thought Sec. Mellon would remain for a short time and that then his successor would be appointed.
Feb. 26, 1929. 180

Miller, Dr. (Cont'd.)

Miller opposed sending a letter to the F.R. banks advising the calling together of groups of bankers, but advised waiting awhile and perhaps next week to take up the matter with those F.R. banks which had not responded satisfactorily, - which was agreed upon.
Mar. 1, 1929. 184

Miller moved that Wyatt be asked to advise Board as to its power to enforce its position that speculative loans must be curbed. Passed unanimously.
Mar. 5, 1929. 187

Opposes Gov. Case's request for authority to buy 25 millions of Govt. securities maturing within 7 days on ground that it might interfere with Board's rigid control of F.R credit. Finally went over. Mar. 7, 1929. 188

Miller said the attitude of Sec. Mellon at staying away from the meeting so that our Board could use its own untrammeled judgment on a matter in which the Board's interest might not be the same as that of the Treasury, - was in refreshing contrast with that of Under Secretary Winston.
Mar. 7, 1929. 188

Miller said Gov. Young told him that he met Warburg in New York and that he was most enthusiastic over Board's statement of Feb. 5, 1929; that he was so enthusiastic that Gov. Young finally had to tell him that he - Gov. Young - was not in accord with the Board.
Mar. 9, 1929. 189

Miller favored and Board finally voted to send letter to F.R.Bank, San Francisco asking why it had not been more successful in carrying out Board's policy outlined in statement of Feb. 5,1929.
Mar. 19, 1929. 192

Miller offered draft of letter to each Chairman asking for suggestions as to framing a regulation to prevent diversion of F.R. credit into speculative channels.

C.S.H. suggested - as to advisability of framing a regulation but Miller opposed this.
Mar. 19, 1929. 193

Miller said a responsible banker had told him that the N.Y.Stock Exchange could settle the speculative situation instantly by quietly telling the brokers that the credit they were now getting was to be the maximum, and that he thought the stock exchange would do this if our Board asked it.
Mar. 19, 1929. 194

Miller, Dr. (Cont'd.)

Miller said an affirmative rate increase beginning at 6% would mean great injury to business, and would be hailed as a confession that the F.R. System had failed.
Mar. 19, 1929. 195

Miller talks with Woolley who said he would come to Washington tomorrow. Mar. 21, 1929. 198

Miller talks over telephone with Mr. Simpson, a director of F.R. Bank, Chicago, and Mr. Simpson said that the efforts of the Chicago member banks to reduce speculative loans, were not brought about by any order of the F.R. Board, but by voluntary cooperation of the member banks, and large business concerns, in which Mr. Reynolds, a director of the F.R. Bank took the leadership; that their efforts would be carried out in a careful, cautious manner, and that any violent break would be guarded against.

He said, however, he favored a rate increase.
Mar. 22, 1929. 201

Mills, Ogden
C.S.H. dines with, at Metropolitan Club.

He said Miller was the worse bore he had ever met; that he was intellectually dishonest; that he had a supreme contempt for him. Aug. 21, 1928. 16

Gov. Young said that Miller hoped that if discount rates were not to be increased now, - and he saw no reason for an increase, - the Board, if possible, wouldnot increase rates until some time after the coming issue of Treasury certificates was placed, as it might lay the Treasury open to a charge of bad faith.
Mar. 1, 1928. 182
Mar. 5, 1928. 186

Tells Gov. Young that Gov. Case is opposed to a rate increase.
Mar. 1, 1928. 183

Says he has no objection to increasing rates if the Board so decides.
Mar. 5, 1928. 187

Gov. Young said Mills wants Board to use its own untrammeled judgment as to an increase of rates.
Mar. 7, 1928. 188

Minister of Finland
We meet, at dinner with Gertrude Myer.
Feb. 22, 1929. 179

Mitchell, C.E.
Talks with Gov. Young over telephone urging increase of discount rates. Feb. 14, 1929. 169

Gov. Young said, could seem to understand why Board would not approve increase of discount rates.
Feb. 20, 1929. 178

Gov. Harrison tells Gov. Strong that Mitchell, before leaving for the South left a memorandum with his directors opposing any rate increase. Mar. 1, 1929. 182

Mitchell, F.R. Agent
Willis says he likes him but feels he is not fit for his job.
Jan.25, 1929. 136

Money Committee, N.Y.
C.S.H. reminds Board that the N.Y. Money Committee during or just after the war was managed by F.R. Bank, New York alone and functioned satisfactorily.
Mar. 19, 1929. 194

Montague, Gov. and Mrs.
We meet, at dinner with Harry Tucker.
Jan. 31, 1929. 141

Monument to first Mrs. Wilson. 165, 166
See - Wilson, Mrs.

Morgan, Amb. 99
See - Beck, James M.

Morrison, Dr.
Found my eyes in congested condition.
Slight hemorrhage in blood vessels.
Advised less work. Suspects some infection.
Mar. 8, 1929. 189

Says shots in lenses of my eyes are healing up rapidly following removal of infected tooth; that the infected tooth could account for my eyes, blood pressure, and other trouble.
Mar. 15, 1929. 191, 192

Morrow, Ambassador
Miller says, is very absent minded; that one day he went to Railroad train but could not find his ticket; that the gate keeper knew him and said he could go thru; that he then said he had forgotten where he was going.
Jan. 24, 1929. 133

Moses, Sen.
Dr. Butler said, pulled over Vare to Hoover by intimating, as a member of Senate Committee on elections, that if he wished to hold his seat in Senate he had better come out for Hoover.
Dec. 6, 1928. 97, 98

Mother (Anna Gertrude Hamlin)
See - Cunningham, Henry V.

Motley, Mrs. Preble
We meet, at dinner with Miss Boardman.

She said Sammy Lothrop had got into trouble with a woman and that his wife, - a daughter of Fiske Warren, - was getting a divorce; that Mr. Lovering's wife, Nellie Lyman, daughter of George Lyman, had been divorced by Mr. Lovering; that for years she had been the mistress of Hugh Scott, who married Helen Sanders of Phila; that Mrs. Scott wrote Mrs. Lovering that she knew all about her affair with her husband; that Hugh Scott was devoted to her and that she, Mrs. Lovering, was merely an incident in his life; that she finally asked her to luncheon, which, however, she declined; that Mrs. Lovering was now working in Emanuel Church; that Gen. Edwards had been blackballed from Tennis and Racquet Club, Boston, altho that Club was very liberal as to its membership; that his manner towards women was very offensive; that Fred Prince was moving heaven and earth to be appointed Ambassador to France.
Feb. 1, 1929. 142, 143

Murphy & Co. 146
See - Thoron, Ben

Myer, Gertrude
Dr. Ruffin tells C.S.H. that, is in a really dangerous condition; that her blood pressure was dangerously high; that while she might live for many years, a sudden fit of anger or intense irritation might bring on a stroke similar to that of Walden, her brother; that she was a veritable bundle of nerves, - a clear case of neurosis, similar to but worse than that of Walden; that all of her family had this trouble; that she had consulted him about going abroad; that he advised her to go for a short trip and then to return and pay visits; that Mrs. Stokes persuaded her to make her visits now and take the European trip later in the summer; that he advised her to take a secretary with her in spite of the ridicule this might cause.
Aug. 1, 1928. 1, 2

Dr. Ruffin spoke with C.S.H. thus frankly as, had asked him so to do, and she asked C.S.H. to feel he could always talk with Dr. Ruffin about her.
Aug. 1, 1928. 1, 2

Myer, Gertrude (Cont'd.)

Wrote Rachel confidentially as above.
Aug. 2, 1928. 2.

Bertie writes C.S.H. that, had telephoned that she was coming to us Saturday with a maid to spend a week.

Wrote Rachel another letter telling her of this.
Aug. 2, 1928. 2

Gertrude arrives at Mattapoisett 6 p.m.
Aug. 4, 1928. 3

Gertrude leaves us for Boston. Aug. 10, 1928. 3

C.S.H. writes long letter to Rachel describing Gertrude's visit.
Aug. 11, 1928. 4

C.S.H. received letter from Clephane sent to him at Mattapoisett for Gertrude.

C.S.H. calls up Miss Codman at South Lincoln who said Gertrude was at Copley-Plaza, Boston.

C.S.H. called her up and agreed to bring letter to her tomorrow.
Aug. 18, 1928. 10

She told C.S.H. over telephone that Mary Hale had written her that Rachel, her mother, had had a slight nervous break down; that the Doctor said she ought to have a trained nurse; that she, Gertrude, had given up her visit to Rachel and had taken rooms at the Marshall House, York Harbor, Maine, for which place she would leave Wednesday.
Aug. 18, 1928. 10

C.S.H. feels that his letter to Rachel must have made it clear to her that, in her condition, she could not have Gertrude visit her.
Aug. 18, 1928. 10

C.S.H. calls on Gertrude at Copley Plaza Hotel.

C.S.H. asked Gertrude to give him a memorandum about her nephew.

She did not say she would but half implied she would.

She said she did not like him; that he had filed or threatened to file a caveat against the probate of Walden's will; that he had enough money to live on; that he would get $100,000 on her death from a fund left by his sister in which she had a life interest.
Aug. 19, 1928. 11

Myer, Gertrude (Cont'd.)

Gertrude also said she had arranged under her will, singed in March of this year, for a chapel to be built at the Cathedral in memory of Walden and herself; that she had left all her property to the Washington Cathedral to carry this out; that she could not afford to do this in her life time.
Aug. 19, 1928. 11

She said she had little doubt but that her nephew would make all the trouble he could if he survived her, that he might even claim that she was insane.
Aug. 19, 1928. 11

C.S.H. said if she feared this she surely ought to prepare a memorandum setting down her experiences with her nephew and with his father, of whose bad character she had spoken.

C.S.H. asked if he could speak of this to Mr. Clephane and she begged him to talk freely with him as to this or any other matter connected with her affairs.
Aug. 19, 1928. 12

C.S.H. and Clephane lunch together.

C.S.H. told him of Gertrude's condition as stated to him by Dr. Ruffin, - Gertrude having given him permission to discuss all matters with him, - Clephane, - feeling her Attorney ought to know all about her condition.
Aug. 21, 1928. 14

Clephane said he had no doubt but that Gertrude was fully competent to make a will, although he realized she was in a nervous, neurotic condition.

C.S.H. told Clephane he felt the same.
Aug. 21, 1928. 14, 15

C.S.H. asked Clephane to have Gertrude prepare a memorandum as to her relations with her nephew and his father.

Clephane approved and said he would see to it.

C.S.H. said he feared the nephew might try to contest Gertrude's will, and Clephane said he believed he might.
Aug. 21, 1928. 15

Clephane said that after Gertrude executed her will, - in March, 1928, - she wrote on it that she had made no bequest to any of her family relations because they were already comfortably provided for, and that this was duly witnessed by the same witnesses.
Aug. 21, 1928. 15

Myer, Gertrude (Cont'd.)

Clephane said Gertrude's gift to the Washington Cathedral was not an outright gift but was given specifically for the erection of a memorial chapel in which Gertrude and Walden were both to be buried.
Aug. 21, 1928. 15

Gertrude called up Bertie from Boston and said that she went to the Marshall House Wednesday but left on Thursday; that the only people she knew there was Admiral and Mrs. Brownson; that the food was poor; that there was nothing to do in the evenings; that there were no movies as there were at Hot Springs; that she was now at the Copley-Plaza which she liked very much; that she was, however, very lonely. She began to weep and Bertie thought she was going to ask if she could not come down to us again, but she anticipated her by telling her - which was the fact, - that our House was full.
Aug. 24, 1928. 16

C.S.H. called up Gertrude at CopleyPlaza, Boston, to get her address for letters. She asked if I had talked with Clephane and I said Yes and that he would help her prepare the memorandum as to her nephew when she returned. She said she was glad I had seen him and agreed to prepare the memorandum when she returned to Washington.
Aug. 25, 1928. 18

She said she had heard nothing more from Rachel but that Mrs.Stokes had written her that she had called on her at Bar Harbor but that she and her sister, Mrs. Clark, were "too ill" to see her.
Aug. 25, 1928. 18

Gertrude calls up C.S.H. at Mattapoisett from Copley-Plaza Hotel, Boston.

She said she could get rooms at Virginia Hot Springs; that she went to Nahant but did not like the Edge Hill House; that she went to Marblehead and found the Inn very attractive, but they could not provide for her maid; that she met Rev. Roland Cotton Smith there.
Aug. 28, 1928. 20

Gertrude called up C.S.H. from Boston saying that she is to visit Mrs. Larz Anderson for a few days, and then will return to Boston. Sept. 1, 1928. 22

C.S.H. writes Rachel as to Gertrude.
Sept. 4, 1928. 22

Myer, Gertrude (Cont'd.)

C.S.H. calls up Gertrude - Copley Plaza Hotel.

She asked C.S.H. to lunch tomorrow in Boston, but C.S.H. pleaded another engagement and said he would call on her tomorrow at 3:30.

Sept. 16, 1928. 26

C.S.H. calls up Catherine Grant to ask if she would lunch at Somerset Club tomorrow and that I thought of asking Gertrude.

We finally decided to lunch alone and go out to see her new home after lunch. Bertie said there was no reason for asking Gertude, especially as we were to go out to the new home.

Sept. 16, 1928. 26, 27

C.S.H. called up Gertrude from F.R. Bank at 12:15, and asked if he could come right out, instead of waiting until 3:30. She said Yes and C.S.H. called, meeting Fred Stone there.

Gertrude regretted I could not lunch with her, and C.S.H. said nothing about his engagement to lunch with Catherine, but merely regretted on ground of another engagement.

Sept. 17, 1928. 27

At 1:30 C.S.H. went to Somerset Club to meet Catherine. Before she arrived Mrs. Larz Anderson tdd C.S.H. that Gertrude was there lunching with Mr. and Miss Codman.

When Catherine arrived I told her Gertrude was there. At first she thought I had accepted Gertrude's invitation to lunch and had then regretted because of an important engagement.

C.S.H. told Catherine that altho he at first thought of asking Gertrude he had changed his mind and that his original regret at not being able to accept Gertrude's invitation, still stood.

At lunch Gertrude came over and said with a somewhat mischievous smile, "Now I know what your important engagement was!"

C.S.H. jokingly said to Catherine so that Gertrude could hear, "Gertrude is very discreet!"

Gertrude replied, "Yes, I will never tell Bertie!"

Gertrude evidently thought I had made this engagement with Catherine unknown to Bertie, and we humored her in this belief.

Gertrude evidently believes she now has a hold on me!

Sept. 18, 1928. 27, 28

C.S.H. writes Rachel as to above from Somerset Club.

Sept. 17, 1928.28

Myer, Gertrude (Cont'd.)

C.S.H. calls up Bertie on telephone from Mattapoisett.

She said Catherine called in afternoon and that they had a good laugh over Gertrude's discovery.

Sept. 18, 1928. 29

(I forgot to write down that later Gertrude called Bertie and told her about my lunch with Catherine. Bertie told her she knew all about it. Sept. -1928)

C.S.H. meets Dr. Ruffin at Metropolitan Club. He said Gertrude was at the Carlton, Washington, for a few days; that he had seen her twice; that she was very much stirred up at my suggestion that she should prepare a memorandum as to her nephew; that she told him that C.S.H. evidently thought she was liable to drop dead at any moment; that she was very angry because Mrs. Stokes had talked with him about her; that she knew C.S.H. had talked with him about her.

C.S.H. at first got the impression from Dr. Ruffin's manner that Gertrude was also angry because C.S.H. had talked with him, but later Dr. Ruffin said she was not angry with C.S.H. for talking with him.

C.S.H. told Dr. Ruffin that Gertrude had given him full authority to talk with him at any time and all times; that he could not understand how Gertrude knew he - C.S.H. - had talked with him last summer.

Dr. Ruffin said Gertrude did know of it.

Sept.27, 1928. 32

Dr. Ruffin told C.S.H. that, in his opinion, Gertrude was of sound and disposing mind, although intensely nervous and neurotic; that he agreed with C.S.H. that she should prepare a memorandum as to her nephew.

Sept. 27, 1928. 32, 33

C.S.H. tells Rachel everything Gertrude had said to him during the summer. Sept. 28, 1928. 36

Rachel spoke most appreciatively of C.S.H.'s letters as to Gertrude.

She talked about Gertrude's nephew and we agreed he was a bad lot.

She said Major Leonard told her Gertrude's income was between 30 and $40,000 per year.

Myer, Gertrude (Cont'd.)

She felt as does C.S.H. that Gertrude was amply able to take a house for the summer and should not expect her friends to entertain her for long visits.

She finally said she would ask Gertrude and C.S.H. to dinner next week when C.S.H. returned.
Sept. 28, 1928. 37

C.S.H. calls up Rachel and tells her he fears Gertrude is angry with him for urging her to prepare a memorandum as to her nephew.

Rachel says she is sure Gertrude is not angry with him, and advises him to call her up.
Oct. 2, 1928. 39

C.S.H. calls up Gertrude, who was most friendly and begged him to dine with her tonight at Carlton Hotel.
Oct. 2,1928. 39

Gertrude said we would dine alone in her sitting room.
Oct. 2, 1928. 39.

C.S.H. writes Rachel that he hopes Gertrude will also invite her as a chaperon but if she does not, he will call tomorrow and tell her about the dinner.
Oct. 2, 1928. 39

C.S.H. dines alone with Gertrude in her sitting room at Carlton.

She demurred at preparing the memorandum about her nephew. She said she could see no reason for it, as, being of sound mind, her nephew of course could not prove her insane. She said her nephew would receive a large property when she -Gertrude- died, left to her for life by her sister.
Oct. 2, 1928. 39, 40

Gertrude said she wished to leave her money to the Washington Cathedral to found a memorial chapel in which she and Walden would be buried. Oct. 2, 1928. 40

Gertrude said her nephew would be very well to do, and had no possible claim on her. Oct. 2, 1928. 40

C.S.H. writes Rachel that he will call tomorrow to talk about Gertrude. Oct. 2, 1928. 40

Myer, Gertrude (Cont'd.)

Called on Rachel and had a long talk about Gertrude. C.S.H. reminded her that she had said she had destroyed his letter to her about Gertrude's visit, and he asked her if it might not be better for him to destory all letters from her as it would make her feel more free to express herself. She said she thought it would be a good plan for us both to do this, as letters might be left around, at least so far as she was concerned, on her desk which Gertrude casually might see. We both agreed to do this and C.S.H. said he would at once destroy all of Rachel's letters to him.

Oct. 3, 1928. 40

Rachel said Gertrude said to her, "You did not tell me you had a long talk with Charlie over the telephone the other day," and she said she made a rather equivocal reply.

C.S.H. said he merely said to Gertrude that he had called Rachel up to see if she had returned from Bar Harbor, - absolutely nothing more.

C.S.H. said Gertrude exaggerated so that one could not believe anything she said.

C.S.H. told Rachel that if Gertrude ever quoted her to him in any offensive way he would not believe a word of it but would at once tell her (Rachel) about it.

Rachel said she would do the same.

Oct. 3, 1928. 41

Rachel said she called on Gertrude the other day and that she looked wretched and "down at the heel", - in fact very "sloppy". C.S.H. confirmed this.

Oct. 3, 1928. 41

Rachel said she fully appreciated that the nephew, with the aid of a skilled lawyer, could make out a case of oddity and eccentricity which he would try to show was abnormality, but that she felt that she and C.S.H., Gertrude's closest friends, owed a duty to Gertrude to watch over her and guide her.

She said Gertrude did not want to prepare a memorandum as to her nephew, perhaps because after all there was little to tell.

Oct. 3, 1928. 41

C.S.H. calls up Gertrude and later calls on her for ½ an hour.

Oct. 4, 1928. 42

Myer, Gertrude (Cont'd.)

C.S.H. destroys Rachel's letters about Gertrude, three in all, July 1, 1928, July 28, 1928 and Sept. 7, 1928, of course keeping no copies.
Oct. 5, 1928. 42

C.S.H. calls on Mrs. Rodgers and spoke casually of Gertrude, but she said nothing particular.

C.S.H. some time ago told Rachel that he hoped she had spoken frankly to Mrs. Rodgers as to his letters and talks, but that he would be most circumspect as he wanted to confine our frank talks about her to ourselves.
Oct. 5, 1928.42

C.S.H. dines with Rachel and later has a talk about Gertrude.
Oct. 9, 1928. 48

C.S.H. calls up Gertrude and she asked C.S.H. to dine with her and Miss Lay this evening.
Oct. 10, 1928. 49

C.S.H. dines with Gertrude and Miss Lay. When C.S.H. got up to go, Gertrude got up and suddenly said, "I am in agony." C.S.H and Miss Lay supported her. She said she had an agonizing pain in her hip. We helped her walk up and down the room and outer hall, and finally put her on a sofa, after which the pain greatly subsided.

Gertrude said she had sat on the open benches through the Cathedral services, and we thought this accounted for it.
Oct. 10, 1928. 49

C.S.H. writes Rachel fully as to above.
Oct. 11, 1928. 49

C.S.H. calls on Gertrude. Oct. 16, 1928. 59
Oct. 30, 1928. 64

C.S.H. has tea with Rachel.

Rachel asked C.S.H. to promise hat if Gertrude ever quoted her to C.S.H. as having said anything unkindly or critical about him, to put it down as a deliberate lie and come and tell her about it. C.S.H. and Rachel both promised to do this.
Oct. 31, 1928. 64, 65

Rachel said Gertrude once quoted her as saying that Bishop Rhinelander's wife was a dangerous woman, and that it greatly embarrassed her.

Oct. 31, 1928. 65

Myer, Gertrude (Cont'd.)

Rachel said she feared that if Gertrude realized the close, intimate, family relationship between Bertie, C.S.H. and herself, she would be furiously realous and would try to break it up at any cost. Oct. 31, 1928. 65

C.S.H. calls on Gertrude.

Gertrude said Rachel was not well and had been ordered by her new Doctor, - her regular Doctor being away, te go to bed for ten days; that he had ordered her to go to Garfield Hospital for another gall bladder test.
Nov. 13, 1928. 70

C.S.H. wrote Rachel a letter of sympathy at what Gertrude had told him.
Nov. 13, 1928. 70

Rachel called up C.S.H. at Cosmos Club at 9 a.m. She said she had received my note, and, speaking of Gertrude, said, "Well, I suppose the fat is in the fire!" She asked C.S.H. to come in tomorrow. Nov. 15, 1928. 71

C.S.H. called on Rachel.

Rachel said Gertrude said the other day she was going to sell two tables belonging to Walden; that she asked her what she wanted for them and she said $50 each; that she went to see them at an antique store and the man said they were $100 each, which she paid; that Gertrude made her very angery by saying, "I have no doubt you will later sell them again at a large profit."

C.S.H. asked what reply Rachel made to Gertrude and she said she only gave her a "soft answer."

C.S.H. said he would have been, if a woman, sorely tempted to slap her face, with which May Hale agreed with enthusiasm.

Rachel asked C.S.H. what he would have said and C.S.H. said he would have replied that he would permit no woman old enough to wear a wig address him in that fashion!

There was much laughter at this and Rachel said - absolutely in confidence- that Gertrude once told her that her hair under her wig was very white.
Nov. 22, 1928. 83

C.S.H. dines with Gertrude.

She said she had provided in her will that, of her 3 executors, only Rachel should receive any compensation for services; that the

Myer, Gertrude (Cont'd.)

will expressly stated that Dean Bratenahl and Dr. Ruffin were to serve without compensation.

C.S.H. asked Gertrude if she had told Dr. Ruffin about this when she asked him to serve as one of her executors, and she said she had not.

C.S.H. advised her to ask Clephane whether she ought not to tell Dr. Ruffin he was to receive no compensation, or whether it would not be better to give him some honorarium, however small, for his services.

C.S.H. feared that when Dr. Ruffin found that he would receive no compensation, he, a very busy man, might well decide not to serve, and that such refusal might be misunderstood, and if the nephew should contest the will on ground of Gertrud's lack of mental capacity, it might prejudice her, as Dr. Ruffin's testimony as to her mental condition would be vital.

Nov. 23, 1928. 84

Gertrude seemed very unfriendly to Rachel. She said shortly ago she walked around the Washington monument and sat on a bench to rest; that later Rachel told her she also drove to the monument the same day and walked around; that Rachel said she saw some one in the distance who looked like her, Gertrude, just as she was going back in her motor, but that she was so tired, she did not feel strong enough to drive around and see if it really was Gertrude and drive her home to lunch with her.

Gertrude did not tell C.S.H. whether she had seen Rachel in the distance or not, but she said Rachel evidently had a guilty conscience.

Gertrude seemed very angry about it and said that Rachel, tired as she was, had strength enough to take her old friend Mr. Appleton, of New York, that very afternoon to her new place in Maryland.

Gertrude said that Mr. Appleton had been a great admirer of Rachel for many years, but could not have proposed to her, as no one could conceive of Rachel turning him down and then accepting Chandler Hale.

Gertrude said Mr. Appleton was a very fine looking man, but not brilliant, and had never married.

Nov. 23, 1928. 84, 85

Myer, Gertrude (Cont'd.)

Gertrude said that although Rachel was a very close friend, she finaly believed that if she were to die and Rachel had taken Passge for Europe, she would not postpone sailing on her account.

C.S.H. vigorously dissented at this.
Nov. 23, 1928. 85, 86

Gertrude said Mrs.Warder had often told her that Rachel was most fine and beautiful but --!

She gave C.S.H. to understand that Mrs. Warder felt there was something as to character which Rachel lacked.

C.S.H. again strongly dissented.

C.S.H. feels that the fact that Rachel could put up with Gertrude's peculiarities and remain her loyal friend, is ample proof of intense loyalty and of a very high character!
Nov. 23, 1928. 86

Gertrude said that when Walden died Rachel told her she came down from Bar Barbor as much for Walden's sake as for her own.

This, however, did not seem to disturb Gertrude.

Gertrude said she always hoped Walden would fall in love with Rachel and that she would accept him, but that while a great friend, Walden never was in love with Rachel.

C.S.H. feels this is utter nonsense.

He believes Walden was in love with Rachel, but that she would not have him. Nov. 23, 1928. 86

Gertrude said that when Rachel's son, Eugene,was ill at St. Paul's School,Rachel asked her whether she ought to go on to help take care of him; that Rachel said it was merely a simple case of measles and that she might be so in the way that she would do more harm by going than by waiting here.

Gertrude did not say what advice she gave to Rachel, but said Rachel did not go to St. Paul's School at once, but delayed until later when Eugene had scarlet fever and other complications, but that he died while she was there.
Nov. 23, 1928. 87

CSH was terribly disturbed at these vitriolic attacks on Rachel and made no effort to conceal his displeasure and disgust.

Myer, Gertrude (Cont'd.)

Gertrude said all the above with perfect calmness, and explained that she merely wished to give C.S.H. an inkling as to Rachel's real character.

C.S.H. believes Gertrude feels that he admires Rachel greatly and is furiously jealous and is trying to break our friendship by slandering Rachel.

C.S.H. is disgusted and immoved at such attacks, for one who has always told C.S.H. she considered Rachel one of her dearest friends!

Nov. 23, 1928. 87

C.S.H. has a talk about Gertrude with Rachel, while calling there, Ellen Leonard was also there.

Rachel said she had had Gertrude to Thanksgiving dinner many years, but that she did not invite her this year until quite late, as she was uncertain whether she would feel able to have any one, even her own sister; that finally she asked Gertrude but found she had invited Major and Ellen Leonard. Rachel fears she will be on Gertrude's black list.

Dec. 1, 1928. 94

Rachel said Gertrude called her up the day after Thanksgiving, while she (Rachel) was in bed, and said her Thanksgiving dinner was cold and a failure through the fault of the cook, who had once been Rachel's cook; that Gertrude almost wept over the telephone and asked Rachel why she did not tell her about the faults of the cook before she engaged her. Rachel said her patience was nearly exhausted.

Dec. 1, 1928. 94

C.S.H. dines with Gertrude and spoke casually of her Thanksgiving dinner, fully expecting she would pour out her rage against Rachel, but, to her surprise, she was as sweet as honey and explained why Rachel had not invited her on Thanksgiving, and talked of Rachel as her dearest friend.

Dec. 2, 1928. 94, 95

C.S.H. writes Rachel telling her how sweet Gertrude was to her.

Dec. 3, 1928. 95

Rachel called up C.S.H. at 7 p.m. and said, "Charlie, I fear I have told a lie!" She then explained that Gertrude had just had tea with her and had talked with her as to a fee to Dr. Ruffin for acting as her executor; that she told Gertrude she would give him at least $500; that Gertrude said, - "that is exactly what Charlie advised, - have you been talking with him about it?"

Myer, Gertrude (Cont'd.)

Rachel said she was completely non plussed and finally said No!

C.S.H. told Rachel that what she said was literally true, as he had written her about it but had not talked with her; that he would take care of her all right if Gertrude should ever speak of it.

Dec. 11, 1928. 101

We dined with Gertrude.

She asked C.S.H. to see Clephane and induce him to elect some one to look after her estate, as she did not feel able to do it herself.

She said Clephane had advised her to tell Dr. Ruffin about compensation and ask if he would accept an honorarium of $500 in full for his services as executor, although he thought $1000 would be perhaps better.

C.S.H. in reply to a question from Gertrude said he thought it better to name the executors and say nothing as to compensation, leaving to the court to determine the amount; that she had told C.S.H. that Dean Bratenahl had told her he would accept no compensation, but he could waive compensation after appointment.

Gertrude said the will read- "Dr. Bratenahl or his successor" and that the successor might want compensation; that she feared that Dean Bratenahl might say that he told her he would take no compensation, but that, it having been given him, he might decide to accept it.

She said Clephane did not know that when she originally asked Dr. Ruffin to accept, she said nothing to him as to the clause taking away all compensation, but now he gave her the advice she just mentioned.

Gertrude seemed resentful at C.S.H.'s expression of fear lest Dr.Ruffin might decline to serve if no compensation was provided.

C.S.H. said he would have a clear, moral right to do so.

C.S.H. said he had no particular interest in Dr. Ruffin and that if it were anyone else he would advise Gertrude to have a frank talk with him and if he did not accept, then to appoint some one else; but that in her case it was most desirable to have a prominent physician as one of her executors, and that if there were a will contest and it should appear that Dr. Ruffin declined to act, it might be claimed, however, unjustly, that he doubted her sanity; that while C.S.H. knew he had no such doubt, it might

Myer, Gertrude (Cont'd.)

give her nephew a chance to claim he had.

C.S.H. said, if she wished it, he would speak to Clephane about it when he took up the matter of the memorandum with him.

At first she seemed averse to this, as he had already advised her and she had not told him I had originally suggested it to her. Later, however, in Bertie's presence, she asked C.S.H. to talk with Clephane about it, adding that perhaps Clephane would prefer to talk with Dr. Ruffin about it himself.

Dec. 15, 1928. 102, 103, 104

Gertrude also said she had added C.S.H.'s name to a paper giving authority to Dr. Ruffin and Rachel Hale, in case of her serious illness, to step in and protect her against any possible annoyance from her nephew.

Dec. 15, 1928. 104, 105

She also said Rachel had told her she did not want any fees as executrix and that she had agreed with her that she should take them but devote any part she chose towards paying anyone whom she believed worthy of compensation from her estate.

Dec. 15, 1928. 105

Gertrude told C.S.H. that her total property, including her house and other real estate, amounted to about $500,000.

C.S.H. assumes this is exclusive of her life interest in her sister's property.

Dec. 15, 1928. 105

She said the Riggs National Bank held all her securities, but her coupons, etc.; that she had no safety deposit box and that the bank merely was custodian for her.

Dec. 15, 1928. 105

She said she had sold her Washington property to Wardman, for $75,000.

Dec. 15, 1928. 105

She said some of the officers of the Riggs bank had persuaded her to invest $7500 of abote proceeds in a "sand and gravel" company in which they were interested, but that the value of the stock had fallen and she feared she would never get back the Principal, although it was still paying 8% dividends.

Myer, Gertrude (Cont'd.)

She said she felt they ought not to have persuade her to do this.

She also said Dr. Ruffin owned some of this stock.
Dec. 15, 1928. 105, 106

C.S.H. called up Clephane but he was away, to return tomorrow.
Dec. 17, 1928, 106

Gertrude called up C.S.H. and said Dr. Ruffin was coming to see her in the afternoon and asked C.S.H. what she should say to him as to his executors fees.

C.S.H. asked if Clephane had not advised her to suggest $500 or possibly $1000. She said Yes.

C.S.H. said, - then follow his advice, but as Clephane is away, C.S.H. said to suggest $500 and if he does not appear to be satisfied, suggest $1000.

At 5:30 p.m. she again called up C.S.H. and said she had talked with Dr. Ruffin; that at first he said he saw no reason for giving him any honorarium; that she said she wanted to give him something and he finally asked what she wanted it to be; that she asked if $500 would be satisfactory, and he said Yes; that he seemed to place little importance on the matter.

C.S.H. told her to tell this to Clephane.
Dec. 17, 1928. 106, 107

C.S.H. lunches with Clephane and told him about Gertrude's talk with Dr. Ruffin.

Clephane said he originally advised Gertrude not to mention executors fees in her will; that Dr. Ruffin and Dean Bratenahl could waive them if they saw fit.

C.S.H. told him he also said the same to Gertrude but that a first she would not think of it.

Clephane agreed with C.S.H. that if Dr. Ruffin declined to serve it might injure Gertrude.

Clephane also said he would, without assuming any responsibility, advise Gertrude to employ the young man in the Riggs bank, who now, from time to time, was helping her.
Dec. 18, 1928. 107

Gertrude called up C.S.H. at 5:45 and C.S.H. told her of his talk with Clephane and asked her to see him.

Myer, Gertrude (Cont'd.)

She said she would be glad to arrange to have Clephane's daughter, a lawyer, act for her, as to her affairs, and C.S.H. advised her to speak to Clephane about it.
Dec. 18, 1928. 108

Gertrude called up C.S.H. and said she had had a dispute with her maid and that she, the maid, had written her that she should appeal to her nephew to help her get justice. Gertrude said she hadpaid her a half month's salary and had added two days.

She said Clephane was away but that she had sent the letter to his partner.

She asked if she could not get an injunction against the maid.

C.S.H. said she must consult Clephane on his return.
Dec. 21, 1928. 112, 113

We dine with Gertrude. Jan. 1, 1929. 120

Rachel Hale told us when calling that Canon Stokes years ago told Gertrude that her - Rachel's - parents did their best to catch him for Rachel.
Jan. 3, 1929. 120

See - Hale, Rachel

We dine with Gertrude.
Jan. 20, 1929. 130

Gertrude called on us.

She talked at great length as to whether it would be advisable to put her property in trust at some national bank.

C.S.H. approved this but declined to give any opinion as to what bank to choose, and whether a bank in Buffalo or Washington.

C.S.H. said to consult Clephane and that his daughter could supervise her accounts, if she put them in trust.
Feb. 2, 1928. 145, 146

Gertrude said she had $17,000 on deposit at Riggs bank; that they had made no suggestion as to how to invest it;that it had been idle, drawing no interest, for seven months.
Feb. 2, 1928. 146

Gertrude said C.S.H. advised her not to put her property in trust but C.S.H. said she must have misunderstood him; that the most he could have said was that there was no mental reason why she could not manage her own property.
Feb. 2, 1928. 146

Myer, Gertrude (Cont'd.)

Gertrude said Ellen Leonard suggested that Ben Thoron, her son, and Henry Leonard, her husband, could advise her as to her property if she would go to Murphy & Co. where Ben was, or to the National Metropolitan Bank, of which Henry was a director.

C.S.H. said a good bank would be better than any individual to take charge of her property, and reminded Gertrude that she once said Chief Justice White had so advised her.
Feb. 2, 1928. 146

Clephane told C.S.H. at Cosmos Club that he had finally agreed to look after Gertrude's affairs and investments and check them up, etc. but that he should have to charge more than would an ordinary accountant.
Feb. 18, 1928. 177

C.S.H., at 6:55 p.m. called up Rachel to tell her this news. As he began he noticed that Rachel seemed rather distrait, when suddenly she said "Your friend Gertude is here with me!"

C.S.H. at once changed the subject and said that Bertie had just gone out to call on Mrs. Stevens, and asked him particularly to call Rachel up and to say she had heard she was not well and to ask her how she was.

Rachel at once caught the point and entered into a long statement to the effect that her Doctor had ordered her to stay in bed every day until 3 p.m., that she was in bed now, but was getting along all right.

C.S.H. then told her to tell Gertrude he hoped to see her soon but had been overwhelmed with work.

A few minutes later Rachel called up C.S.H. who said, "I fear I spilled the beans!"

Rachel said No that C.S.H. managed it wonderfully, and that Gertrude went off blissfully happy.

C.S.H. then told Rachel of his talk with Clephane.

Rachel said Gertrude went with Ellen Leonard to see a National Metropolitan Bank officer and was almost rude to him.
Feb. 18, 1929. 177

We dined with Gertrude.
Present: The Minister of Finland and Mr. and Mrs. Larz Anderson.
Feb. 22, 1929. 179

Nahant
See - Myer, Gertrude

National bank notes
Gov. Young reads memorandum on calling in national bank notes, showing that it would entail member bank borrowing of 600 millions.

Miller said it would be a sad day for the country if the national bank circulation were wiped out, as they would be needed in case of future gold scarcity, and that if F.R. notes were issued in their place it would increase reserve requirements from 5% (national bank notes) to 40%. (F.R. notes)
Dec. 28, 1928. 115, 116

National Bank of Commerce, New York
Gov. Harrison mentioned, as one of the banks out of line as to F.R. borrowing. Feb. 5, 1929. 149

See - Alexander

National Civic Federation
H.P.H goes to New York to attend meeting of.
Jan. 2, 1929. 120

National Metropolitan Bank. 146, 178
See - Myer, Gertrude

National Grange
C.S.H. presides at dinner to, given by Carnegie Endowment at Carlton Hotel.

C.S.H. delivers address over radio.

Under Secretary of State Clark, Gov. Young, and Louis Taber, Worthmaster spoke.

The dinner was delicious and we had a good orchestra.

C.S.H. spoke of his farming experiences and later Taber challenged him to a contest in milking cows.

C.S.H. said he used to milk cows but he never could stand a cow switching his tail across his face. The audience quickly saw his error, and C.S.H. replied there was nothing extraordinary about that as the cow evidently was an "Irish bull"!

H.P.H. invited the Mattapoisett Grange to come to the house in Mattapoisett to listen over the radio, and C.S.H. told the Grange they were listening eagerly to the speeches. Unfortunately not a word could be heard!
Nov. 20, 1928. 82

Nelson, Mrs. Alexander (Sallie Fisher)

C.S.H. calls on, at Baltimore
She drove him back to Railroad station en route for Washington.
Dec. 14, 1928. 102

Netherlands Exchange
Below gold export point. Feb.5, 1929. 150

New York Stock Exchange
138, 143, 148, 157, 159, 164, 184, 194, 199

See - Direct pressure
Harding, Gov.
Harrison, Gov.
McGarrah
Miller
Norman, Gov.

New York Times. 172, 173
See - Discount rates

Newton, Federal Reserve Agent, Atlanta
At Governors and F.R. Agents joint conference, said that the Governor and Chairman should alternate at meetings of Open Market Committee.
Nov. 16, 1928. 75

James motion to increase salary of, from $20,000 to $24,000 defeated, James only voting Aye.
Jan. 11, 1929. 127

Platt's motion to increase to $22,500 defeated.

Platt and James Aye
All others, No.
Jan. 11, 1929. 127

C.S.H. motion to remain at $20,000.
All voted Aye
Jan. 11, 1929. 128

Nye, Mr.
See - Mattapoisett

Norman, Gov. Bank of England
Told Gov. Young he should cease protecting British exchange and allow gold to go to U.S.
Sept. 7, 1928. 23

See - Gold

Norman, Gov. Bank of England (Cont'd.)

Gov. Young said Govern.Harrison said same about Gov. Norman.
Sept. 7, 1928. 24

Gov. Harrison invites Board to go to N.Y. to attend directors meeting on Thursday.

Gov. Young and Platt said they thought it important to go.

C.S.H. said Gov. Norman arrives in N.Y. today and presumably would be at F.R. bank when directors met; that he did not want to confer with Norman in N.Y. but should prefer to meet him in Washington if he wished to confer with the Board. Miller took same view.
Jan. 29, 1929. 140

Eddy told C.S.H. that F.R. Agent Heath was going to conference at New York to meet Norman.

Gov. Young goes today to N.Y.

C.S.H. believes there is to be a large conference to talk with Norman and is glad he declined to go, such a conference should be held in Washington.
Jan. 30, 1929. 141

Gov. Young reported that Norman was not at directors meeting at New York; that he had several conferences with Norman, at which, I understood him to say, Gov. Harding, Gov. Norris and possibly F.R. Agent Heath were present; that Norman said the Bank of England would shortly increase discount rates by 1%.
Feb. 2, 1929. 143

Board regrets that Norman is coming down at this time as it would look as if the Board's warning was made to help Norman. The warning, however, has been under consideration for some time, - before even we knew of Norman's coming, - and was, in fact, sent out on Saturday.
Feb. 4, 1929. 148

James said he believed Norman wanted Gov. Harrison to increase discount rates to break the stock market and enable him not to increase the Bank of England rate.
Feb. 4, 1929. 148

Gov. Young said Norman told him he would certainly increase his rate. Feb. 4, 1929. 148

Norman, Gov. Bank of England (Cont'd.)

C.S.H. believes Norman wants N.Y. to increase its rate to give him an excuse for increasing Bank of England rate.
Feb. 4, 1929. 148, 149

C.S.H. believes that Gov. Young thinks that Norman has great influence over Gov. Harrison, and that Gov. Harrison is egging on Gov. Harding to increase rates so that N.Y. will have to follow, altho McGarrah told us his directors do not want to increase rates. Feb. 4, 1929. 149

Gov. Harrison told Board that Norman would increase his rate 1%, to 5½% within a few days; that Belgian, and Netherlands exchange were below the gold export point and that Norman must increase.
Feb. 5, 1929. 150

Board voted to release its credit warning - to be published in next Federal Reserve Bulletin - tomorrow, Wednesday, at 3 p.m. for the Thursday morning papers, so that it should appear, - as was the fact, that it was prepared and fully decided upon before Norman arrived in Washington.
Feb. 5, 1929. 152, 153

Cunningham said he believed that Norman did not want to raise his rate but felt he had to to protect his gold and that he wanted New York to increase to give him an excuse for following.
Feb. 5, 1929. 153

C.S.H. feels that Gov. Harrison, perhaps quite unconsciously, is influenced by a desire to help Norman and that Norman is using him to pull his chestnuts out of the fire.
Feb.5, 1929. 155

Gov. Norman arrives in Washington.

He was closeted with Gov. Young from 10:30 to 1, and did not call on any other Board member, - a surprising discourtesy, altho Gov. Young may have been responsible for it, as he should have notified the Board members and invited them in.

The Board gave him a lunch at Washington Hotel at 1p.m., where C.S.H. first met him.

After lunch Miller put him some questions as to the gold standard in Europe. Feb. 6, 1929. 156

Gov. Norman said the gold standard was in considerable peril in Europe in the near future; that the original purpose of a gold standard was to protect a country's exchanges and settle adverse balances; that recently some European and South American countries had obtained gold for capital purposes; e.g., France, Belgium, and Argentina, that it was a strain on gold to obtain it even for

Norman, Governor, Bank of England (Cont'd.)

the purpose of maintaining central banks gold reserves; that while he believed a much lower reserve ration would be safe, his people did not feel so; that any appreciable decline in gold reserves was at once reflected in the exchanges; that the only remedy lay in increasing ~~dividend~~ discount rates, although no such increase might be necessary from any commercial standpoint; that he feared trouble for the gold standard if gold continued to be used for other than the real purpose of a gold standard, - settling adverse balances.

He said prices were now adjusted on an international world level and that any pronounced fall would cause great damage.

Not a word was spoken about discount rates, nor were brokers loans or stock exchange speculation discussed.

Gov. Norman said his principal reason for coming over was to pay his respects to Gov. Harrison.

He left on afternoon train for New York and he sails back on Friday.
Feb. 6, 1929. 156, 157

Gov. Harrison told C.S.H. that he was very sorry that our warning statement was to be released while Norman was in town, as the charge would be made that the Board was trying to break the stock market to help Norman and at his suggestion.

C.S.H. assured him there was nothing in this; that the statement would have been issued even if Norman had never come over; that the Board had this draft under consideration for at least 3 weeks.

(This draft was first suggested by Dr. Miller on Jan. 19, 1929, see page 129)

Feb. 6, 1929. 158

Gov. Norman inquired for H.P.H. and asked to be remembered to her.
Feb. 6, 1929. 159

Gov. Norman was the guest of Sec. Mellon, who could not attend the lunch. Feb. 6, 1929. 159

Gov. Young never told Board about his 2 hour talk with Norman in his office. Feb. 8, 1929. 163

Before Norman came to Washington, Gov. Young said he had conferred with him when in New York but said he would not quote him as he preferred to have him personally tell the Board what he had to say.

Norman, Governor, Bank of England (Cont'd.)

The only thing he said of their talk was that Norman said the Bank of England would increase its rate very shortly.

This is all the information the Board members had of Governor Norman's views!
Feb. 8, 1929. 163, 164

Miller reminds C.S.H. that Norman said his only object in coming over was to pay his respects to Gov. Harrison, never mentioning Gov. Young nor the Board members!
Feb. 11, 1929. 166

Board met to reply to McFadden's question as to what the Board wanted his committee to do as to the Black resolution, inquiring as to Norman's visit, as to what he said to Board and as to what Board said to him.

Gov. Young was directed to telephone McFadden that while the Board had no hesitation about answering the resolution,were it not for the precedent it would create and for the fact that it would operate to prevent central bank heads from coming over toconfer because of the publicity involved; that the Board always made public the results of any conference either at the time or in its annual report.
Feb. 22, 1929. 179

H.R. Committee unanimously voted against Black resolution and it was defeated in the H. of R. without a roll call.
Feb. 23, 1929. 179

Gov. Young told C.S.H. that he thought Gov. Harrison lived and breathed for Gov.Norman.
Mar. 5, 1929. 186

Norris, Gov.
Board voted to increase salary of, from $25,000 to $30,000.
Jan. 11, 1929. 127

Gov. Young said Gov. Norris was present at N.Y. directors meeting and later conferred with Gov. Norman.
Feb. 2, 1929. 143

Writes Board for approval of 6% discount rate which his directors were to put in tomorrow.

He said direct action was a failure; that discounts were rapidly increasing; that his reserve ratio had declined to 55%.

The Board had about decided to disapprove when Gov. Norris said over telephone that quite a large amount of discounts had just been paid off and consequently his directors would not press their request for a 6% rate! Mar. 5, 1929. 186

Not voting
Comptroller Pole recorded as, on Miller motion to ask F.R. banks how they proposed to correct speculative loans in 1929.
Dec. 31, 1928. 119

See -Young, Gov.

Note, Promissory. 45, 54, 55
See - Hamlin, Edward and George
Hamlin, C. S.

See - Promissory note

Nourse, Annie
Comes to Mattapoisett.
Oct. 24, 1928. 62

Leaves Mattapoisett. Oct. 25, 1928. 62

Told C.S.H. she saw much of Alexander Grant at Nahant this summer and thought him very disagreeable and uninteresting
Oct. 24, 1928. 66, 67

-O-

Olsen
Board voted to postpone decision as to increase of salary of.
F.R. Bank, Chicago.
Jan. 11, 1929. 127

Open Market Investment Committee
Meeting Aug. 13, 1928.

C.S.H. slightly ill at Mattapoisett with Ptomaine poisoning, did not attend.

Burgess at N.Y. told C.S.H. that Committee would ask for no authority or action, so there was no necessity for C.S.H. to go on.

Aug. 13, 1928. 3, 4

Platt calls up C.S.H. from Washington.

Says Board in dispute; that Miller and James oppose giving any authority to Committee in its discretion to buy more Government securities; that the Board will meet tomorrow to discuss it further.

At 10 p.m. C.S.H. sent Platt the following telegram:

"Answering your telephone message would say that I know only in a general way as to report of Committee. Feel personally that pressure should not be relaxed, for some time at least. Would, however, favor discretionary authority to Committee to buy acceptances as usual, and, in case of sudden emergency, or of conditions under which continuous pressure would injure crop moving and penalize business more than it would be of help in controlling existing tendencies, - to purchase securities up to a fixed amount, but, if reasonably possible, Committee should consult with Gov. Young before buying securities; if not possible, Committee should have discretionary authority to act."

Aug. 14, 1928. 4, 5

Board voted to send and sent letter to Acting Chairman Harrison:

"The Board has reviewed carefully the report of the Committee and its recommendation of Aug. 13 and has also considered the verbal discussion which took place during the meeting and it is in agreement with the Committee that the seasonal requirements of credit will probably develop a strain upon the future credit situation which may react unfavorably upon commerce and industry, and that if such a situation should develop the system should take some action to relieve the strain.

Open Market Investment Committee (Cont'd.)

The Board would not care to agree to the purchase of Government securities, except as a last resort.

We understand from the discussi on had with your Committee that you favor easing thru the bill market, if possible, and thru the Govt. security market only if unavoidable.

With this understanding, the Board approves the purchase of Govt. securities by the Committee, but limits the amount to 100 millions.

If a situation should develop which will require reconsideration, the Board will be glad to meet the Committee at any time for that purpose.

R. A. Young,
Governor."

To Harrison,
Acting Chairman, Open Market Investment Committee.

Aug. 16, 1928. 7, 8

The above was carried, 3 to 2.

Aye: Gov. Young, Comptroller, Platt
No: Miller, James

Cunningham wired approval and C.S.H. sent above telegram.
Aug. 16, 1928. 8

At the meeting with the Committee on Aug. 14, 1928, Miller presented draft of a letter to F.R. banks that Board will approve a rate for "seasonal crop moving paper" of from 1/2 to 1% below regular commercial paper rates, defining the term as paper arising out of the movement and marketing of the current crops, - such rate to continue only until the end of the normal crop moving season.

James submitted a proposition for a preferential rate only on bankers acceptances and trade bills, regardless of their origin.

These were submitted to Open Market Committee.

Open Market Investment Committee (Cont'd.)

In the afternoon the Open Market Committee reported that preferential rates would probably not accomplish what was desired; that the question whether the season's crops can be moved reasonably and expeditiously involves a broad question of the whole credit structure and will have to be dealt with thru open market operations rather than thru preferential rates on commodity paper.

The Committee stressed the fact that its recommendation for the purchase of Govt. securities was intended only to cover an emergency situation and that such securities would be purchased only as a last resort if a dangerous tight money situation should arise despite efforts to prevent such a situation thru purchase of acceptances, exchange operations and otherwise; that to reduce bill rates would mean the dumping of a vast volume of acceptances on the F.R. banks, which, altho easing the credit situation would undo the work of many years in developing a bill market.
Aug. 14, 1928. 8, 9

C.S.H. believes this is the first time that purchase of acceptances has been favored for the purpose of relieving the credit situation.

Miller and James were unalterably opposed to purchasing of Govt. securities. Aug. 14, 1928. 9, 10

Gov. Young called for a separate vote on the various paragraphs of Board's letter to Harrison of Aug. 16, 1928.

He said the Board members all agreed:

1. That seasonal requirements might develop a strain on the credit situation, and that if such strain arose some action should be taken to relieve it.

2. That they would not agree to purchase of Govt. securities except as a last resort.

3. That Miller and James were against giving any authority to purchase Govt. securities.

4. That he, Gov. Young, could not now accept Miller's suggestion of a commodity rate on seasonal crop moving paper; that such a rate should apply to business as well as agriculture, that he was not sure, however, but that we might use this idea in the future; that purchase of acceptances in increasing amounts would probably accomplish all Miller had in

Open Market Investment Committee (Cont'd.)

mind, that Gov. Harding had said the F.R. banks could easily increase purchases of acceptances.
Aug. 20, 1928. 12, 13

C.S.H. mentioned his telegram

Gov. Young said the F.R. Bank, N.Y. would certainly consult with him before buying any more Govt. securities, so that it was unnecessary to impose this as a condition; that if an emergency should arise requiring instant action the Committee was given discretion as suggested by C.S.H.
Aug. 20, 1928. 13

Gov. Seay wrote Open Market Committee expressing hope that no Govt. securities be bought, and the member banks forced to take the initiative by reducing their speculative loans; that he construes the phase "last resort" in purchasing Govt. securities, to mean a condition in which credit for business purposes can not be obtained except at rates materially higher than those which now prevail.
Aug. 20, 1928. 13, 14

Gov. Young and James went to N.Y. last week and met Owen Young, Woolley, Reyburn and Harrison at Woolley's office.

Gov. Young said that Harrison wanted to ease the market by purchase of Govt. securities, but the others would not consent; that they riddled Harrison; that the directors later forbade any purchases of Govt. securities or British exchange without the consent of Owen D. Young, Woolley and Reyburn.
Sept. 4, 1928. 22, 23.

Gov. Young said he felt they never would choose Harrison Governor, should Gov. Strong resign.
Sept. 4, 1928. 23

Gov. Young said that if the N.Y. directors ever complained that the Board did not trust the executive officers, he would reply that our Board trusted them as fully as did the N.Y. directors who forbade their exercising the discretion the Board gave them, as part of the Open Market Committee, to buy up to 100 millions of Govt. securities in an emergency.
Sept. 4, 1928.

Open Market Investment Committee (Cont'd.)

Gov. Young said Norman said he should cease protecting British exchange and should allow gold to go to the U.S.

The Board all agreed to let this gold come without offsetting.

Gov. Young said the banks would use it to take down their rediscounts, but James claimed that sollong as call loan rates were higher than discount rates, the banks would loan the gold on call. Gov. Young denied this and said the banks would not be influenced by profits, and said that some N.Y. banks had sold bonds at a loss, thus reducing the amounts they would have had to rediscounts.

James said the N.Y. bank was being well managed by its directors and he was satisfied the credit demand of 200 or 300 millions for crop moving would be met.

Sept. 7, 1928. 24

Gov. Harding told C.S.H. in Boston that no more Govt. securities should be bought to ease up the credit situation, but that acceptance rates should be lowered and acceptances should be bought; that the proceeds of acceptances filter into the market more slowly than proceeds of purchase of Govt. securities.

Sept. 17, 1928. 27

Alexander said that if the corporations should suddenly withdraw say 500 millions from call loan market there would have to be a liquidation as the banks would not take over these loans.

Gov. Young said this might bring on a panic.

Alexander later qualified this statement and said the banks would help as far as they could but that the F.R. System must do its part.

Sept. 28, 1928. 34, 35

The Federal Advisory Council suggested making all banks members of the open market committee but with an executive committee having full powers. Gov Young favored this.

Miller objected to giving executive committee any power to act.

Sept. 28, 1928. 35, 36

C.S.H., last week, sent copies of his memorandum on effect of open market purchases during the period of the 3½% rate, - from Aug. 4, 1927 to Feb. 3, 1928, to all Board members, the Federal Advisory Council, Sec. Mellon Mills, all Govs. and Chairman, Burgess, Harrison, Noyes, Roberts, etc.

Sec. Mellon wrote C.S.H. saying I had proved my case and that he should keep the memorandum for future use.

Oct. 6, 1928. 44

Open Market Investment Committee (Cont'd.)

Board considers changes in Open Market Committee at conference of Governors and Chairmen.

Principal discussion was over draft of changes prepared by Board.

1. Governor from each F.R. bank on Committee accepted.

   Discussion was whether the Board should recognize the Governors as members or whether, as in Board's plan, the directors should appoint either the Governor or chairman, as best suited them.

   Federal Reserve Agent Newton favored alternation of Governor and Chairman.

   Gov. Harding said he would resign as Governor if his directors should designate the chairman.

   The conference overwhelmingly favored having the Governors on the Committee, each bank to be represented.

2. Executive Committee to be chosen by the 12 Governors. Passed.

   Board draft provided for an Executive Committee but did not state how to be appointed.

3. The Open Market Committee to prepare plans for purchase and sale of securities in open market. Passed.

   Board draft substantially same.

4. Purchases primarily with view of accommodating commerce and business.
   Same as Board plan.
   Passed.

5. Executive officers of Board substituted for Governor. Passed.

6. Substantially same as present procedure, but in place of "action by the Board" the phrase "approval, disapproval, or modification by Board" was substituted.

   McGarrah voted No as he thought "action by the Board" better.

   On reconsideration there was substituted "for such action as the Board may deem proper."

Question then arose as to new name for the Committee.

Curtiss moved "Policy Committee" as suggested by Board.

Open Market Investment Committee (Cont'd.)

Gov. Seay and McGarrah objected as public would not understand it.

Gov. Harding said Board could give it any name it pleased.

The change of name was voted down.

F.R. Agent Curtiss asked Gov. Young to define word "securities" in 3.

Gov. Young defined it as including bills as well as Govt. securities.

No. objection raised as to this.

Gov. Harding objected that the Board had no power to prescribe such a plan.

Miller answered Gov. Harding, saying he did not want the Board to operate any more than did Gov. Harding; that there was doubt as to Board's power to prescribe such a plan and for this reason the Board sought to effect a mutual agreement in the matter; Miller also said the Open market power was the very heart of the System policy and that, altho primarily operated by the N.Y. Federal Reserve bank, it vitally affected all the F.R. banks, and should be considered by the Board and all of the F.R. banks.

Nov. 16, 1928. 74, 75, 76, 77

See - Conference; Governors and F.R. Agents

Miller said one of the outstanding events in F.R. history for 1928 was the discontinuance of open market operations thus forcing the banks to settle credit demands by rediscounting.

Dec. 26, 1928. 114

Gov. Young called special meeting to take action on New York's increase in acceptance purchasing rates, just reported.

Gov. Young was furious that Board was not consulted and wanted the rate suspended.

Platt said this would be a slap in the face of the N.Y. directors.

Gov. Young said this was what he wanted.

Miller suggested asking the F.R. Bank, New York, not to announce the rate until Board could consider it, and this was agreed to, Gov. Young assenting very reluctantly.

Open Market Investment Committee (Cont'd.)

Platt said Gov. Young used almost violent language to Harrison.
Jan. 4, 1929. 121

At Board meeting it was finally agreed that N.Y. was not bound to secure prior approval, as the Board had approved a minimum rate, and had always approved the actual rate as a matter of course, after it had taken effect.

Miller suggested a regulation that acceptance rates hereafter must be approved by Board before becoming effective; that such a regulation be drawn and discussed at meeting of Open Market Committee on Monday and that Warburg be asked to come down and advise Board as to it.

Harrison wired that his directors kept in present rates until the crop moving and export was practically finished; that open market rates were hight and increasing and that if his bank did not increase rates it would be flooded with acceptances and the proceeds would feed the stock market.

Board voted to prepare a draft of regulation.

C.S.H. said Gov. Young had not been treated courteously by the F.R. Bank, N.Y. as he had told Harrison the Board would consider acceptance rates at the Open Market Committee meeting on Monday.

Gov. Young admitted that Harrison had said his directors might have to act before Monday.

The Board found that N.Y. had notified the other F.R. banks yesterday of the change in rates, so they were in effect and could not now well be suspended.

We all agreed to this but James said the rates should not have been increased. Jan. 4, 1929.
122

Gov. Young said he did not feel that he had been treated discourteously but he must, perhaps unconsciously, have felt so, for he gave notice that in a week he introduce a resolution that no F.R. bank could invest more than a fixed percentage of its assets in Govt. securities.

Open Market Investment Committee (Cont'd.)

In discussing the proposed regulation, Gov. Young wanted to call attention to the F.R. banks of a regulation passed in 1926 as to notice of rate changes.

Platt showed, however, that this applied only to discount rates.

Miller said we ought to enact a regulation specifically as to acceptance buying rates, to which C.S.H. agreed, if any action was to be taken.

C.S.H. said such a regulation should be drawn as applicable only in the future, so as not to imply that N.Y. was being punished for past unauthorized action, for in his opinion, N.Y. was within its legal rights in what it did, barring, of course, any question of due courtesy.

Jan. 4, 1929. 123

Warburg came before Board.

He said the Board should require its approval before acceptances buying rates became effective; that the fixing of a minimum and maximum rate was sufficient; that he approved N.Y.'s action in increasing rates, as it would provide a better distribution altho the great part of the benefit would go to foreign central banks which would invest in them, because of remission of income tax, but that it would also broaden domestic market.

He agreed with Gov. Young that the proceeds of acceptances filter into the stock market more slowly than proceeds of purchase of Govt. securities.

He favored continuance of steady pressure thru discount rates, which ought to be increased, and higher rates for acceptances.

He said, wholly apart from question of inflation, the N.Y. bank had a right to increase acceptance rates to ward off a flood of acceptances.

Jan. 5, 1929. 124, 125

Meeting with Open Market Committee.

Discussed the credit situation but Committee asked for no approval of any policy.

Gov. Harrison, however, said the Committee should be given discretion, as otherwise there was no reason for having such a Committee.

Jan. 7, 1929. 126

Paddock, Deputy Governor
Board approved $2000 increase in salary of.
James only objected.
Jan. 11, 1929. 126

Panic
Gov. Young says statement of Alexander that if corporations withdrew their call loans, the banks would not take them over, - would cause a panic.
Sept. 28, 1928. 35

Paper
See - Seasonal crop marketing paper

Parker, Mrs. 31
See - Alice Ben Bolt

Payne, John Barton
Delivers fine address on Wilson at Carnegie dinner to foreign editors.
Nov. 22, 1928. 84

Charles R. Crane told Mrs. Bruce that when Mr. Payne went away he asked Hoover to take charge of Red Cross relief, and that when he returned he found the letter heads had been changed to "Hoover" relief.
Dec. 19, 1928. 110

We meet, at dinner at Miss Boardman's.
Feb. 1, 1929. 142

Peabody, George Foster
C.S.H. calls on, at Johns Hopkins Hospital, Baltimore, where Mr. Peabody is to undergo a prostate operation.
Dec. 14, 1928. 101, 102

Pease, Z. A.
We dine with Mr. and Mrs. on election night.
Nov. 6, 1928. 67.

Pennington, Mrs. Louis
Sends C.S.H. a check for $5.78 - 1/2 of the royalties on Wilson Chronology from Jan. to July, 1928, which C.S.H. at once sent to Mrs. Cunningham, Secretary of National Woman's Democratic Club.
Nov. 12, 1928. 70

Pittsburgh, Pa.
C.S.H. and Gov. Young meet directors of F.R. branh bank, examine sites for new building. Gov. Fancher also was there.
Aug. 8, 1928. 3

Platt, Edmund

Tells C.S.H. no reason for coming on to Open Market Committee meeting. Aug. 11, 1928. 4

Telephones C.S.H. what took place at meeting.

C.S.H. sends telegram to Platt.
Aug. 14, 1928. 4, 5

Votes to give Open Market Committee authority to buy up to 100 millions of Govt. securities, if credit situation not eased by purchase of acceptances.
Aug. 16, 1928. 8

Attends, with C.S.H. and Comptroller McIntosh dinner of Baltimore Clearing House, in honor of opening of new building for Baltimore branch.
Oct. 17, 1928. 59, 60

Votes to permit Dr. Goldenweiser to employ a foreigner to help him in his statistical work.
Nov. 12, 1928. 69

Attends dinner given by Mr. Donaldson of Commercial National Bank to Comptroller McIntosh, where champagne and other wines were served continuously and openly.
Nov. 22, 1928. 89, 90

Forgets to tell Board of Gov. Harrison's appointment altho the F.R. Bank of N.Y telephoned him.
Nov. 26, 1928. 91,92

Votes to approve payment by N.Y. directors of two months salary to estate of Gov. Strong after his death, as per agreement with Gov. Strong. Dec. 18, 1928. 108

Votes for Miller's motion favoring higher acceptance rates to draw money out of the call loan market.
Dec. 26, 1928. 115

Votes for Miller's motion to write F.R. banks and ask what they proposed to do in 1929 to correct speculative loans.
Dec. 31, 1928. 119

Tells C.S.H. of the meeting to take action on increase of acceptance rates by F.R. Bank, N.Y. without first consulting Board.
Jan. 4, 1929. 121

Points out to Gov. Strong that the regulation of 1926 had to do merely with discount rates.
Jan. 4, 1929. 123

Platt, Edmund (Cont'd.)

Votes to increase Curtiss's salary to $24,000.
Jan. 11, 1929. 127

Votes against keeping F.R. Agent Curtiss's salary at $20,000.
Jan. 11, 1929. 127

Votes against increasing F.R. Agent Newton's salary to $24,000.
Jan. 11, 1929. 127

Moves to increase Newton's salary to $22,500.
Jan. 11, 1929. 127

Votes against C.S.H.'s motion to substitute for one paragraph of Miller's draft of credit warning, a statement that Board does not seek drastic deflation of speculative loans.
Feb. 2, 1929. 144

Votes for Board's credit warning calling for direct action.
Feb. 2, 1929. 144

On C.S.H.'s request to have minutes show that Board voted down his motion, not because they wanted drastic liquidation but merely because they felt the Board's statement could not be so construed, Platt said he hoped the public would so construe it as demanding drastic liquidation.
Feb. 2, 1929. 144, 145

C.S.H. believes all will agree, except Gov. Young and Platt, to disapprove, if N.Y.asks increase in discount rates.
Feb. 7, 1929. 160

Votes against C.S.H. motion that Dallas application for 5% rate lay on table until Dallas has answered specifically Board's letter as to why better results have not been attained.
Feb. 8, 1929. 162

All but Platt feel that to approve Dallas application now would be to stultify ourselves. Feb. 8, 1929. 162

Votes to disapprove N. Y application for 6% rate.
Feb. 14, 1929. 169

Was absent when Board voted to give out a statement as to Federal Advisory Council recommendation favoring Board's statement.
Feb. 15, 1929. 175

C.S.H., Platt and Cunningham work on a statement covering draft of letter to F.R. banks as to calling a conference of banks as advised by Federal Advisory Council.
Feb. 19, 1929. 178

Platt, Edmund (Cont'd.)

Platt and Gov. Young feel that a rate increase must eventually come and was the proper remedy.

Platt thought it should come at once but Gov. Young was willing to wait. Mar. 19, 1929. 195

Moves as substitute to C.S.H. motion disapproving N.Y. application for 6%, that the 6% rate be approved.
.Defeated.
Mar. 21, 1929. 197

Votes against C.S.H.'s main motion.
Mar. 21, 1929. 197

Pole, Comptroller of Currency
Votes to give out action of Federal Advisory Council approving Board's statement of Feb. 5, 1929.
Feb. 15, 1929. 175

Votes against Platt's motion to approve New York 6% application and for C.S.H.'s motion disapproving it.
Mar. 21, 1929. 197

Politics
Secretary Mellon asks as to politics of Rolla Wells, appointed F.R. Agent St. Louis.

C.S.H. said he was a Democrat.
Jan. 22, 1929. 132

Potter, Guaranty TrustCo.
Told Federal Advisory Council that F.R. Bank, New York, had not tried to get the principal N.Y. banks together and ask their cooperation; that his bank had never been approached; that while his bank had not been a frequent or continuous borrower, he believed the F.R. bank should get all the banks together, - offenders and non-offenders, and that in this way the situation could be ironed out.
Feb. 14, 1929. 172

Preferential rates. 8, 9
See - Miller
Open Market Committee
Seasonal crop marketing paper.

Preferential rates, Member bank collateral notes.

Board disapproves suggestion of a lower rate for member bank collateral notes secured by Govt. bonds.
Sept. 7, 1928. 24, 25

Warburg favors discriminatory rate against, secured by Govt. bonds.

Suggested 6% as against 5½% for commercial paper.
Jan. 5, 1929. 125

See - Member bank collateral notes.

Prices

Miller says one of outstanding events in 1928 was Board's refusal to accept Strong bill - stabilization of prices.
Dec. 26, 1928. 114

Governor Norman says prices are now adjusted on an international level and that any pronounced fall would cause great damage.
Feb. 6, 1929. 157

Prince, Frederick

Mrs. Motley says, is moving heaven and earth to be appointed Ambassador of France. Must be a joke!
Feb. 1, 1929. 143

Prohibition

Judge Grant says he shall vote for Hoover, but realized that his election would fasten prohibition on the country.
Oct. 15, 1928. 59

Gov. Smith tells C.S.H. that prohibition was only a minor cause of his defeat, largely used as a cloak for religious bigotry. He felt the Democrats should help outthis "noble experiment" by passing legislation to enlarge the courts and all enforcement machinery involving an expense of hundreds of millions; also he favored appropriation of hundreds of millions for enforcement.

He seemed not to disagree with C.S.H.'s suggestion of amending the Volstead Act so as to make the purchaser a criminal as well as the seller.

He believes prohibition can not be enforced but is willing to go to any extreme to enforce it, if possible,and he feels a complete test will demonstrate the impossibility of enforcing it.
Nov. 29, 1928. 92, 93

Promissory note. C.S.H.

C.S.H. paid Ned and George each $2,175, being $1500 on note dated Jan. 5, 1921, plus interest at 5%. Did not know when I paid it the date of the note so had to guess at interest. They did not want interest but C.S.H.insisted. They intimated they would credit his interest on the amount C.S.H. owed on cow pasture account.

Ned's note had indorsed on it a payment of interest by C.S.H. of $350 representing furniture he bought of us.

Oct. 3, 1928. 45

Ned sends me check for $468.73 representing excess payment of interest as follows:

Jan. 5, 1921.	Note	$1500
Int. to Jan. 5, 1927		450
Int. Jan. 5, 1927 to June 1, 1928		29.98
		$1979.98
Credit furniture bought		350.
Due June 1, 1927.		1629.98
Interest Jan. 12, 1927 to Jan. 1, 1928		57.50
Interest Jan. 1, 1928 to Oct.1,1928		18.79
		$1706.27
C.S.H. original check		2175.00
Amount due		1706.27
Ned's check		468.73

Oct. 8, 1928. 54

George also wrote figuring note and interest from 7 years and 9 months

at $2081.25	2081.25
C.S.H. paid	2175.00

George sent his check for $93.75

Oct. 8, 1928. 55

Prostate operation

See - Peabody, George Foster

Protest

See - Resolution of protest

Pruyn, Robert C.

C.S.H. calls on, at Mayflower Hotel but he was not stopping there.

Oc.t9, 1928. 48

-QR-

Rationing of credit

C.S.H., remembering the credit rationing of the Money Committee just after the war, told Board he had about reached the conclusion that, before agreeing to increase discount rates to 6, 7, 8 or 9%, he would consider some form of, thru a regulation applicable to all banks alike.
Mar. 19, 1929. 194

Gov. Harrison said he was opposed to, at present time.
Mar. 22, 1929. 199

See - Credit rationing

Red Cross. 110

See - Hoover

Regulations

Miller suggests regulation requiring approval of Board to change in acceptance rates.
Jan. 4, 1929. 121

Voted to prepare a draft for consideration.
Jan. 4, 1929. 122

Platt pointed out that the Regulation of 1926 was limited to discount rates. Jan. 4, 1929. 123

Gov. Young gives notice he will introduce a regulation limiting purchases of Govt. securities to a fixed percentage of the capital of the F.R. banks.
Jan. 4, 1929. 123

Board passed Miller's motion to ask Wyatt what power the Board had by regulation to curb speculative loans.
Mar. 5, 1929. 187

Miller presented draft of letter to F.R. banks asking their suggestions as to framing a regulation to prevent diversion of F.R. credit into speculative channels.

C.S.H. suggested asking them as to the advisability of having such a regulation and Miller opposed this.
Mar. 19, 1929. 193

Wyatt was called in and said the Board had power to frame a regulation limiting rediscounts.
Mar. 19, 1929. 193

Regulations (Cont'd.)

Cunningham objected to sending out Miller's letter at this time.

C.S.H. said he should vote to send outthe letter, preferably with "advisability" added, but should vote for it as it stood, on the distinct understanding that if the letter went out the Board would issue a regulation.

Miller said it would not be necessary to issue a regulation as the mere intimation would in all probability have the desired result; that he was not prepared now to say he would vote for a regulation; that if he were so disposed he would have drawn the letter differently.

C.S.H. said it might be construed as a threat or bluff which might be called and that no letter should go out unless the Board was prepared to issue a regulation; that he would vote for it now, if Board would agree to make good.
Mar. 19, 1929. 193, 194

Board unanimously passed Cunningham's resolution that Wyatt be instructed to frame a regulation along the lines of his opinion, limiting rediscounts and to report same, no member to be bound as to voting for it.
Mar. 21, 1929. 198

See - Speculative loans
Cunningham proposed amendment to F.R. Act.
Jan. 21, 1929. 132

Reserve requirements. 116
See - Greenbacks
National bank notes

Resolution
Gov. Young prepares resolutionto protest against vote of Board that a stenographer take down proceedings at joint conference of Governors and F.R. Agents, saying the Board had no right to direct that his remarks be so taken down.
Nov. 15, 1928. 72, 73

See - Young, Gov.

Miller puts in resolution asking F.R. banks how they proposed to curb speculative loans in 1929.

Gov. Young opposed saying it meant that banks having call loans should be refused rediscounts.

Resolution (Cont'd.)

Passed:

Aye: Miller, C.S.H., James, Cunningham, Platt
No: Gov. Young
Not voting: Comptroller Pole

Dec. 31, 1928. 119

C.S.H. said he voted aye on the interpretation:

1. Not intended to mean that speculative loans were necessarily illegal.

2. Nor that a bank should be refused rediscounts to make good reserves when the deficiency was in part due to speculative or security loans.

3. That it merely pointed out a danger and asked the F.R. banks how they proposed to meet it in 1929.

Dec. 31, 1928. 119

See - Regulations

Restriction of credit
See - Credit rationing
Rationing of credit

Restrictions
See - Mattapoisett; Stoddard sale

Reyburn
Gov. Young and James have conferences with Owen Young, Woolley, Harrison and, in N.Y.

Sept. 4, 1928. 22, 23

See- Open market Committee

Rhinelander, Bishop and Mrs.
Rachel Hale said Gertrude once embarrassed her very much by quoting her falsely as saying that Mrs. Rhinelander was a dangerous woman.

Oct. 31, 1928. 64

We dine with. Feb. 18, 1929. 178

Rice, W. G.
We visit Mr. and Mrs., at Albany.

Nov. 29, 1928. 92

See - Albany
Smith, Gov.

Richmond, Rev. and Mrs.
We dine with. Jan. 5, 1929. 125

Riggs, Jeannie
We dine with. Dec. 10, 1928. 100
Dec. 29, 1928. 118

Riggs National Bank. 105, 146

See - Myer, Gertrude

Rising, Mrs.
Dines with us
A guest of Mrs. Stanley McCormick.
Sept. 23, 1928. 31

Rodgers, Mrs. Alexander
Rachel Hale says she told, about C.S.H.'s letter describing Gertrude's visit.
Sept. 28, 1928. 37

C.S.H. calls on
Spoke casually about Gertrude Myer but she said nothing.

C.S.H. previously had told Rachel Hale he would be very circumspect in talking to, about Gertrude but that he hoped she would tell her as to our talks and my letters.
Oct. 5, 1928. 42

Rodgers, Raymond
C.S.H. meets, while calling on Mrs. Rodgers.
Oct. 5, 1928. 42

Roman Catholic
Gov. Smith talked with C.S.H. very quietly and reasonably as to religious bigotry.
Nov. 29, 1928. 92, 93

See - Smith, Gov.

Henry Anderson said the opposition to Gov. Smith rested largely on his religion as a.
Dec. 5, 1928. 96

Rome, Georgia. 165
See - Graef, Mrs.
Wilson, Mrs.

Roosevelt, Franklin
After dinner we listened with Catherine Grant to speech of, over radio.
Oct. 12, 1928. 55

Bertie and I celebrated election of, by opening a bottle of sherry given us by Catherine Grant.
Nov. 8, 1928. 68

We both joined in a telegram of congratulation to.
Nov. 8, 1928. 68

We had Catherine Grant to dinner and we all drank to health of.
Nov. 10, 1928. 69

(Sends us a very affectionate note, thanking us for our telegram. See scrap book.)

Roosevelt, Mrs. Franklin
Bertie lunches with Mrs. Delano to meet, but she did not come on because of illness of her child.
Feb. 16, 1929. 176

Roper, Daniel. Commissioner of Internal Revenue. 165
See - McAdoo, W. G.

Ruffin, Dr. Sterling
Examined C.S.H.

Heart in very good condition but slightly irregular, to which he said he attributed little importance.

Blood pressure $\frac{160}{80}$, high normal.

He said Dr. Hiden's test of blood in January was 20;all of my previous tests for years have been 25.

He advised giving up red meats for a while as he should prefer seeing blood pressure slightly lower.

C.S.H. weighed, stripped, 175 lbs.

He advised reducing to 166 lbs.

He said on the whole I was in very fine condition.

He took a blood sample to see if I was anaemic.
Aug. 1, 1928. 1

Talked with C.S.H. as to Gertrude Myer.
Aug. 1, 1928. 2

See - Myer, Gertrude

Ruffin, Dr. Sterling (Cont'd.)

C.S.H. tells Clephane as to Dr. Ruffin's statement as to Gertrude Myer.
Aug. 21, 1928. 14

Talk with C.S.H. about Gertrude Myer at Metropolitan Club.
Sept. 27, 1928. 32, 33

See - Myer, Gertrude

Gertrude Myer tells C.S.H. as to Dr. Ruffin serving as executor of her will. Nov. 23, 1928. 84

See - Myer, Gertrude

C.S.H. writes Rachel Hale as to Gertrude Myer's talk about Dr. Ruffin as executor.
Nov. 24, 1928. 88

Rachel Hale talks over telephone with C.S.H. as to fee for Dr. Ruffin as executor.
Dec. 11, 1928. 101

See - Hale, Rachel

Gertrude Myer talks with C.S.H. as to fee for Dr. Ruffin as executor. Dec. 15, 1928. 102, 103, 104
Dec. 17, 1928 106, 107

C.S.H. consults with Clephane as to fee of Dr, Ruffin as executor. Dec. 18, 1928. 107

C.S.H. examined by Dr. Ruffin
Blood. 1028.
Less than 5/100 of 1%.

Blood pressure 198

Said he did not consider my situation as at all serious. Advised reducing weight from 171 to about 160.

Said no occasion to worry about blood pressure, as he felt dure it would go down.

Advised cutting down a little on starches, and taking things easily, and cutting down red meats.

He said he was satisfied that I was suffering from some infection, probably from teeth, and ordered an X-ray.
Mar. 12, 1929. 190, 191

(X-ray taken Mar. 14 showed one infected tooth which was extracted Mar. 20, 1929.) See - Hiden. Dr.

-S-

Salaries

Miller got Board to increas salary of Carter, a messenger assigned to him as a clerk, in order to give him higher pay than he would receive as a messenger, which he really is. He received $1600 while the highest salary of a messenger is $1380. No other member has a messenger assigned to him, but every member could do the same as Dr. Miller under rule that each member may have a private secretary and a stenographer.

This is a device to give a messenger preference. If any other member did this how Miller would rave!

Dec. 31, 1928. 118, 119

See - Burgess
Curtiss
Harding
Harrison
Newton
Norris
Olsen
Paddock
Schmeckelberger
Snyder

Sanders, Helen. 142
See - Motley, Mrs. Preble

Sanford, Justice and Mrs.
We meet, at dinner with Miss Boardman.
Feb. 1, 1929. 142

Scandals
See - Hoover
Miller
Motley, Mrs. Preble
Oil scandals

Schacht, Dr.
C.S.H. feels that if, had been Governor of F.R. Bank, N.Y. he would quickly have settled the speculative situation.
Feb. 5, 1929. 154

Schmeckleberger
McGarrah confers with Board as to salary of, Manager of the Buffalo branch. Jan. 25, 1929. 133

See - F.R. Branch, Buffalo

Scott, Hugh. 142
See - Motley, Mrs. Preble

Scott, Mrs.
Automatic writing by P resident Wilson.
Ray Stannard Baker says nothing in it reminding him of Wilson.
Mar. 21, 1929. 198

Seasonal crop marketing paper. 8
See - Miller
Open Market Committee.

Seay, Gov.
Writes Open Market Committee against further purchases of Govt. securities except as a last resort, meaning a condition in which credit for business purposes can not be obtained except at rates materially higher than those which now prevail.

Says banks should be forced to rediscount for needed credit.
Aug. 20, 1928. 13, 14

Secretary of Treasury
See - McAdoo
Mellon

Securities
Gov. Young defines "securities" in Board's draft of new provisions for Open Market Committee, as including bills as well as Govt. securities, -to which no objection was raised. Nov. 16, 1928. 77

Sheffield, Mrs.
C.S.H. at Dr. Butler's dinner, takes out, wife of Mr. Sheffield, formerly Ambassador to Mexico and trustee of Carnegie Foundation. Dec. 6, 1928. 98

Sherman, Mr.
See - Carnegie Endowment

Sherman Silver Act, 1890. 14
See - Bright
Carlisle, John G.
Harvey, George

Smith, Gov. N. Y.
Charles Warren and C.S.H. listen over radio to acceptance address of. Aug. 18, 1928. 16

C.S.H. listens with Delano over radio to St. Paul speech of.
Sept. 27, 1928. 32

Smith, Gov. N. Y. (Cont'd.)

Mrs. John W. Davis says her husband feels that, has no chance of election, but that Col. House told him a few days ago that for the first time he thought there was a chance for Gov. Smith. Oct. 31, 1928, 65

We drink to Gov. Smith's success, with Catherine Grant. Nov. 10, 1928. 69

Listened with Delano to radio address of Gov. Smith. Nov. 13, 1928. 70

Delano said Dean Bratenahl had spoken disgustingly about Gov.Smith; that Rev. Rolam Cotton Smith and Dr. Johnston were also bitter against him.

Delano said he was disgusted at the attitude of the Episcopal Church towards Gov. Smith. Nov. 26, 1928. 91

C.S.H. called on Gov. Smith with William G. Rice, and had a 20 minute talk. He showed no bitterness over the election. He said he was satisfied that he was defeated because he was a Roman Catholic; that prohibition was only a minor cause, used largely as a cloak to conceal religious bigotry.

He thought the Democrats should help work out the "noble experiment" by enlarging the courts and all court machinery, also appropriating hundreds of millions for enforcement.

He did not seem to disagree with C.S.H.'s suggestion to amend the Volstead Act so as to make the buyer equally guilty with the seller.

He said he did not believe prohibition can be enforced but was willing to go to any expense to have it enforced if possible. He believed that a fair test will satisfy the people that it can not be enforced.

He spoke very calmly and reasonably about the Roman Catholic Church, saying it was only very recently, comparatively, that Roman Catholics were nominated for any office, but he believed public opinion would change to a more reasonable attitude.

C.S.H. was profoundly impressed with his broad views and Christian charity. Nov. 29, 1928. 92, 93

Henry W. Anderson told C.S.H. that the opposition to Gov. Smith rested on:

1. A Tammany man. 2. A Roman Catholic. 3. Not of Presidential size as to manners, language, etc.

Smith, Governor, New York (Cont'd.)

He said Carter Glass had been so bitter in defense of Gov. Smith, that he had no chance of succeeding himself in the Senate.
Dec. 5, 1928. 96

Dr. Butler told C.S.H. that he voted for Gov. Smith and scarcely knew 4 Republicans among his friends who voted for Hoover; that Gov. Smith probably had no political future; that Tammany outside of Manhattan, was treacherous to Gov. Smith; that Tammany got little or nothing from Gov. Smith while he was Governor, and felt they would get even less if he should be elected President; that the Jews were also against him.
Dec. 6, 1928. 98

Mrs. Bruce said Charles R. Crane told her that he disliked both Hoover and Smith but should vote for Gov. Smith.
Dec. 19, 1928. 110

McAdoo's belated interview coming out for Gov. Smith. 165
See - McAdoo
Roper

B. M. Baruch told C.S.H. that it was religious bigotry which defeated Gov. Smith.

He said he wanted Owen D. Young for Chairman of Gov. Smith's finance Committee; that helped him in his tariff speeches; that he advised him to say that nothing now could be done to change the tariff because of after war conditions.
Mar. 1, 1929. 183, 184

Smith, Rev. Roland Cotton
Gertrude Mye r meets, at Marblehead.
Aug. 28, 1928. 20

Delano says, was very bitter towards Gov. Smith.
Nov. 26, 1928. 91

Smithsonian Institute
Delano said, had consulted Gertrude Myer's nephew and that he objected to its loaning Gertrude her father's picture. C.S.H. did not tell this to Gertrude.
Dec. 21, 1928. 113

Snyder
Board voted to defer action on proposed salary increase to, of F.R. Bank of N.Y., of $1000.
Jan. 11, 1929. 127

Somerset Club
C.S.H. gives lunch to Catherine Grant at.
Sept. 17, 1928. 26, 27

Speculation
See - Direct action
Speculative loans

Speculative loans
Federal Advisory Council said that if Cleveland asked for a 4½% rate the Board should disapprove as it would encourage the growth of.
Sept. 28, 1928. 33

Mr. Goebel said if Cleveland needed a 4½% on local conditions it should be approved. Sept. 28, 1928. 33

Alexander favored a general 4½% rate as a stimulant to business. He said there was a general feeling that the F.R. System was trying to control speculative loans by discount rates; that it could not be so controlled; that he favored a 4½% rate to show the country that the F.R. System was not trying to control or regulate the stock exchange; that he did not believe the reduction to 3½% in 1927 was a mistake, but felt we might have returned to 4½% a little earlier; that he was much puzzled over the present speculative activity but felt we could not control it;that liquidation or a break was bound to come, but he could not say when or why it had not come long before this; that even if a 4½% rate should encourage speculation,it would in the long run, correct itself; that many of the speculative stocks were not so overvalued as the country seemed to think.
Sept. 28, 1928. 33, 34

See - Alexander
Federal Advisory Council

Miller said Sec. Mellon had made himself ridiculous by stating in his annual report that the F.R. System had increased rates to check speculation. Dec. 28, 1928. 114

C.S.H. feels the Board did advance rates in 1928 to check speculation.

C.S.H. remembers that Miller long ago said the only way to curb speculation was by increasing discount rates, and he voted for increase with this object.

Onlythe other day he put in a resolution favoring higher acceptance rates for the specific purpose of drawing money from the call loan market. Although finally he omitted the reference to the call loan market,this was his clearly expressed intention.

Speculative loans (Cont'd.)

This motion failed, but Miller, C.S.H. and Platt voted for it.
Dec. 26, 1928. 115

C.S.H. asked Miller how much less F.R. credit would now be outstanding were it not for stock speculation, and he said 500 millions less.
Dec. 26, 1928. 115

Miller offered a resolution that the present spread between F.R. rates and call loan rates and other speculative loans tempted member banks to loan on the stock market by the use of F.R. credit and asking the F.R. banks what they proposed to do to correct this during 1929.

This was passed.

Aye: Miller, C.S.H., James, Cunningham, Platt
No: Gov. Young
Not voting: Comptroller Pole.
Dec. 31, 1928. 119

C.S.H. said he voted for it because he construed it as not meaning that all speculative loans were illegal, nor that a bank could not discount to keepup its reserves when the deficiency was carried in part by speculative or security loans, but that it merely pointed out a dangerous tendency and asked the banks how they were going to correct it.
Dec. 31, 1928. 119

Warburg says Board should control speculative loans by increasing discount rates. Jan. 5, 1929. 125

Miller said F.R. System was drifting but perhaps that had been the best policy; that money was getting tighter and that to control speculation rates must advance; that the courageous way would be to announce that in the future credit would be available at reasonable rates for agriculture and business, but that the Board would carefully scrutinize the rise in discounts and prevent seepage into Wall Street.
Jan. 19, 1929. 129

(The above was the beginning of so-called direct pressure.
See - Direct pressure.)

The Federal Advisory Council on Nov. 22, 1928, advocated control over speculative loans but distinguished between loans to customers and other speculative loans.
Jan. 19, 1929. 130

Speculative loans (Cont'd.)

Cunningham introduces a resolution for amendment of F.R. Act to effect that banks having speculative loans can not rediscount for more than 3 days without the affirmative approval of 5 Board members.
Jan. 21, 1929. 130

Miller offers draft of letter to F.R. banks calling for direct action. Jan. 21, 1929. 130

See - Direct action

McGarrah says his directors want to issue a statement as to loans "for others" and to intimate that the collateral might, in an emergency, prove not liquid.
Jan. 25, 1929. 133

See - McGarrah

Willis told C.S.H. that if a bank, not a frequent or continuous borrower, presents paper for rediscount for purpose of maintaning its reserves, in part depleted by speculative loans, the F.R. bank should discount the paper; that it was purely a question of good banking policy; that the spirit of the F.R.Act did not forbid such discounts.
Jan. 25, 1929. 135, 136

Gov. Harrison argued for higher discount rates, telling the Board that speculative activity was steadily increasing; that last year speculative loans of all banks increased 8 billions and commercial loans only 2 billions; that while the banks gave preferential rates to commercial customers, the spread between commercial and speculative loans was decreasing and might disappear. Feb. 5, 1929. 149

C.S.H. asked Harrison if many of the N.Y. banks by frequent or continuous borrowing were not in effect obtaining capital funds thru rediscounts and Harrison said Yes.
Feb. 5, 1929. 150

Miller said he did not believe the Board's proposed statement would cause any drastic deflation of speculative loans; that nothing the Board could do would have this effect; that he personally would like to see a sudden liquidation and crash.
Feb. 5, 1929. 151

Miller moved that Wyatt be directed to inform Board what, if any, power the Board had to curb speculative loans.

Passed unanimously. Mar. 5, 1929. 187

Speculative loans (Cont'd.)

Sec. Mellon says 6% rate will not affect the speculative situation.
Mar. 5, 1929. 187
Mar. 7, 1929. 187

See - Direct pressure
Federal Reserve Board
Miller

Stock speculation
See - Speculative loans

St. Paul's School. 87
See - Myer, Gertrude

Stabilization of prices
Miller said one of the outstanding events in F.R. history during 1928 was Board's rejection of.
Dec. 26, 1928. 114

State Department
See - Anti-war treaty

State member banks
See - Examination

Stenographer for Joint Conference
Some time ago, Board voted not to have a, at Joint Conference of Governors and Chairmen, and C.S.H. voted against it.

Yesterday Miller and James moved to have stenographer take down what was said as to Board's draft of changes in Open Market Committee and procedure.

Miller said the discussion was the most important in the history of the F.R. System.

Board voted to have a stenographer for this discussion only.

C.S.H' voted for this in this limited form altho he feared the presence of a stenographer would greatly limit free discussion.

After the meeting Comptroller McIntosh told C.S.H. that Gov.Young was terribly upset by the vote, feeling it wasa discourtesy to him to change the early vote; that he evidently thought the vote was to take stenographically all the proceedings of the joint conference.

C.S.H. went to Gov. Young and found him drawing a resolution to protest based on the erroneous view about pointed out.

Stenographer for Joint Conference (Cont'd.)

C.S.H. explained to him the narrow scope of the vote.

Later at Board meeting he filed a resolution of protest claiming that Board had no right to direct that all remarks he taken down by a stenographer, as much of them might be confidential and not intended for the public. He also expressed the hope that the vote was not intended as a discourtesy to him.

C.S.H. explained why he voted as he did and said any request not to be taken down would always be complied with as is usual in Congressional hearings.

Miller and James both agreed to this.

Gov. Young then introduced another resolution that no stenographer be employed except with consent of Governors and Chairmen.

Much discussion followed.

Cunningham finally, evidently disturbed at Gov. Young's feeling, moved that no stenographic report be taken except with consent of Governors and Chairmen.

Passed.

Miller and James voted No.

Nov. 15, 1928. 71, 72, 73

Governor Young seemed to have a brain storm. No discourtesy was intended. The original vote against having a stenographer had this qualification, - "except in exceptional circumstances" and the last vote merely recorded the Board's feeling that discussion of Open Market Committee changes was an exceptional circumstance.

Miller was much disturbed at the motion of Cunningham.

This conference, however, was merely to agree if possible on Open Market Committee changes, and did not involve any order of the Board. The power of the Board was in doubt and, it being merely a conference, it was clearly proper not to have a stenographer without consent of all the parties.

Nov. 15, 1928. 74

Both the Governors and Chairmen voted not to have a stenographer and this settled the matter.

Nov. 16, 1928. 74

Stenographer for Joint Conference (Cont'd.)

The proceedings clearly showed that no stenographic report was necessary. The proceedings were open, simple and frank.
Nov. 16, 1928. 77

Stock speculation
See - Speculative loans

Stockholders meeting
C.S.H. attends. F.R. Bank, Boston
Makes short address.
Nov. 9, 1928. 68

Stoddard, Frances B.
Nelson Emmons says, will give $15,000 for lot on shore - 1-1/3 acres, and lot across road, ½ acre.

Said lot across road, even with water privileges would not bring over $500.

Advised acceptance.

C.S.H. originally asked $15,000 for shore lot alone.

Suggested restrictions - no house etc. on lot across road nearer than 50 feet from road, and on short lot, - 100 feet, except a bath house and boat house; limited to one dwelling house and boat house - to be used for no commercial purpose. We to agree to impose similar restrictions on our remaining property for 150 feet easterly when sold.
Aug. 26, 1928. 17

C.S.H. accepts offer of $15000 for both lots, Emmons commission to be 5%. Aug. 27, 1928. 18

We sign agreement to sell to Mrs. Frances B. Stoddard and her husband, James K. Stoddard, of Wooton, Leslie County, Kentucky.

C.S.H. apportions the gross price, $15,000, as $14,000 for shore lot (1-1/3 acres) and $1000 for lot across road (½ acre) This is at rate of $10,500 per acre for shore lot and $2000 per acre for lot across road.

We put in following restrictions:-

1. Limited to one dwelling for one family with usual appurtenances such as garage, bath house, boat house, etc.

Stoddard, Frances B. (Cont'd.)

2. Premises not to be used for commercial purposes.

3. No structure other than a one story boat house and (or) bath house to be erected within 100 feet of mean high water.

4. We to similarly restrict our adjoining land for 150 feet on southeast side of granted premises and on the 40 foot strip up to the Northwest line of said 40 foot strip, in case any sale made of this land hereafter.

5. No sewage or other offensive matter shall be permitted to drain into Mattapoistt harbor.

6. Similar restrictions on lot across road except that no building to be placed within 50 feet of Northeast line of Beacon street.

7. We to impose similar restrictions on the adjoining 150 feet of land Northwest and Southeast of said land for an equal depth from BeaconStreet.

Granter to pay $125 for her share of taxes.

Granter to pay $1000 down and balance on delivery of deed.
Aug. 28, 1928. 19, 20

James M. Metcalf, Surveyor, marked the bounds of the sold property.

C.S.H. called up Brownell and askedhim to draw deed. Give Metcalf our certificate of title to give Brownell.
Aug. 29, 1928. 21

Dr. and Mrs. Stoddard called.

C.S.H. explained status as to title to land lying under Beacon Street, - the town owned ½ and we owned ½ minus 1/32.

C.S.H' said we would convey in the deed all of our right, title, and interest in the fee under BeaconStreet between the lots sold to him.
Aug. 29, 1928. 21

Received check for $14,000. ($1000 already paid)
Oct. 1, 1928.

Stokes, Canon and Mrs. Anson Phelps

Gertrude Myer very angry because, talked with Dr. Ruffin about her.
Sept. 27, 1928. 32

Rachel Hale said years ago Anson Phelps Stokes told Gertrude Myer that her (Rachel's) father and mother did their best to catch him for Rachel, especially Rachel's "old man."

Rachel said this was grotesquely absurd; that Mr. Stokes was most ungainly, - that no girl could fall in love with him, - very uncouth with almost no chin, - merely the son of wealthy parents.

Rachel said her parents, when she told them, treated it as a huge joke.
Jan. 3, 1929. 120

Stone, Fred

C.S.H. meets, while calling on Gertrude Myer at Copley-Plaza, Boston
Sept. 17, 1928. 27

Storer, Elsie

We meet, at dinner with Bishop and Mrs. Rhinelander.
Feb. 18, 1929. 178

Strong, Gov.

McGarrah tells C.S.H. he was present with Gov. Crissinger when Gov. Strong telephoned Crissinger from N.Y. that Sec. Mellon asked postponement of Chicago rate case for one day so he could be present. This was before Board sent its telegram to F.R. Bank, Chicago.
Aug. 14, 1928. 6

Gov. Young says if Gov. Strong should resign, he believes the N. Y. directors would not elect Harrison in his place.
Sept. 4, 1928. 22

Gov. Strong died this morning at a New York hospital.
Oct. 16, 1928. 59

C.S.H. attends funeral of Gov. Strong in New York.
Oct. 18, 1928. 60

C.S.H. believes Gov. Strong was a genius, - a Hamilton among bankers and that his place can not adequately be filled.
Oct. 18, 1928. 60

N.Y. directors made agreement with Gov. Strong that if he would not resign until end of year they would pay him his salary thru 1928, he in the meantime to take things easily.

Strong, Gov. (Cont'd.)

After his death the N.Y. directors passed a resolution providing for this payment for balance of year, - about 2½ months, and asked approval of F.R. Board.

Wyatt advised that N.Y. could not legally pay this and that Board could not approve it.

On motion to approve:

Aye: Gov. Young, Platt, C.S.H.
No: Miller, James, Cunningham
Failed by tie vote.

Dec. 18, 1928. 108

C.S.H. justified his vote by construing the agreement with Gov.Strong as in effect an agreement to pay him a lump sum of $2800 to be spread over two months.

Miller opposed this bitterly, stating that the suggestion in Wyatt's opinion, - that no one except the Treasury could object and a statement could doubtless be obtained from Sec. Mellon that the Treasury did not object on account of the franchise tax, - was really collusion to evade the law and might involve a scandal similar to the oil scandals.

C.S.H. cited the Wills payment but Miller said that was different as when it came before the Board the payment had already been made. Dec. 18, 1928. 108, 109

Board finally voted to notify N.Y. directors of Wyatt's opinion and to add that opinion of Attorney General would be asked for if N.Y. directors desired it.

C.S.H. during the discussion referred to a talk he had had with Gov. Harrison.

Miller said no member had a right to discuss Board matters with Harrison or the N. Y. bank.

C.S.H. to Miller that this involved a question of law, - that he was a member of the Law Committee and should ask for any information he desired from anybody he chose!

Miller made no reply.

Strong, Gov. (Cont'd.)

C.S.H. said he had also talked with McGarrah about it and that he might write the Board further about it, explaining in further detail what the contract actually involved. During the meeting McGarrah called up C.S.H. and said the resolution contained substantially all the facts, but that he would add that Gov. Strong made certain commitments by virtue of his contract with the directors which otherwise he would not have made, and continued commitments from which he would have been released, if he had resigned.

C.S.H. reported this to the Board.

C.S.H. told Board, while considering the Strong vote, that while he was prepared to vote and had voted to approve payment of $2800 to Strong estate, yet he agreed with Miller that it would be unfortunate to approve the agreement by a bare majority, involving as it did a question of law on which Wyatt was adverse, and that, therefore, he would vote to inform N.Y. of Wyatt's opinion and agree to ask opinion of Attorney General, if N.Y. wished it.

Board so voted, all concurring except Gov. Young, who was recorded as not voting.

Dec. 19, 1928. 112

C.S.H. asked Warburg why Gov. Strong once said that Miller's suggestion to put acceptance buying rates higher than discount rates, was ridiculous. Warburg said that acceptances were better paper than commercial paper.

Jan. 5, 1929. 125

Stuart, Walter
Calls on C.S.H. Feb. 6, 1929. 157

-T-

Taber, Louis J. 82
See - Carnegie Endowment.
National Grange

Talley, Gov.
See - F.R. Bank, Dallas

Tammany
Opposition to Gov. Smith because of.
H. W. Anderson
Dec. 5, 1928.96

Dr. Butler says Tammany, outside of Manhattan, was treacherous to Gov. Smith. Dec. 6, 1928. 98

See - Tyler, Charles

Tariff. 183, 184
See - Baruch, B. M.
Smith, Gov.

Taussig, Prof. F.W.
Gives letter to C.S.H. introducing Prof. Hawtrey.
Jan. 21, 1929. 131

Teeth
X-ray shows infected tooth. Mar. 13, 1929. 191

Had tooth extracted. Mar. 20, 1929. 195

Tennis and Racquet Club, Boston. 142
See - Edwards, General
Motley, Mrs. Preble

Tiger skins. 92
See - Delano
Grant, Catherine

Thomas, Ex-Senator and Mrs.
We dine with. Feb. 21, 1929. 179

Thoron, Ben. 146
See - Myer, Gertrude

Toner, & Co.
C.S.H. tries on clothes at. Nov. 19, 1928. 80

Trade bills
James favored preferential rate on bankers acceptances and.
Aug. 16, 1928. 8

Treasury certificates
Sec. Mellon and Mills that if discount rates not now increased they would note be for reasonable time after issuance of new.
Mar. 5, 1929. 186, 187

Gov. Case said would like to buy 25 millions of Treasury certificates maturing in 7 days, to help the dealers. He said that unless purchased, they would interfere with the new issue of 4¾ certificates.

James, who saw Gov. Case with Gov. Young, favored this.

Miller objected because it might interfere with Board's rigid control of F.R. credit.

Board let it go over pending further request from Gov. Case.

Gov. Young said Sec. Mellon would not come to meeting as the Treasury interest might not be the same as that of the F.R. Board.
Mar. 7, 1929. 188

Treasury official
Some, gave out statement evidently designed to minimize effect of Board's letter of Feb. 5, 1929 - direct action.

Sec. Mellon said he saw the newspaper men but gave out nothing for publication. C.S.H. believes he must have said something, however.
Feb. 7, 1929. 159

Treasury, Secretary of
See - McAdoo
Mellon

Trilby. 38
See - Alice Ben Bolt

Tucker, Bishop and Mrs.
We meet, at dinner with Harry Tucker.
Jan. 31, 1929. 141

Tucker, Harry St. George
H.W. Anderson says, was really defeated for Congress but was fraudulently counted in.
Dec. 5, 1928. 95

Gives large dinner at Powhatan Hotel, which we attended.
Jan. 31, 1929. 141

Tucker, Mr. and Mrs. Albert
We meet, at dinner with Harry Tucker.
Jan. 31, 1929. 141

Tyler, Charles
Told C.S.H. that a Tammany man, high up in Tammany councils, said that Edwin Corning's resignation as Chairman of Democratic State Committee was not voluntary but was forced, - growing out of some financial transactions in Troy, N. Y.; that he would tell me more when he saw me.
Aug. 16, 1928. 6

-U-

Unitarian Club
C.S.H. goes to Men's, and Delano gave an address on international questions.
Dec. 20, 1928. 112

U. S. Supreme Court
C. C. Cropley, Clerk, called at request of Justice Brandeis, and said he was carrying an inactive account in a Washington bank which paid 3% interest; that it was a demand and not a time deposit; that Judge Brandeis wanted to know if a higher rate of interest could not be obtained. C.S.H. took him to Gov. Young who said he thought this was a reasonable rate, although some banks might pay a little more; that no reasonable man could criticise this rate.
Dec. 28, 1928. 116, 117

-V-

Van Royen, Madame
Wife of Dutch Minister called on us.
Mar. 22, 1929. 200

Vare, Senator Elect, Pa.
Dr. Butler said Sen. Moses, onCommittee on Elections, pulled Vare over to Hoover by intimating that otherwise he might not secure his seat in the Senate.
Dec. 6, 1928. 97

Virginia
H. W. Anderson told C.S.H. that Hoover carried Virginia by a much larger majority than he was credited with, and that the returns were fraudulently manipulated; that there was a good chance that Virginia might turn Republican.
Dec. 5, 1928. 95, 96

Virginia Hot Springs
See - Myer, Gertrude

Volstead Act. 90, 93
See - Donaldson
Smith, Gov.

Votes
To given Open Market Committee authority to buy up to 100 millions of Gov't. securities in an emergency, if needed relief to credit situation could not be obtained by purchase of bills.

Aye: Gov. Young, Platt, Comptroller
No: Miller, James
C.S.H. was away
Aug. 16, 1928. 8

C.S.H. motion that Board report on retail trade be amended by adding a note that the statement as to sales of retail stores could not be used as a measure of increase or decrease until the number was ascertained.

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

Oct. 11, 1928. 50

Votes (Cont'd.)

Judge Grant says he shall vote for Hoover.
Oct. 15, 1928. 59

Marion vote, 1928.
Hoover 519, Smith 80
Young 450, Walsh 109
Allen 481 Cole 81

Increase over 1924
Hoover 19%
Smith 157%

Mattapoisett 1928
Hoover 534, Smith 131
Young 467 Walsh 146
Allen 505 Cole 112

Increase over 1924:
Hoover 34%
Smith 150%

Mattapoisett gave Gov. Smith the largest vote ever given to a Democrat.

Gov. Smith carried R.I. and Mass.
Nov. 6, 1928. 67

Motion to approve appointment of a foreigner by Goldenweiser to help in statistical work, not native being available.

Lost by tie:

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

Board voted to have a stenographer at Joint Conference of Governors and Chairmen, overriding an earlier vote.
Nov. 14, 1928. 71

Board voted not to have a stenographer unless Governors and Chairmen consent.

Aye: Gov. Young, Cunningham, C.S.H., Platt
No: Miller, James
Nov. 15, 1928. 73

Motion to approve action of N.Y. directors in Agreeing to pay Gov. Strong for balance of year if he will not resign and their desire to pay his estate $2800 for balance of year after his death.

Failed by tie vote:
Aye: Gov. Young, Platt, C.S.H.
No: Miller, James, Cunningham.
Dec. 18, 1928. 108

Votes (Cont'd.)

Boan voted unanimously to tell N.Y. of Wyatt's adverse opinion in above matter and to offer to ask opinion of Attorney General if N.Y. desired it. Gov. Young not voting.
Dec. 19, 1928. 110, 112

Miller resolution.
Spread between F.R. rates and call rates tends to tempt member banks to loan on call, thus diverting F.R. credit from agricultural and commercial uses. Each F.R. Bank asked what it proposes to do to correct this in 1929.

Aye: GSM, Miller, James, Cunningham, Platt
No: Gov. Young
Not voting: Comptroller
Dec. 31, 1928. 119

Voted unanimously to prepare a tentative draft of regulation requiringapproval of Board to changes in bill rates.
Jan. 4, 1929. 122

Voted following salary increases:

Paddock, Boston	$2000.	Total	$20,000
Harding, Gov."	5000	"	30,000
Harrison, Gov.N.Y		"	50,000

All salary increases at Chicago except Olsen which was held in abeyance.

Norris, Gov. Phila. $5000. To $30,000

Voted against increasing salary of F.R. Agent Curtiss to $24000
Aye: C.S.H. Platt
No: Gov. Young, Cunningham, James

Voted against increasing salary of F.R Agent Newton, Atlanta, to $24,000:

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

Jan. 11, 1929. 126, 127

Voted to approve draft of Miller - Board warning and direct action tentatively for further discussion. Unanimous.
Jan. 24, 1929. 133

C.S.H. motion to add clause that Board was not seeking drastic deflation.
Defeated:

Aye: C.S.H.
No: Gov Young, Miller, Platt, James, Cunningham
Jan. 24. 1929. 133

Votes (Cont'd.)

Board voted unanimously to inform McGarrah, confirming objections stated to him orally, that if N.Y. directors published a warning as to broker's loans it should be phrased so as to show clearly that they were not speaking for the Board, or for the other F.R. banks.

Jan. 28, 1929. 138

C.S.H. motion to add to Miller's draft of Board's warning and request for direct action, a statement to effect that Board was not asking for drastic liquidation of speculative loans.

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

Feb. 2, 1928. 144

Miller's motion to approve warning and request for direct action.

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

Feb. 2, 1929. 144

C.S.H. motion to explain that the defeat of his motion - no drastic liquidation expected - di not mean a desire for drastic liquidation, but merely meant that Board did not feel that it could be construed as evidencing such a desire.

Miller, James and Platt objected on ground that they hoped it would be so construed.

Feb. 2, 1929. 145

Motion to publish warning in F.R. Bulletin and to release it in advance on Feb. 7, 1929.

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

Feb. 5, 1929. 152

C.S.H. motion that Dallas application for 5% rate lay on table until Dallas specifically answered the Board's letter asking why better results had not been attained.

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

Feb. 8, 1929. 161, 162

C.S.H. motion to table N.Y. application for 6% rate until N.Y. specifically answered Board's letter.

Passed: Comptroller and James not present
All voted Aye. Feb. 14, 1929. 167

Votes (Cont'd.)

Cunningham's motion that N.Y. be asked to give specific reasons for asking for 6% rate.

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

Gov. Young voted Aye to support majority altho not adverse to rate increase.
Feb. 14, 1929. 167

Voted to rescind above votes and to inform Harrison Board would take application under review. Unanimous.
Feb. 14, 1929. 167

Cunningham's motion to take application under review.

Aye: Cunningham, Miller
No: Gov. Young, C.S.H., Platt
Feb. 14, 1929. 169

Board finally voted to disapprove N.Y. application. Unanimous.
Feb. 14, 1929. 169

(On May 21, 1928 N.Y. informed Board that it was not possible to give specific reasons for rate increase.)

Board voted to issue statement as to approval by Federal Advisory Council of Board's warning and appeal for direct action.

Aye: Comptroller, C.S.H., Cunningham, Miller
Not voting: Gov. Young
Absent: Platt, James
Feb. 15, 1929. 175

Voted to ask Wyatt as to Board's power to curb speculative loans. Unanimous.
Mar. 5, 1929. 187

Board passed Cunningham resolution that Wyatt frame a regulation along the lines of his opinion, limiting rediscounts, and report same, no member to be bound thereby.

Unanimous.
Mar. 21, 1929. 198

Platt motion to approve 6% rate for N.Y.
Failed

Aye: Platt
No. Gov. Young, Comptroller, James, Cunningham, C.S.H.
Gov. Young said he would vote No, altho he believed rates must eventually be increased. Mar. 21, 1929. 197

-W-

Wall Street banker
Dr. Butler said Hoover told a friend of his that he would tell those damned Wall St. bankers where to get off.
Dec. 6, 1928. 97

Walpole Inn
C.S.H. lunches at, with directors of F.R. bank, Boston and drives in an old stage coach driven by Philip Allen, a director.
Oct. 24, 1928. 61

Warburg, Paul
Gov. Young first learned of Gov. Harrison's appointment from Warburg, at lunch in N.Y.
Nov. 24, 1928. 89

Delano said he had talked with Warburg and others in N.Y. about Miller as possible Secretary ofthe Treasury, and it was the consensus of opinion that Hoover would not be such a fool as to appoint him; that he was not fitted for such a place. Dec. 9, 1928. 99

Miller suggested that Warburg be asked to come before Board and discuss a suggested regulation making acceptance rates subject to Board's approval in same manner as discount rates.
Jan. 4, 1929. 122

Warburg was with Board from 10 a.m. to 2 p.m.

He said that Board should not pass such a regulation; that fixing maximum and minimum rates was sufficient; that he approved increase in acceptance rates by F.R. Bank, N.Y.; that higher rates made acceptances more attractive to purchasers and that while foreign central banks might get most of the benefit in buying them - because of income tax exemption, - such higher rates would undoubtedly tend to broaden the market for domestic banks, corporations, etc.; that the higher rates might necessitate higher discount rates which latter he approved; that he agreed with Gov. Young that the proceeds of acceptances seeped into stock market more slowly than proceeds from purchase of Govt. securities; that we should continue to use steady pressure by increase of acceptance rates and discount rates; that the cost of acceptances today, adding commissions, was greater than cost of discounts; that it was ridiculous to have acceptance rates higher than discount rates as they were superior paper; that we should curb speculation on stock exchange by increasing discount rates; that he favored a discriminatory rate against member bank collateral notes secured by Govt. bonds.
Jan. 5, 1929. 124, 125

Warburg, Paul (Cont'd.)

In address to International Acceptance Bank stockholders, Warburg attacked Federal Reserve System saying it had lost control of the credit situation and that the speculators were in control.

He put the blame partly on defects in the F.R. System and partly on its failure to increase discount rates.

He said it was disgraceful to have a 4½ or 5% discount rate and at same time have acceptances over 5%.
Mar. 8, 1929. 189

Miller said Gov. Young told him that Warburg when he met him in New York was most enthusiastic over Board's warning of Feb. 5, 1929; that he spoke so eulogistically that Gov. Young felt he had to tell him that he - Gov. Young- was not in accord with the Board as to direct action.
Mar. 9, 1929. 189

Yet with all of his enthusiasm as to the Board's letter for direct action, he never mentioned it in his address!
Mar. 9, 1929. 189, 190.

Warder, Mrs. 86
See - Hale, Rachel
Myer, Gertrude

Wardman, Mr. 105
See - Myer, Gertrude

Warren, Charles
C.S.H. listens to Gov. Smith's acceptance speech over radio with.
Aug. 18, 1928. 16

C.S.H. dines with Mr. and Mrs.
Mrs. John W. Davis and Miss Bassel were also there.
Oct. 31, 1928. 65

See - Davis, Mrs. John
House, Col.

C.S.H. dines with.
He had C.S.H. read his review of the last 2 volumes of Seymour's book on Col. House. We agreed the books were much better than the past 2 volumes.

C.S.H. told him he was not satisfied with Col. House's explanation of his break with Wilson, - that C.S.H. knew there were other reasons known to Col. House but not mentioned in his book.

Warren, Charles (Cont'd.)

Warren said it was genrally believed in New York that Mrs. Wilson did not like Col. House and that she was the real cause of the break; that Bishop Atwood told him that Col. House wired Mrs. Wilson asking if it would be agreeable to her to have him come down to the funeral, and that he had seen a reply telegram from Mrs. Wilson or Bolling stating it would not be agreeable.
Nov. 24, 1928. 90, 91

We take supper with Mr. and Mrs. Warren - their silver wedding anniversary. Jan. 6, 1929. 126

Calls with Mr. Bright to draw up a statement asking for subscription to a memorial to be placed in Woman's Democratic Club to Jefferson, Jackson, Cleveland and Wilson.
Jan. 28, 1929. 139

Warren, Fiske. 142
See -Motley, Mrs. Preble

Washington Cathedral. 11
See - Myer, Gertrude

Washington, Horace
C.S.H. meets Mr. and Mrs., at dinner with Rachel Hale.

C.S.H. remembers him in 1894 when he helped get him a consular appointment in Egypt at request of Jack Wheelwright.

When Ned and Helen went abroad C.S.H. gave them a letter to him, but he paid them no courtesies whatsoever.
Oct. 9, 1928. 48

See - Hale, Rachel

Washington Post. 156, 180

See - Hoover
Mellon
Wilson

Wells, Rolla
Board appointed, F.R. Agent at St. Louis on James recommendation.

Sec. Mellon asked as to his politics and Gov. Young said he did not know, nor did James.

C.S.H. said he certainly was a Democrat years ago and was once Treasurer of Democratic National Committee, but he did not know now what he was.

Wells, Rolla (Cont'd.)

Gov. Young said he accepted very reluctantly only until a final choice could be made; that James had another in mind, and he gave his name, - from Memphis - and said he supposed he was a Democrat.

C.S.H. had nothing to do with Well's appointment and had not heard his name even mentioned until James reported it.
Jan.22, 1929. 132

Wetmore, Frank. 35, 174
See - Federal Advisory Council

Wheelwright, Jack. 48
See - Washington, Horace

White, Chief Justice
Once advised Gertrude Myer that a good bank could serve as her trustee much better than any individual.
Feb. 2, 1929. 146

Wilbur, Secretary of Navy
Miller said President Coolidge intended to appoint Wilbur of Leland Stanford University as Secretary of the Navy, but that by error the telegram was sent to his brother, who at once accepted. Feb. 7, 1929. 161

Wilcox, Mr.
Gives Gov. Young, James, C.S.H. and Cunningham a lunch at Baltimore Club. Dec. 14, 1928. 101

Wilks, Mr. and Mrs. Langdon
We lunch with, at Wardman Park Hotel.
Mar. 15, 1929. 192

We give a dinner to, at Woman's National Democratic Club.
Mar. 21, 1929. 200

Will of Gertrude Myer
See - Myer, Gertrude

Willis, H. Parker
Calls on C.S.H.
Said F.R. System has gone to pieces but did not say just how; that we should cease trying to develop the acceptance market, and he approved the recent increase in rates; that acceptance rates should be fixed exactly as are discount rates - subject to approval of F.R. Board; that we should establish a discriminatory ~~vote~~ rate against member bank collateral notes secured by Gov't. bonds.

Wills, H. Parker (Cont'd.)

C.S.H. asked him if the F.R. Act prevented a F.R. bank from discounting eligible paper for a member bank, not a frequent or continuous borrower, when the purpose of the discount was to replenish reserves depleted in part by speculative loans.

Willis said that if the bank was not a frequent or continuous borrower, such a discount should be granted; that in such a case it was purely a matter of good banking policy; that the spirit of the F.R. Act did not forbid such a discount.

Willis said the F.R. bank officers were deteriorating; that the appointment of Harrison as Governor of F.R. Bank, New York, was a disaster to the F.R. System, although, personally, he liked him; that the Governor of the F.R. Bank of Minneapolis was a former President of an insolvent bank; that F.R. Agent Mitchell, altho personally he liked him, was not fit for his job.

C.S.H. put him the square question whether he thought discount rates should be increased.

He gave an evasive answer, saying it made very little difference now whether increased or not.

He asked C.S.H. if he did not agree with his pessimistic opinions and C.S.H. said, decidedly No; that the F.R. System had undoubtedly developed along lines not contemplated by the framers, largely owing to the amendment permitting member bank collateral notes secured by Govt. bonds, which were, in essence, finance paper, though C.S.H. was not prepared to say the amendment was ill advised; that he, - C.S.H.- felt careful consideration should be given to a suggested amendment imposing a differential rate on such notes - on which C.S.H. was not now prepared to express an opinion.
Jan. 25, 1929. 135, 136

Willis's N.Y. Magazine. 38
See - Alice Ben Bolt

Wills, F.R. Agent 109
See - Strong, Gov.

Wilson Chronology
C.S.H. receives check for $5.78 being 1/2 of royalties on, from January to July, 1928. He indorsed check to Mrs. Cunningham, Secretary of Woman's National Democratic Club.
Nov. 12, 1928. 70

Wilson, Mrs. Woodrow (First)

Mrs. Graef said the people of Rome, Georgia, erected a monument to the first Mrs. Wilson and invited her daughters, but none of them ever acknowledged the invitation.

Feb. 10, 1929. 165, 166

Wilson, Mrs. Woodrow

Charles Warren said it was generally believed in N.Y. that Mrs. Wilson did not like Col. House and that she caused the break between President Wilson and Col. House.

Nov. 24, 1928. 90

Charles Warren said that Bishop Atwood told him that Col. House wired Mrs. Wilson asking if it would be agreeable to her to have him go on to attend the funeral of Mr. Wilson, and that he had seen a telegram in reply, signed either by Mrs. Wilson or Mr. Bolling, saying that it would not be agreeable.

Nov. 24, 1928. 90, 91

Bertie met Mrs. Wilson at the Women's National Democratic Club - address by Norman Davis - . She was very cordial and asked how "Charlie" was.

C.S.H. was late at the lnuch but later went up and shook hands with her. She was, of course, very pleasant but somewhat formal, - just as if she were receiving at the White House at a large reception.

C.S.H. was somewhat annoyed at this and made up his mind that she would have no reason to be embarrassed by any attention from him in the future. She was evidently somewhat embarrassed, C.S.H. thought, and this did not tend to add to her cordiality.

C.S.H. feels, so far as he is concerned, that their relations are now at an end.

Dec. 10, 1928. 100

Mrs. Wilson at tended funeral of Milton Elliott.

Dec. 16, 1928. 106

Bertie sent a Christmas card to Mrs. Wilson marked" With love."

Dec. 23, 1928. 114

Mrs. Wilson sent a Christmas card, addressed to Hon. and Mrs. C.S.Hamlin on which was written, in her hand: "with the warmest wish for all that the Holy season brings."

Dec. 24, 1928. 114

Bertha Bolling congratulated C.S.H. on his address on Wilson at League of Nations Non-Partisan League dinner at Woman's National Democratic Club, - "in the name of my sister (Mrs. Wilson) and myself."

Mrs. Wilson was in N.Y.

Wilson, Mrs. Woodrow (Cont'd.)

Bertha Bolling told Bertie she was glad her sister, Mrs. Wilson, was not there to hear Prof. Dodd's assertion that Wilson failed at Paris.
Dec. 28, 1928. 117

Edith Helm told us that Mrs. Wilson on Nov. 16, 1928 changed her telephone number; that she had it but had promised to give it to no one.
Jan. 8, 1929. 126

We left a wreath at Bethlehem Chapel on anniversary of Wilson's death. The verger asked for our card but Bertie said Mrs. Wilson would know of our leavingit.
Feb. 3, 1929. 147

Mrs. Graef said the people of Rome, Georgia, some time ago, erected a monument to the first Mrs. Wilson and invited each of her daughters to attend, but none of them even acknowledged the invitation. Feb. 10, 1929. 165, 166

Bertie met Mrs. Wilson as she was going to lunch with Mrs.Delano - which Mrs. Wilson also attended. She was most cordial and friendly constantly speaking to Bertie during the lunch. She asked Bertie to be sure and tell "Charlie" how grateful she was for his remarks about Mr. Wilson at the Non-partisan League dinner and she repeated this after lunch. Her manner was almost affectionate, exactly as if nothing had happened.
Feb.16, 1929. 176

Ray Stannard Baker is visiting.
Mar. 21, 1929. 198

See - Baker, Ray Stannard
Wilson, Woodrow

From Mr. Baker's general manner, C.S.H. believes Mrs. Wilson has not told him of their break.
Mar. 21, 1929. 199

Wilson, Public Utility magnate
Daniel C. Roper told C.S.H. that the chief client of McAdoo was Mr. Wilson; that he, Mr. Wilson, made McAdoo come out for Gov. Smith as McAdoo was his counsel and he wanted him to keep his influence in the Democratic Party and thus help him!

Feb. 10, 1929. 165

Wilson, Woodrow

John Barton Payne eulogizes, at Carnegie dinner to visiting foreign editors.
Nov. 22, 1928. 84

C.S.H. told Charles Warren he was not satisfied with Col. House's explantion of his break with Wilson and that he knows there were other facts not mentioned by Col. House.
Nov. 24, 1928. 90

Charles Warren says it is generally believed in New York that Mrs. Wilson disliked Col. House and caused the break between him and Mr. Wilson.
Nov. 24, 1928. 90

Charles Warren said Bishop Atwood told him that Col. House wired Mrs.Wilson to learn if it would be agreeable to her to have him come down to the funeral of Mr. Wilson and that he - Bishop Atwood - had seen a telegram signed either by Bolling or Mrs. Wilson, saying it would not be agreeable.
Nov. 24, 1928. 90, 91

Charles R. Crane told Mrs. Bruce that he had first introduced Hoover to Wilson and asked for his appointment as Food Administrator. Dec. 19, 1928. 111

Prof. Dodd, addressing the Non-partisan League at the Woman's National Decmoratic Club, spoke of Jefferson, Lincoln and Wilson as the three great Liberals, and pointed out their apparent failures as really laying a foundation for the great good of the country. He said Jefferson failed as to repeal of slavery; that Lincoln was overwhelmingly repudiated in the Congressional elections of 1860; that Wilson failed at Paris and appointed a weak commission. After showing how Jefferson and Lincoln really triumphed, from lack of time, he failed to show Wilson's real triumph, leaving the matter with the failure at Paris.

Delano called on C.S.H. to speak and he began where Prof. Dodd left off and showed that Wilson's work at Paris laid the foundation for the peace of the world and lefthim as easily one of the greatest Presidents the U.S. has ever had; that the anti-war treaty owed its inspriation to Wilson's work at Paris.

Bertha Bolling thanked C.S.H. in the name of her sister, Mrs. Wilson and herself. She told Bertie she was glad her sister was not there to hear Prof. Dodd say that Wilson failed at Paris.
Dec. 26, 1928. 117, 118.

Wilson, Woodrow (Cont'd.)

We left a wreath at Bethlehem Chapel on anniversary of Wilson's death. The attendant askedfor our card, but we said Mrs. Wilson would know we had left it.
Feb. 3, 1929. 147

The Washington Post said there was no customary pilgrimage to Wilson's tomb yesterday; that there were only a few visitors, and but one wreath.

This wreath was ours, but Bertha said the Non-partisan League sent one which she saw being brought out of a cupboard in the Ambulatory while we were there, - evidently the attendants had forgotten until then to take it out.
Feb. 4, 1929. 156

Miller said President Wilson intended to ask a Judge Garrison of New York to be Secretary of War, but by mistake the telegram was sent to Lindley Garrison who at once accepted.
Feb. 7, 1929. 161

Bertie met Mrs. Wilson at lunch with Mrs. Delano, and she twice asked her to thank "Charlie" for his eloquent remarks about Mr. Wilson at the League of Nations Non-partisan League dinner.
Feb, 16, 1929. 176

Ray Stannard Baker told C.S.H. that he had read the book of Mrs. Scott containing alleged automatic writings of Wilson, but that, while she doubtless was sincere, he could find nothing in them reminding him of Wilson. Mar. 21, 1929. 198

Baker said Mrs. Lansing had turned over to him all of Lansing's memorandum, - including many priceless notes in Wilson's hand.
Mar. 21, 1929. 198

Winston, G.
Miller said Winston never hesitated to try to influence the F.R. Board on matters in which the Treasury was interested, - differing from Secretary Mellon in this respect.
Mar. 7, 1929. 188

Wise, Col.
C.S.H. meets Col. Anderson and Wise on train.

Col. Wise said he hoped Hoover would put Anderson inthe Cabinet; that there was fraud in counting the vote and that Hoover carried Virginia by a much larger vote than that shown by the returns; that Harry Tucker was really defeated for Congress but was counted in by fraud.
Dec. 5, 1928. 95

Woman's National Democratic Club. 139, 176
See - Bright
Warren, Charles
Wilson Chronology
Wilson, Mrs.
Wilson, Woodrow

Woolley
Gov. Young talks with Woolley et als in N.Y.
Sept. 4, 1928. 22
See - Harrison, Gov.
Young, Gov.

Confers with F.R. Board.

Admits his business was suffering under the 5% F.R. rate.

He felt, however, that an affirmative rate increase policy would lessen the demand for credit from the small speculators.

He admitted that business would suffer under rates of 6 or 7% if they should be long construed.
Mar. 22, 1929. 199, 200

Wyatt, General Counsel
Told C.S.H. he attended the dinner given by Mr. Donaldson, President of the Commercial National Bank, Washington, to Comptroller McIntosh; that Gov. Young, Platt and several members of the Federal Advisory Council were there; that wine and champagne was served openly and continuously during the dinner; that it was said to have cost $60 per plate.
Nov. 22, 1928. 90

Advises Board that, while not free from doubt, the agreement between F.R. Bank, N.Y. and Gov. Strong to pay him the balance of his salary during the year if he agrees not to resign at once, - is illegal and can not be approved by F.R. Board.
Dec. 18, 1928. 108

Miller said Wyatt's statement that only the Treasury could object to this payment because of its effect on the franchise tax and that the Board might ask Sec. Mellon to waive this objection, was in effect collusion to evade the law and would cause scandal.
Dec. 18, 1928. 109

Board voted to ask Wyatt what power it had to curb speculative loans.
Mar. 5, 1929. 187

Wyatt, General Counsel (Cont'd.)

Advises Board it has power to enact a regulation limiting rediscounts.
Mar. 19, 1929. 193

Board asked Wyatt to frame a regulation along the lines of his opinion, not to bind any Board member.
Mar. 21, 1929. 198

-X-

X-ray

Had teeth X-rayed. One found infected.
Mar. 14, 1929. 191

Had it extracted. Mar. 20, 1929. 195

-Y-

Young, Gov.

C.S.H. examines F.R. branch of Pittsburgh with.
Aug. 8, 1928. 3

Calls up C.S.H. at Mattapoisett and says no reason to come on to Open Market Committee meeting.
Aug. 11, 1928. 3, 4

Votes to give authority to Open Market Committee to buy in an emergency up to 100 millions of Govt. securities if credit situation not eased by bill purchases.
Aug. 16, 1928. 8

States Board attitude as to easing of market and purchase of Govt. securities.
Aug. 20,1928. 12, 13

See - Open Market Committee

Gov. Fancher writes, that existing rates are not injuring business. Aug. 16, 1928. 14

Goes to N.Y. with James and has talk at Woolley's office with Owen D. Young, Reyburn and Harrison.
Sept. 4, 1928. 22

See- Open Market Committee
Harrison

Says Gov. Norman said he should cease to protect British Exchange and let some gold go to U.S., with which he said the banks would take down discounts.

Young, Gov. (Cont'd.)

James denied this because of profit in spread between F.R' rates and call loan rates.

Gov. Young said the banks would not be influenced by profits and cited instances where banks to avoid discounting had sold bond holdings at a loss.
Sept. 7, 1928. 23, 24

Tells C.S.H. he prepared an adverse reply to suggestion that member bank collateral notes secured by Govt. bonds should have a lower preferential rate; that Sec. Mellon hesitated to sign it; that he told Mellon it was essential to show that the Treasury and Board were in harmony; that Sec. Mellon rather reluctantly signed it.
Sept. 4, 1928. 24

Tells Federal Advisory Council the Board soon may have a request from Cleveland to lower rates and from Chicago to increase them; that the Board would stultify itself to grant both.
Sept. 28, 1928. 33

Says having all F.R. banks represented on Open Market Committee appealed to him.
Sept. 28, 1928. 35

Tells Alexander that if banks refused to take up loans called by the big loaning corporations, a panic would result.
Sept. 28, 1928. 35

Asks Federal Advisory Council if it would be advisable to call on directors of other F.R. banks when one asked for change in rate. The Council did not favor this.
Sept. 28, 1928. 36

Voted against C.S.H. motion for a foot note stating that retail sale statistics were not a measure of increase in retail trade until the number of stores is ascertained.
Oct. 11, 1929. 50

Offers resolution that hereafter the F.R. Agents shall be charged with duty of examination of state member banks; that Herson shall see that this duty be performed; that F.R. Agents shall no longer send reports of state bank examination to the Board except in special cases; that the examination division under Gilbert be abolished.

Agrees with Miller's suggestion that Herson report to him.
Oct. 11, 1928. 51

Young, Gov. (Cont'd.)

Speaks at stockholders meeting of F.R. Bank, Boston.
Nov. 9, 1928. 68

Votes to permit Goldenweiser to appoint a foreigner to help in statistical work. Nov. 12, 1928. 69

Much upset because Board reversed its earlier vote against having a stenographer at joint conference of Governors and F.R. Agents, and voted to have ont to report open market proceedings.

Prepares resolution of protest.

C.S.H. explains stenographer voted only for this specific purpose, - Open Market Committee changes.

He feels the vote was a discourtesy to him.

C.S.H. tried to explain it was not.

At meeting he filed resolution of protest claiming Board had no right to order that his remarks, essentially confidential, should be taken down.

Expressed hope that the Board intended no discourtesy to him.

C.S.H. explained his affirmative vote and said that, as at Congressional hearings - a request not to be reported would be respected.

Miller and James agreed to this.

Gov. Young then put in another resolution that no stenographer be present except with consent of Governors and F.R. Agents.

Cunningham, after praisning Gov. Young's invariable courtesy, so moved, Miller and James only voting No.
Nov. 15, 1928. 72, 73

Gov. Young seemed almost to have had a brain storm. No possible discourtesy to him was ever thought of. The original vote against a stenographer had this limitation, - "except in exceptional circumstances" and the Board felt the Open Market Committee changes constituted such a special circumstance."
Nov. 15, 1928. 73, 74

Presides at Joint Conference. Nov. 16, 1928. 74, 75

See-Open Market Committee

Young, Governor (Cont'd.)

At request of F.R. Agent Curtiss, Gov. Young defined "securities" in Board's proposed draft as including "bills" as well as Govt. securities, to which no objection was raised.
Nov. 16, 1928. 77

Speaks at dinner of Carnegie Endowment to National Grange.
Nov. 20, 1928. 82

Dr. Goldenweiser tells C.S.H. that Gov. Harrison was elected Governor on Thursday p.m. by New York directors; that Gov. Young left for N.Y. on Thursday night; that he talked with Harrison from his hotel on Friday morning but that Harrison said nothing about his election; that he was first told of it at luncheon by Warburg; that later it was announced at the lunch.

Dr. Goldenweiser said Gov. Young felt he had been treated very discourteously and C.S.H. feels so also.
Nov. 24, 1928.88, 89

Attends dinner given by Mr. Donaldson of Commercial National bank to Comptroller McIntosh, where champagne flowed as freely as water.
Nov. 22, 1928. 90

Goes to Baltimore to examine new banking house of F.R. Branch of Baltimore, also C.S.H., James and Cunningham. Wilcox, a director, gave us a lunch.
Dec. 14, 1928. 101

Votes to approve agreement between F.R. Bank, New York, and Gov. Strong to pay him salary for rest of year if he would agree not to resign.
Dec. 17, 1928. 108

Recorded as not voting on agreement between F.R. Bank, New York, and Gov. Strong.
Dec. 19, 1928. 112

Gov. Young put on record - in answer to Miller's resolution for higher acceptance rates to draw money from call loan market, - a statement that money was now tending away from that market.
Dec. 26, 1928. 115

Reads memorandum at Board meeting in matter of calling in national bank notes for redemption, showing that it will entail member banks rediscounting 600 millions.
Dec. 28, 1928. 115

Vigorously objects to Miller's proposed letter to F.R. banks asking what they proposed to do in 1929 to curb speculative loans.

Says it meant that banks having call loans should be refused

Young, Governor (Cont'd.)

rediscounts.

Votes against it.

Dec. 31, 1928. 119

Calls special meeting to consider action of Federal Reserve Bank, New York in increasing acceptance rates without consulting with F.R. Board.

Platt told C.S.H. Gov. Young was furious and wanted to order the rate suspended; that he said that would seem like a slap in the face; that Gov. Young said that was what he wanted; that he - Gov. Young - finally reluctantly assented to ask the F.R. Bank of N.Y. not to announce it until the Board had considered it; that Gov. Young's language to Harrison was almost violent.

Jan. 4, 1929. 121

See - Acceptances
Open Market Committee

C.S.H. said Gov. Young had not been treated courteously, as he told Harrison the Board would consider acceptance rates at the Open Market Committee meeting on Monday.

Gov. Young admitted that Harrison had said his bank might have to act before Monday.

Gov. Young said he did not claim that Harrison had treated him discourteously, but evidently, perhaps unconsciously, he did feel so, for he gave notice that in a week he would introduce a resolution that no F.R. bank could hold more than a certain percentage of its capital in Govt. securities, which certainly savored of pique, and C.S.H. feels, of righteous pique, at the action of N.Y.

Jan. 4, 1929. 122, 123

While discussing the proposed regulation as to acceptance rates, Gov. Young wanted to call the banks attention to a regulation of 1926, but Platt pointed out that this specifically related only to discount rates.

Jan. 4, 1929. 123

Warburg agreed with Gov. Young that acceptance proceeds seep into the stock market slower than the proceeds of purchase of Govt. securities. Jan. 5, 1929.124

Young, Governor (Cont'd.)

Votes against increasing salary of F.R. Agent Curtiss to $24,000.
Jan. 11, 1929. 127

Votes against increasing salary of F.R. Agent Newton of Atlanta to $24,000, and later to increase it to $22,500.
Jan. 11, 1929. 127

Gov. Young had an almost violent discussion with James and Cunningham as to what Gov. McDougal said as to direct action of the F.R. Bank of Chicago, when he was before Board last week when C.S.H. was ill.
Jan. 15, 1929. 128

Gov. Young did not agree with Miller's suggestion as to control of speculative loans by direct action.
Jan. 19, 1929. 129

Gov. Young suggests changes in Miller's draft of direct action.

C.S.H. suggested adding a clause that some F.R. banks had been successful in direct action, but Gov. Young said he knew this was not true, - whatever James and Cunningham might think.
Jan. 21, 1929. 131

Gov. Young said he had doubts as to sending a direct action warning to F.R. banks but he wanted to put Miller's draft into the least objectionable form.
Jan. 21, 1929. 131

Gov. Young told Sec. Mellon he did not know what Rolla Wells policies were.
Jan. 22, 1929. 132

Opposes proposed warning against brokers loans by F.R. Bank, N.Y.
Jan. 25, 1929. 134

Says McGarrah telephoned him that N.Y. would give out no statement; that he was much disturbed when he told him the Board did not contemplate a statement.
Jan. 28, 1929. 138

Says Harrison has asked Board to meet with his directors in N.Y. and that he would go. Jan. 29, 1929. 140

Goes to N.Y. for conference with N.Y. directors tomorrow.
Jan. 30, 1929. 141

Gov. Young said Gov. Harding, Gov. Norris, Gov. McDougal and F.R. Agent Heath were at N.Y. directors meeting, but that

Young, Governor (Cont'd.)

Gov. Norman did not go.

Gov. Young said the executive officers felt an increase in rates was absolutely necessary but that many of the directors opposed this; that Gov. Harding said the increase in rediscounts at Boston, the preceeds going into call loans, made a 6% rate absolutely necessary; also that Chicago wanted to increase.

Gov. Young said he had several talks with Gov. Norman, at which, I understood him to say, Governor Harding and Norris were present, and that Gov. Norman said the Bank of England would shortly increase its rate from 4½ to 5½%; that he would come to Washington Wednesday.

Feb. 2, 1929. 143

Votes against C.S.H. motion to add to Miller's draft of Board letter on direct action a clause disavowing intention of drastic liquidation.

Feb. 2, 1929. 144

Miller's draft was then voted on and passed. All voted Aye except Gov. Young who voted No. Feb. 2, 1929. 144

Gov. Young told C.S.H. he believed Harrison was egging on Gov. Harding to increase rates so as to give an excuse to N. Y. to follow.

Feb. 4, 1929. 147

Gov. Young signed Board letter to Gov. Harding expressing hope of Board that he would accomplish something by direct action without increasing rates.

Feb. 4, 1929. 148

Gov. Young said, however, that he did not believe that direct pressure could reduce speculative loans, nor did he believe that increase in discount rates could do it either.

Feb. 4, 1929. 148

Gov. Young read a circular sent by him while Governor of F.R.Bank of Minneapolis, strongly urging direct pressure but said it had accomplished little or nothing.

Feb. 4, 1929. 148

Gov. Young said that Gov. Norman, last week, said he should certainly increase the Bank of England rate.

Feb. 4, 1929. 148

Young, Governor (Cont'd.)

C.S.H. feels that Gov. Young thinks Gov. Norman has great influence over Harrison, who wants to increase rates and is egging on Gov. Harding to increase so N.Y. may follow, - altho McGarrah said his directors do not want to increase.
Feb. 4, 1929. 149

Gov. Young votes against publishing the Board's direct action letter if in the F.R. Bulletin, altho he said its sentiments were much like his Philadelphia address.
Feb.5, 1929. 152

Gov. Young said he was becoming more and more convinced that a central bank in U.S. was necessary. Miller agreed with him.
Feb. 5, 1929. 153

Gov. Young said C.S.H.'s statement, - that if Schacht had been Governor of F.R. Bank, New York, he would have settled the N.Y. situation, - was not fair tothe N.Y. bank, as Schacht in Germany had greater power than the F.R. Bank, N.Y. - e.g., the power to ration credit. C.S.H., however, was not convinced.
Feb. 5, 1929. 154

Gov. Norman came to Washington and was closeted with Gov. Young from 10:30 to nearly 1 p.m. Gov. Young, however, did not ask any members of Board to come in and talk with him, and C.S.H. did not meet until 1 p.m. at lunch.
Feb. 6, 1929. 156

Gov. Young told Harrison, who was in Washington, of our press release of the Board's direct action letter.
Feb. 6, 1929. 158

Gov. Young got a copy of a statement by a "Treasury official" minimizing the effect of Board's letter and said that Sec. Mellon said he had talked about it with the newspaper men that morning but had said nothing for publication.
Feb. 7, 1929. 159

C.S.H. believes Sec. Mellon must have said something which formed the basis of the statement of the "Treasury official." C.S.H. feels that as Gov. Young voted against publishing the letter, Sec.Mellon also must have disapproved of it.
Feb. 7, 1929. 160

Gov. Young said Gov. McDougal seemed pleased at Board's letter.
Feb. 7, 1929. 161

Young, Governor (Cont'd.)

Votes to lay Dallas application for a 5% rate on table until Dallas specifically answers Board's letter.
Feb. 8, 1929. 162

Miller spoke of Hoover as one who would back up the Board, saying that Hoover knew Wall Street well; he seemed to want to give the impression that Hoover knew and fully approved the Board's action, and he intimated very clearly that if the Board weakened, Hoover might take a position in the matter.
Feb. 8, 1929. 163

Gov. Young asked Miller if this was a threat. Miller, evidently abashed, said "No, not at all!" 163
Feb. 8, 1929.

Gov. Young has never discussed with the Board his 2½ hour talk at his office with Gov. Norman.
Feb. 8, 1929. 163

Gov. Young told Board before Gov. Norman came to Washington, that he had had conferences with Gov. Norman in N.Y. but that he would not quote what he said as he preferred to have Gov. Norman speak to the Board himself.

All that Gov. Young told the Board was that Gov. Norman said he would try very shortly to increase the Bank of England rate.

The above is the sum and substance of what the Board members knew or were told of Gov. Norman's views!
Feb. 8, 1929. 164

Miller reminds C.S.H. that Gov. Norman said at the lunch his sole purpose in comingover was to pay his respects to Gov. Harrison,- never mentioning Gov. Young nor the Board members.
Feb. 11, 1929. 166

Votes for C.S.H. motion that N.Y. application for 6% rate lay on table pending an answer to Board's letter sent a week ago.
Feb. 14, 1929. 167

Board rescinded all previous action and directed Gov. Young to tell Harrison the Board would take the application under review and would not pass on it today.
Feb. 14, 1929. 167

Young, Governor (Cont'd.)

Gov. Young told Harrison that this rate was a national matter; that if N.Y. went to 6% every F.R. Bank at least east of Mississippi River would have to follow; that a majority of Board felt this would injure business; that it wished to study the question carefully; that it had received no answer to the Board's letter and no official statement of N.Y.'s reason for asking the increase; that it wished an answer before acting; that Boston had decided to postpone consideration of an increase until it heard from its member banks in response to Gov. Harding's circular.
Feb. 14, 1929. 168

Gov. Young talks with Harrison, McGarrah and C.E. Mitchell over telephone. Feb. 14, 1929. 169

Gov. Young tells Harrison if his directors give out a public statement as to their position, they will do it on their own responsibility and cites Regulation X 4140.
Feb. 14, 1929. 169

Votes against Cunningham's motion to take application under review.
Feb. 14,1929. 169

Gov. Young suggests disapproval of the application.

Unanimous vote.
Feb.14, 1929. 169

Gov. Young, Platt, C.S.H., Cunningham and Miller were present at this meeting. Feb. 14, 1929. 171

Gov. Young tells C.S.H. we ought not to tell Federal Advisory Council of the N.Y. proceedings, at the dinner of Federal Advisory Council.
Feb. 14, 1929. 171

C.S.H. tells Heard that Federal Advisory Council has right to ask Gov. Young as to N.Y. proceedings.
Feb. 14, 1929. 171

C.S.H. tells Gov. Young that if Federal Advisory Council did not ask as to N.Y. proceedings he deemed it his duty tel tell them that we would answer any questions as to discount rates in any F.R. district.
Feb.14, 1929. 173

Young, Governor (Cont'd.)

Gov. Young called Wetmore's attention to fact that Board confined its warning to speculative loans while Federal Advisory Council in its report, went farther and said all security loans should be supervised. Wetmore replied that the Council used the words "security loans" advisedly.

Feb. 14, 1929. 174

Wetmore asked Gov. Young as to the N.Y. proceedings and Gov. Young told him about the proceedings, not mentioning, however, the threat of N.Y. to make public its stand.

Wetmore said he was glad that Council did not know of N.Y. proceedings when it signed its recommendation, but now, knowing about the proceedings, the Council was more than ever convinced that its recommendation was right. All the members of the Council affirmed this and Gov. Young was told that the Board could publish it if it desired.

Feb. 14, 1929. 174, 175

The Council who gave Gov. Young another confidential communication to effect that rates should not be increased until every attempt at direct action had been made and exhausted.

Feb. 14, 1929. 175

Votes to publish Council's recommendation.

Feb. 14, 1929. 175

Gov. Young, some days ago, told Harrison that if any application for an increase in rates was made by N. Y. the Board would take it "under Review." This shows that N.Y. fully understood the situation and deliberately tried to bluff Gov. Young and Board by its condition that its application must be decided by Board on that day.

Feb. 14,1929. 175

Gov. Young returns from N.Y. and said directors said little about rates except that C.E. Mitchell could not understand why Board disapproved their application.

Feb. 20, 1929. 178

C.S.H. asked Gov. Young how Sec. Mellon felt and he said he had kept Mellon informed of the situation from day to day; that Sec. Mellon did not approve of Board's direct action letter; that he - Gov. Young- told him the vote would be 7 to 1 against him; that he thereupon decided not to take part in the proceedings.

Feb. 20, 1929. 178, 179

Gov. Young telephones McFadden as tothe Black resolution.

Feb. 22, 1929. 179

Young, Governor (Cont'd.)

Gov. Harding suggests to Gov. Young increasing rates on member bank collateral notes secured by Govt. bonds to 6% leaving other rates at 5%.
Feb. 28, 1929. 181

Gov. Young prepares a memorandum giving Board's reasons for disapproving New York's application for 6% rate, which Board adopted.
Feb. 28, 1929. 181

Gov. Young does not remember telling Harrison that if N.Y. applied for a 6% rate Board would take it under review. He certainly did, however.
Feb. 28, 1929. 181

Gov. Young said that so far, the Board was right and N.Y. wrong as to discount rates. Feb. 28, 1929. 181

Gov. Young told C.S.H. that Sec. Mellon told him a month ago that he was to continue as Secretary of Treasury.
Feb. 28, 1929. 182

Gov. Young said that Harrison said his directors still wanted to increase rates but had made no recommendation as they knew the Board would not approve.

He said also that C.E. Mitchell, before leaving for the south, left a memorandum against any increase of rates.

He said Ogden Mills hoped that if rates were not to be increased now, and he saw no reason for any increase, he hoped Board would not increase them until some time after the new security issue was placed, as otherwise it would subject the Treasury to a charge of bad faith.
Mar.1, 1929. 181, 182

Gov. Harrison told Gov. Young that if N.Y. did not increase now it could not increase for some weeks because of security issue. Gov. Young agreed and said this made Harrison miserable.
Mar. 1, 1929. 183

Gov. Young said the N.Y. directors were ridiculous in sticking to their earlier condition that their application must be decided immediately, for this meant either that some grave crisis was impending, - which everyone knew was not a fact, - or that the directors were acting like children who, if they could not have all they wanted, obstinately refused to take anything.
Mar. 1, 1929. 183

Young, Gov. (Cont'd.)

Gov. Young said Ogden Mills told him that Gov. Case was opposed to a rate increase.
Mar. 1, 1929. 183

Gov. Young said he told Harrison that if his directors had recommended an increase, the Board would have disapproved by 7 to 1 and that he would not have been the 1.
Mar. 1, 1929. 183

Board considered draft of letter to F.R. banks as to Council recommendation for calling on groups of bankers.

Gov. Young said the banks generally, except Chicago and N.Y., had already covered this satisfactorily.
Mar. 1, 1929. 184

Gov. Young called C.S.H. up on Sunday and said Harrison said his directors thought it vital to increase rates as they expected a run away market tomorrow, and asked C.S.H. if he would change his vote. C.S.H. replied No.
Mar. 3, 1929. 185

Gov. Young did not agree with C.S.H.'s feeling that the N.Y. directors were weak.

He said the trouble lay with Gov. Harrison and "the boys" - meaning Burgess et als; that he felt that Gov. Harrison lived and breathed for Gov. Norman.
Mar. 5, 1929. 186

Gov. Young said Sec. Mellon and Mills hoped that the Board, if it did not increase rates now, would not do so forsome time after the new certificate issue, as such action would lay Treasury open to a charge of bad faith; that, of course, they had no objection to an increase of rates.
Mar.5, 1929.186, 187

Gov. Young said Sec. Mellon said he would stand by the Board in whatever action it took.
Mar. 5, 1929. 187

Gov. Young said Sec. Mellon said he had doubts whether the speculative situation could be affected by an increase of discount rates.
Mar. 5, 1929. 187

Young, Gov. (Cont'd.)

C.S.H. told Gov. Young he would do all he could to prevent any rate increase at least for a reasonable time after the certificate issue, but reserved right to change his mind in case of any unforseen emergency, - which Gov. Young said was a most reasonable position to take.
Mar. 5, 1929. 187

Gov. Young said Sec. Mellon said he believed increased rates would not control the speculative situation and that he was prepared to stand by the Board.
Mar. 7, 1929. 187

Gov. Young said Case wanted to buy 25 millions of Treasury certificates maturing in 7 days; that otherwise they would interfere with the new issue of 4¾ certificates.

Board finally let it go over until Gov. Case brought it up again.
Mar. 7, 1929. 187, 188

Gov. Young said Sec. Mellon did not want to come to the meeting as the interests of the Treasury might not be the same as those of the Board, and he wanted the Board to use its own untrammeled judgment.
Mar. 7, 1929. 188

Miller said Gov. Young told him that Warburg was most enthusiastic about Board's statement of Feb. 5, 1929 - direct action; that he was so eulogistic that Gov. Young said he finally had to tell him he was not in accord with the Board's policy.
Mar. 9, 1929. 189

Opposes letter to F.R. bank of San Francisco asking why it had not been more successful in direct action, as there were special reasons which called for more time, especially as it had not tried to increase its discount rate over 4½%.
Mar. 19, 1929. 192, 193

Gov. Young did not approve Miller's proposed regulation to limit use of F.R. funds in speculative loans.

He said the real remedy was to increase discount rates.

He said he was willing to postpone such increase but felt it surely must come.
Mar. 19, 1929. 195

Board asked Gov. Young to tell Harrison the Board would like to confer with his directors on the rate question either at N.Y. or Washington.

Young, Gov. (Cont'd.)

Gov. Young said Harrison said his directors were to meet at 2 p.m. andthat they wanted to increase rates.

In afternoon they voted to increase on usual condition that it must be decided by Board at once.

Mar.21, 1929. 196

Votes to disapprove. Mar. 21, 1929. 197

Gov. Harrison, in answering Gov. Young's request for a conference, said his directors would be glad to confer with Board but felt that the rate must be increased first.

Mar.21, 1929. 197

Votes for Miller's motion that Wyatt be instructed to draw a regulation, along lines of his opinion, to curb use of F.R. funds in speculative loans, - such regulation not to Bind Board as to its final vote.

Mar. 21, 1929. 198

Gov. Young points out to Harrison that if Board had approved the 6% rate it would have put discount rates above acceptance rates andwould have left an opening thru which F.R. credit would still flow.

Mar. 22, 1929. 200

See - Discount rates
Open Market Committee

Young, Owen D.

Gov. Young and James have conference in N.Y. at Woolley's office with, Reyburn and Harrison.

Harrison wanted to ease the market but Young and the others would not consent.

Harrison opposed easing thru acceptances but Young waved him aside.

Gov. Young is sure that if Gov. Strong resigns, Owen D. Young et als will never elect Harrison Governor.

The N.Y. directors refused to allow the executive officers to buy up to 100 millions of Govt. securities in an emergency, as the Board gave authority, except with consent of Woolley, Reyburn and Owen D. Young.

Sept. 4, 1928. 22, 23.

Young, Owen D. (Cont'd.)

Baruch told C.S.H. he wanted Owen Young to be Chairman of Finance Committee of Democratic National Committee.

Mar. 1, 1929. 183

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(The end.)