Collection Title: THE PAPERS OF

CHARLES SUMNER HAMLIN

DIARIES

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Acceptances

At Governors Conference New York voted to increase, rates to 1/2% but Chicago opposed.

Gov. Meyer went to Chicago and later Chicago wired approval of 1/2% rate.

April 29, 1931. 22

Board gives hearing to Mr. Yohe of Dept. of Agriculture as to warehouse receipts of Lawrence Company.

July 23, 1931. 94.

Miller urges regulations as to purchase of Government securities and foreign bills. Gov. Meyer opposed but said he would take the matter up with Gov. Harrison.

Aug. 1, 1931. 130.

Glass told C.S.H. he could not see how Federal reserve banks could lawfully buy foreign bills to help European central banks; that such bills were not genuine commercial bills.


Glass asked if the Federal reserve banks were not buying frozen German bills.

C.S.H. said he believed not but would look this up.


Willis tells C.S.H. and Miller that the German bills were not genuine commercial bills, but that Federal reserve banks were buying them.


See - Bankers acceptances

Regulations
Adams, National Shawmut Bank.
C.S.H. meets, at lunch at Union Club, Boston, given C.S.H. and Magee by Chairman Curtiss.

Adams, Secretary of Navy
C.S.H. meets Mr. and Mrs. Adams at supper at Mrs. Harriman's.
June 29, 1931. 64.

Administration influence. 56.

Admission of state banks
Condition. Holding of stock in other banks.

Penn. Co. etc. merged with another bank and bought stock in other banks.

No condition as to changing assets, etc. was imposed on the Penn. Co. on admission, but the bank with which it merged was subject to this condition.

Board held that the new merged corporation was subject to the condition.

C.S.H. and Wyatt advised Board to interpose no objection to the purchases, provided they were made for investment only and did not exceed 20% of the total stock of the banks whose stocks were purchased.

Gov. Meyer rather favored this.

Miller said that while he would forget the past he would insist on the condition as to future purchases.

Board finally agreed to let the Company appear before it.

C.S.H. said he believed the condition imposed was lawful - as to change of assets, etc. - but that the Board was limited to the inquiry whether the stock purchases would or had affected the condition of the bank injuriously, and that, subject to this condition, had no right to say that a state member bank could not purchase stock in other banks, as this was a charter right protected by the amendment of Sec. 9.
Admission of state banks (Cont'd.)

C.S.H. said, however, he would vote, as a compromise for the 20% limitation heretofore mentioned.

May 4, 1931. 23, 24.

Board took case of Mercantile Bank and Trust Company of St. Louis.

The bank took over a trust company which owned all of the stock of a national bank. The Board originally permitted it to hold this stock temporarily until the national bank could liquidate its trusteeships and then should be wound up.

Later the bank decided to continue the national bank in a new location approved by the Comptroller and after changing its location asked Board for permission. The Board never answered this application.

C.S.H. gave Gov. Meyer, at his request, a memorandum, to show that the Board had no power to order the bank to divest itself of this stock, there being no question but that the holding of this stock did not injure the condition of the holding bank. (See scrap book).

Gov. Meyer paid no attention to this memorandum and C.S.H. doubts whether he has even read it.

Wyatt gave a verbal opinion that the condition has lawful and could be enforced, but based it largely on the theory that such stock purchases impaired the soundness of the banks.

No one, however, questioned but that in fact these purchases did not impair the soundness of the purchasing bank.

The Attorney General, in a rediscount case advised the Board that no condition as to stock ownership would be valid except as bearing on its effect on the purchasing bank.

Mr. Wyatt does not agree as to above opinion.

C.S.H. read a list of 15 decisions of the Board granting permission to hold stock in other banks, in 9 of which the purchase originally had been made without the prior permission of the Board. In only one of these, however, did the bank own all of the stock of the other bank.

The Board voted that the Mercantile Company must divest itself of this stock.

Aye: Gov. Meyer, Miller, James, Comptroller

No: C.S.H.

July 8, 1931. 72, 73, 74.
Admission of state banks (Cont'd.)

Federal Reserve Agent Wood was directed to inform the Mercantile Bank & Trust Co. of this decision.
July 14, 1931. 88.

Federal Reserve Agent Wood told C.S.H. that the purchase of this stock did not in fact impair the condition of the purchasing bank.
July 14, 1931. 88.

Lonsdale, of Mercantile Bank and Trust Co. came before Board and explained that his bank thought that the Comptroller and Gov. Young had given their permission to open the national bank in its new site and begin business.

He also urged that no action be taken in the present unsettled condition of banking.

Board finally voted it would give him a reasonable time in which to divest bank of its stock.
Aug. 11, 1931. 128.

See - Federal Trust Company

Affiliate companies
Gov. Meyer said the management of had been reckless and bad; that usually second class men had charge of them, that they loaned on almost any kind of securities; that they were afraid to turn down securities issued by other affiliates lest in turn their issues would be turned down.
April 3, 1931. 3.

See - Atlantic National Bank

Mercantile Bank & Trust Co.

Agent and correspondent
C.S.H. said he would vote to approve N.Y. making the B.I.S. its agent to receive deposits and to use them for buying bills.

The Board approved this but did not authorize the New York bank to become agent and correspondent for the B.I.S.

Miller declined to vote.
June 16, 1931. 50.

Agreement
See - France
Hoover
Moratorium
Albany, N. Y.

H.P.H. leaves Washington for Mattapoissett via.

June 13, 1931. 46.

Allen, George H.H.

Death. Oct. 9, 1931. 159.

Allied debts

Gov. Meyer told C.S.H. that he favored remission of reparations and allied debts for five years; that Germany could not continue paying 500 or 600 millions a year outside of her country.

June 17, 1931. 53, 54.

Mr. Houghton told C.S.H. he would favor remission of all, if the countries would agree to reduce armaments 25%; that we were paying 800 millions a year for armaments and above arrangement would cost us nothing.

July 5, 1931. 68, 69.

William Hard said in Radio talk that the Hoover-Laval understanding put an end to any claim that there was any connection between allied debts and reduction of armaments, etc. etc.


Amendments, Federal Reserve Act

Glass told C.S.H. that Willis favored repeal of that part of Federal Reserve Act forbidding more than one member of Federal Reserve Board from any one Federal reserve district; that he, Glass - did not favor this.

Oct. 7, 1931. 158.

Glass said he would call his Sub-committee together in middle of November and frame amendments; that they would be very simple, and would include some he might have to throw overboard ultimately.

C.S.H. said he hoped he would provide specifically that Federal reserve banks could refuse to discount, for cause.


See - Eligibility Federal Reserve Act

American banks

Hoover statement to International Conference, pledges leadership and cooperation of Federal Reserve System to induce member banks not to draw down their short term credits in Germany. Whether he meant that this would involve discounts by Federal reserve banks was not clear.

July 21, 1931. 96, 98.
American banks (Cont'd.)

New York Commercial and Financial Chronicle.

Says an agreement has been reached that no bank shall reduce its German short term credits without notifying the Federal Reserve Bank, New York.

Board was never informed as to this! July 27, 1931. 107.

Ames, Sir Herbert
Dines with us at Mattapoisett. Oct. 25, 1931. 187

Anderson, B. M.
Burgess told Board that free gold article of 1931 had done much damage to Federal Reserve System abroad.

Anderson, Father
We have special service on anniversary of Anna's death, April 26th. This date came on Sunday, so at Father Anderson's request we had the services on Saturday.
April 26, 1931. 19.

Anderson, Lars
Mrs. Anderson told Bertie the rumors as to Andrew Peters.
July 22, 1931. 101.

Mrs. Anderson told H.P.H. that she dined with Gertrude Myer last winter; that Gen. Bowley was there and said that Gertrude was never suited; that he had tried to help her straighten her affairs but that nothing was ever right.
July 24, 1931. 106, 108.

Anderson, Mrs.
Visits us with Ambassador Houghton.
Sept. 27, 1931. 145.

Annual leaves
C.S.H. suggested taking up question of vacations for Board this summer.

Gov. Meyer sarcastically said — "I think there won't be any! Yes, Miller is to take a long one." Miller looked sheepish.
July 7, 1931. 71.

Approval of Board.
C.S.H. criticized minutes of Board for merely "noting" the action of New York in depositing 10 millions with the Reichsbank.
Approval of Board (Cont'd.)

C.S.H. said he understood that the Executive Committee of Board approved this deposit.

This was denied, and C.S.H. said he should in future not vote on any transaction in foreign bills unless New York affirmatively asked Board's approval.

C.S.H. said merely saying "Noted" was a surrender of power to N.Y.

Aug. 10, 1931. 127

See - Regulations
Power of Board

Argentine Ambassador
C.S.H. meets, at supper at Mrs. Harriman's. He was an old friend of Anna and spoke of her.

June 29, 1931. 64.

Armaments, Reduction of
See - Allied debts.

Houghton

Armistice Day, Nov. 11, 1931.
Dr. Scott said Dr. Butler wanted C.S.H. to preside at meeting on.

C.S.H. said Delano expected to preside, and we finally asked him.

Oct. 6, 1931. 151, 152.

See Carnegie Foundation.

Ashley, Charles S.
Dines with us to meet Mary Roberts Rhinehart.

Aug. 27, 1931. 133

Atlantic National Bank, Boston
Curtiss wired C.S.H. to meet him and Attorney of, in Boston.

Aug. 4, 1931. 118.

C.S.H. made appointment with Curtiss in Boston for tomorrow.

Aug. 5, 1931. 119.

C.S.H. meets Vice President and the Counsel at Federal Reserve Bank, Boston. Gov. Young, Curtiss, and National Bank Examiner also present.

The Board had ordered the national bank to dispossess itself of its holdings in the affiliate as the latter was not doing a foreign business but was merely a securities company in which the national bank had no right to invest.
Atlantic National Bank, Boston (Cont'd.)

The Atlantic Bank turned over this stock to trustees, but retained the right to take it back, or any proceeds if sold.

Board said this was not a dispossesssion under the law.

The Bank Counsel claimed that to prevent the National Bank acquiring anything in future from a liquidation of the stock would be a fraud on the national banks creditors and depositors.

C.S.H. asked him to put his claim in writing.

Aug. 6, 1931. 121.

Gov. Young informs Board as to Atlantic National Bank situation and Board refers it back to C.S.H. and Wyatt.

Aug. 11, 1931. 128.

Await, Deputy Comptroller, told C.S.H. that the Atlantic Bank had given $2 millions to its affiliate in addition to turning over to trustees its holdings of stock in affiliate. This made in all $2,850,000 which the Comptroller claims should be returned to the Atlantic Bank.

Await and Wyatt explained whole matter to Board and Await wanted it to examine theaffiliate, which Wyatt said it was Board's duty to do, as Atlantic Bank had not dispossessed itself of its holdings of stock in the affiliate.

Board referred matter to Await, Wyatt, and Chief Examiner Drinnen for report, the Governor or Executive officer being given power to order an examination if necessity arose.

Aug. 12, 1931. 129, 130.


Board approved and C.S.H. said would go to Boston tonight.

James suggested taking Drinnen with him.

C.S.H. had spoken to Deputy Comptroller in Pole's absence, and he raised no objection to C.S.H. telling Gov. Young and Curtiss as to the status.


C.S.H. and Drinnen have conference at Federal Reserve Bank, Boston, with Curtiss, and Gov. Young.

Agreed that it would be wise to have Drinnen examine the affiliate company in near future.

Sept. 3, 1931. 135.
Atlantic National Bank, Boston (Cont'd.)

C.S.H. wired Drinnen to meet him at Federal Reserve Bank, Boston. He went to Boston from Philadelphia where he was examining the Federal Reserve Bank.

C.S.H. talked with Comptroller as to examination of affiliate.

Comptroller said he wanted a thorough examination and that it could be done quietly without injury to Atlantic Bank.

C.S.H. asked Comptroller whether he wished it done even though the Atlantic Bank objected on ground it would injure it.

The Comptroller said he would not insist on an immediate examination, if we became satisfied it might injure the parent bank, in present unsettled banking conditions, but he did want it done unless we were satisfied injury would result.

Sept. 17, 1931. 141, 142.

Curtiss called up C.S.H. and said the Atlantic bank stock had slumped ten points, and that Hallett, the President, had intimated to him that there was little left in or to the affiliate.

Curtiss said he was fearful that an examination at this time of the affiliate might injure the parent bank.

C.S.H. agreed to meet Curtiss in Boston with Drinnen on Monday.

Sept. 18, 1931. 142.

C.S.H. called up McClelland and said the Atlantic bank stock had slumped ten points, and that Hallett, the President, had intimated to him that there was little left in or to the affiliate.

Curtiss said he was fearful that an examination at this time of the affiliate might injure the parent bank.

C.S.H. agreed to meet Curtiss in Boston with Drinnen on Monday.

Sept. 18, 1931. 142.

C.S.H. called up Meyer at Federal Reserve Bank, New York, and Gov. Meyer said he saw no reason why we should proceed with the examination if we felt it might injure the parent bank, and he agreed to postpone it if we deemed it advisable.

Sept. 19, 1931. 143

C.S.H. holds conference at Federal Reserve Bank, Boston.

Present: Chief Examiner Drinnen, Curtiss, Gov. Young and National Bank Examiner Williams.

We were unanimous that it would not be advisable to make the examination at the present time.

C.S.H. called up McClelland and told him to ask Gov. Meyer if the Board approved the postponement.

C.S.H. also had tried to reach the Comptroller but he had not arrived at his office, so C.S.H. told McClelland to give him a similar message.

McClelland later called C.S.H. up and said Gov. Meyer, James, and Magee approved.
We finally decided to postpone examination until the parent bank was examined by Comptroller in November.

Sept. 24, 1931.

Comptroller told C.S.H. he hoped Board would not insist on immediate examination of affiliate at the time he examined the parent bank, because of banking conditions.

C.S.H. told Wyatt who said he would like to consult with Awaite, Deputy Comptroller.

Later in afternoon, Wyatt came in with Floyd Harrison, and said he had had an interview with Comptroller and Awaite who both said they saw no reason why we should not make the examination; that the Comptroller called up National Bank Examiner Williams, who said such examination might disturb Hallett, but he did not think it would injure the parent bank.

C.S.H. said Curtiss was coming down Monday and felt we ought to hear him and inform Board we were going ahead as per its former vote - to which both agreed.

Nov. 5, 1931. 176, 177.

C.S.H. notified Board that Drinnen would examine the subsidiary simultaneously with the national bank examiner's examination of the national bank.

Nov. 10, 1931. 182.

Drinnen called and said he would examine as above.

Nov. 11, 1931. 185.

Attorney General of U.S.

C.S.H. refers to former decision of, that Federal reserve bank has no right to interfere with the state member bank's ownership in stock of other banks, permitted by state charter, unless such ownership injures the condition of the purchasing bank.

July 5, 1931. 73

See - Affiliates.

C.S.H. says if Board doubts its power to give credits to central European banks, it should ask opinion of.

July 20, 1931. 93
C.S.H. said before voting on Austrian credit he should want the opinion of Wyatt or Attorney General, and the Board members all felt this reasonable.

July 20, 1931. 93, 94.

Austria
See - Federal reserve credits
National Bank of Austria.

Austro-German tariff agreement.
The papers say France refused to help Germany unless she would give some political consideration, - giving up the Austro-German tariff agreement, scrapping the battleship then under construction etc. etc.

July 10, 1931. 82.

Two weeks ago called up Dr. James Brown Scott for copy of Kellogg's dissenting opinion as to.
The Carnegie Foundation had none and Scott said the State Dept. had none.

Nov. 5, 1931. 180, 181.

Await, Deputy Comptroller
See - Atlantic National Bank.

Attorney General of U.S. (Cont'd.)

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Nov. 5, 1931. 180, 181.

Await, Deputy Comptroller
See - Atlantic National Bank.
Baker, Ray Stannard

C.S.H. meets, at Cosmos Club.

He said two more volumes of his life of Wilson would be published in December. - Volumes 3 and 4.

He said nothing about C.S.H. revising Volume 4 - origin of Federal Reserve Act.

C.S.H. fears Mrs. Wilson may have forbidden him.

Nov. 3, 1931. 174.

C.S.H. invites him to lunch at Cosmos Club tomorrow.

Nov. 4, 1931. 174.

He lunches with C.S.H.

He said volume 5 would cover the growth of the Federal Reserve System and he hoped C.S.H. would go over the proof when ready.

After lunch he went into my room and I told him in a general way about my controversy with Mrs. Wilson. He was terribly shocked.

He said Mrs. Wilson had never mentioned or hinted at the matter and he never had the slightest suspicion of any such thing; that he often spoken of me to Mrs. Wilson and told her that morning that he was to lunch with me.

I told him if she ever spoke to him about me he could say that I had alluded to it and that it had broken my heart.

C.S.H. met him again that evening on the Federal Express and he said that after lunching with me Mrs. Wilson had driven him to the Folger Shakespeare building. He did not say that Mrs. Wilson had said anything to him.

May 5, 1931. 176.

Bank of England

Gov. Talley told C.S.H. that Miller and James favored buying more Government securities and lower discount rates to widen the spread between rate of - 3%, then sending us her gold.

April 30, 1931. 22.


May 15, 1931. 31.
The agreement was conditional on the raising of 150 millions of shillings from other sources, which the Bank of England became responsible for.

June 16, 1931. 51.

Bank of England advises Gov. Harrison that the Reichsbank had asked it, - over the telephone, - to arrange a credit of 100 millions against prime commercial bills, to be repaid July 16.

June 23, 1931. 55, 56.

See — Federal Reserve credits.

Federal Reserve Bank, New York, voted to buy 25 millions of sterling exchange because of the loss of gold by Bank of England and the disturbance of British exchange on condition that the Bank should buy bills with it, the bills to be held by Bank of England for Federal Reserve Bank, New York.

Executive Committee voted unanimously to approve — C.S.H., James, Magee.

July 24, 1931. 104, 105.

Gov. Harrison telephoned that a large credit was being arranged for Bank of England by the Bank of France and Federal Reserve System; that Bank of France would take 25 millions of pounds sterling, but we were expected to take much more; that his directors would vote on it tomorrow.

July 29, 1931. 112.

Federal Reserve Bank, New York, voted to deposit 125 millions with Bank of England, with which to buy 90 day bills guaranteed by the Bank of England.

The vote further stated that if any renewal for an appropriate time were requested the directors would give favorable consideration to it.

C.S.H. and Miller insisted on a clause that any renewal request should be transmitted to Federal Reserve Board for its approval.

Gov. Harrison agreed to this.

The New York directors wanted to make it 300 millions, but C.S.H. and Miller objected to any larger amount than what the Bank of France took, - 25 million pounds or 125 million dollars.
14.

Dank of Encland (Cont’d.)

The New York directors wished to make credit run for 6 months, but the Bank of France could not give more than 90 days; it gave, however, a gentleman’s agreement to renew for another 90 days.

Miller and C.S.H. insisted on 90 days, with provision as to renewals as above.

Owen Young particularly favored 200 millions.

Board unanimously approved:


Wyatt later said Board had clear right to approve this.

July 30, 1931.

115, 116, 117.

Federal Reserve Bank, New York, voted to renew the Reichsbank 25 million credit for another 93 days, at a rate denied by Bank of England and Bank of France of 10%.

Board voted approval.

Aug. 6, 1931. 119, 120.

Bank of England and France refused to agree on less than 10% on German renewal.

Aug. 6, 1931. 151.

C.S.H. told Sen. Glass that every bill bought from Bank of England was a genuine commercial bill.


Magee telephones C.S.H. that Gov. Meyer said in confidence that Great Britain was probably going off the gold standard.

Sept. 19, 1931. 143.

Thus she has left the gold standard and C.S.H. fears it will be a long time before she gets back.

Sept. 21, 1931. 144, 145.

See - Norman, Gov.
Bank of France

The proportion to be taken by the Bank of England and the Federal Reserve Bank of New York in the Reichsbank 100 million credit will be reduced by amount taken by B.I.S. and by Bank of France, which has been invited to join.

Gov. Harrison said he would make it a condition that Bank of France should join in a substantial amount.

A memorandum from Ogden Mills was read stating that the Bank of France was disposed to join on the understanding that it had nothing to do with Hoover's moratorium.

June 23, 1931. 55.

The Federal Reserve Bank of New York participation in the 100 million Reichsbank credit will be reduced by amount taken by Bank of France and other participants.

June 23, 1931. 56.

C.S.H. at first opposed condition that our participation was conditioned on Bank of France participating, as he disliked to put it in power of Bank of France to hold up needed relief.

Miller said if Bank of France did not participate it would take on a political tinge.

C.S.H. said in such case it would be the Bank of France which was playing politics.

June 23, 1931. 57.

See - France

Gov. Harrison advised us that Bank of France had agreed to participate on equal terms with Bank of England and Federal Reserve System.

June 23, 1931. 58.

Agrees to take 25 millions pounds sterling in proposed large credit to Bank of England.

July 29, 1931. 112.

C.S.H. and Miller objected to our taking more than the Bank of France, or to a longer period than the Bank of France could lawfully give, = 90 days.

July 30, 1931. 116.

Bank of France gave a gentleman's agreement for renewal for 90 days.

July 30, 1931. 118.
Bank of France (Cont'd.)

Bank of France and Bank of England agree to renewal of Reichsbank credit for 25 million for 90 days at rate of 10%. Aug. 5, 1931. 119.

Board thought this rather high but Bank of England and Bank of France refused to take less so it stood at 10%. Aug. 6, 1931. 121.

Gov. Meyer said the Bank of France once called up Gov. Norman and was told that he was out at lunch, when he was in fact on a ship bound for U.S. Sept. 16, 1931. 140.


Gov. Harrison told Bank of France it could not hold indefinitely in the Federal Reserve Bank of New York acceptances which had run off; that it must invest them, ear-mark them, or export them from U.S. In case of ear-marking the funds are carried as part of reserves, but a mere deposit in Federal reserve bank would be carried as or holding of foreign exchange and not credited to reserve account. Oct. 21, 1931. 169.

Dr. Goldwasser tells C.S.H. that Bank of France has not materially changed its deposits in U.S. during last 5 or 6 months, that it holds about 300 millions, of which 200 millions is in Federal Reserve Bank, New York, and the rest is elsewhere in other banks; that the American gold increase in Bank of France comes from Frenchmen selling holdings of U.S. securities for dollars, turning dollars into gold, exporting the gold and depositing it in Bank of France in return for France. Nov. 4, 1931. 178.

State Dept. sends a dispatch for its Chargé in Paris stating that the Assistant to Gov. Moret told one of the Embassy staff that the Bank of France would carefully watch its deposits in U.S. and Federal Reserve Bank of New York, and that if our policy was not conservative and opposed to inflation, it would withdraw its deposits.

(Page 16-A follows)
The Charge enclosed a clipping from a French paper, which he said he believed was inspired, intimating most clearly that the Federal Reserve Bank of New York begged the Bank of France not to withdraw its deposits and that the latter promised not to on condition that our policy was conservative and opposed to inflation.

C.S.H. wrote Gov. Meyer asking him to send this to Gov. Harrison for a reply.

France evidently feels that it put a pistol at Gov. Harrison's head and made him promise to be conservative and not to permit inflation.

Gov. Meyer said Gov. Harrison wants to attend B.I.S. meeting in May.

Gov. Meyer, C.S.H. and James saw no reason against this.

Gov. Meyer said Hoover and Stimson were not opposed to consultation with B.I.S. or some cooperation with it, as the announcement some time ago of the State Department would lead one to expect.
Bank of International Settlements (Cont'd.)

C.S.H. asked if Board could assume that any action taken by it in this matter would not be considered as in derogation of above State Dept. announcement.


Miller strongly objected.

Gov. Meyer said Walter Stewart was also going.  Oct. 10, 1931. 12

C.S.H. said he originally did not favor official participation in the B.I.S. by the Federal Reserve System, either directly or by its appointing the American directors, but he did favor this and now cooperation with the B.I.S. just as we are cooperating with the League of Nations.

All agreed that Gov. Harrison should have no authority to enter into any agreement not previously authorized by our Board.

Gov. Meyer said he did not approve of Gov. Harrison's last trip abroad, and warned him not to go to Basle, the seat of the B.I.S.

Gov. Meyer never mentioned this opposition to the Board.

Miller said it would be better for Gov. Harrison to remain in U.S. and familiarize himself with the problems of the Federal Reserve Bank of New York, at which Miller implied he had not been very successful.  April 11, 1931. 12, 13.

B.I.S. negotiates an Austrian credit.

Miller objected on ground that we should abstain from foreign banking complications.  May 15, 1931. 31, 32.

B.I.S. negotiates a deposit of 10 millions, contributed by central banks of which Federal Reserve Bank of New York was to take 2 millions, to be used to aid small central banks, including Hungary, to buy prime commercial bills, or to make secured deposits in these central banks, nothing to be done except as to Hungary except with future approval of Federal Reserve System.

Board voted to make a special deposit with B.I.S. as its agent, to be used to buy prime bills.

Miller did not vote.  Others were unanimous.

See - F.R. credits June 16, 1931. 49, 50.
Bank of International Settlements (Cont’d.)

B.I.S. asked to join in Reichsbank credit with Bank of England, Bank of France and Federal Reserve Bank, N.Y.

Board unanimously approves.

June 23, 1931. 56.

Gov. Harrison wired that after a conference between Ogden, Gov. Meyer and himself, his directors had voted to authorize two officers, with consent of two directors, —

(a) To deposit 10 millions in B.I.S. at interest for one year.

Or

(b) Direct the B.I.S. to invest this in prime bills bought from central banks needing relief.

C.S.H. asked if this did not mean Jugoslavia and Czechoslovakia in which countries France was interested.

Gov. Meyer said he did not know.

C.S.H. declined to delegate such power to two directors; that the Board should know just what central banks were to be helped.

Miller mildly objected.

Went over.

July 7, 1931. 69, 70.

The French published the agreement with Hoover which, among other things, provided for:

"Concerted action by the principal central banks through the intermediary of the B.I.S., shall be organized for the benefit of European countries which find themselves particularly affected by the proposed suspension of payments. (Moratorium)"

July 7, 1931. 72.

Board took up proposed deposit of 10 millions in B.I.S., or,
in the alternative, instructions to invest the amount in prime bills offered by European central bank.

C.S.H. preferred a time deposit.

Others suggested making the B.I.S. our agent to buy the bills.
Bank of International Settlements (Cont'd.)

C.S.H. asked if B.I.S. would guarantee all bills bought.

Gov. Meyer sharply said No, - this is an entirely different question, - but he did not explain why.

Board felt it ought not to pass upon the question in absence of a specific plan for the Federal Reserve Bank, New York.

All of the Board, including Miller, agreed on principle with the New York resolution.

Voted that Miller prepare a statement to that effect.

Voted also that the executive officer be empowered to approve the resolution, if it came back in specific form, at a time when there was no quorum of Board.


July 9, 1931. 79.

Gov. Harrison sends us copy of McGarrah telegram to all central banks asking each Governor to name a member of a Committee to consider plans to help Germany.

Gov. Harrison said he would consult the other Federal reserve banks, and, if agreeable to them, he would appoint some New York banker as a member of the Committee, provided the Board approved.

Gov. Harrison said he would make it clear to the M.S. that Federal Reserve Bank of New York was not a central bank in the European sense, and that it bought foreign bills really for the whole Federal Reserve System; that no one would be appointed from any Federal Reserve bank, and that the appointee would represent the banks of U.S. and not the Federal Reserve System.

Board voted to interpose no objection.


Gov. Harrison informed Board that his directors had authorized the officers to make a deposit for 6 months in B.I.S. for use in buying bills from central banks.

Miller raised question of power of Board.

C.S.H. said he believed Board had the power, but if anyone raised the question, he insisted on a legal opinion.
20.

Bank of International Settlements (Cont’d.)

Miller still questioned power.

C.S.H. moved for opinion from Wyatt.

Miller was very angry and said he would vote No, no matter what the opinion might be.

C.S.H. said he would vote No if counsel said Board had no such right.

Gov. Meyer said C.S.H.’s position was well taken.

Wyatt came and said that a 6 months deposit in B.I.S. was of doubtful legality, but that a deposit in B.I.S. with which to buy bills was clearly valid, although he doubted legality of a 6 months period.

James proposed a deposit with B.I.S. of ten millions with instructions to buy prime 90 day bills, the bills to be guaranteed by the B.I.S.

Doubt was expressed whether the B.I.S. would be willing to give a guaranty.

C.S.H. pointed out that the obligation to repay a deposit was as great as would be a guaranty.

Gov. Meyer said the B.I.S. could give us, say Italian bills or other absolutely liquid bills, and then buy other bills with the proceeds.

Gov. Meyer called up Gov. Harrison who said he would take it up with McGarrah.

Gov. Meyer said he would vote for this deposit in a lawful form, to end forever further purchases of their foreign bills.

July 28, 1931.

Board approved vote of New York to make a demand deposit in B.I.S. with which to buy 90-day prime bills, guaranteed by B.I.S.

July 30, 1931.

Miller strongly objected to a statement in papers purporting to quote Dr. Burgess’s defense of the Federal Reserve System before the B.I.S. at Basel.

Miller demanded an official inquiry as to why Burgess was sent abroad to the B.I.S. meeting.
Bank of International Settlements (Cont'd.)

Miller said the Board had no knowledge of this until one day Gov. Meyer told the Board Burgess had asked. This is true.

Miller said approval of Board should have been asked.

Oct. 12, 1931. 159, 160.

See - Burgess

Miller said he had heard that Burgess was sent over to B.I.S. to convince McGarrah that his request that all B.I.S. deposits be made specifically payable in gold was not practicable.


B.I.S. agreed to second renewal of Reichsbank credit provided Bank of France and Federal Reserve Bank, New York, agreed.

Oct. 20, 1931. 165.

Burgess came before Board and explained his trip to B.I.S.

He said McGarrah wanted a guarantee that all B.I.S. deposits should be payable in gold.

He also said the National Bank of Switzerland had made a regulation that it would not buy any dollar exchange except with a guaranty of payment in gold.

He said he convinced McGarrah and the Swiss bank that this was not practicable and that the Swiss bank revoked its regulation.

Miller said the B.I.S. was insolvent.

Burgess denied this but admitted that it was not liquid.

C.S.H. asked if B.I.S. had a fighting chance to pull through.

Burgess said it had very much more than a fighting chance.

Burgess said many of the central banks had agreed not to draw down their deposits.


See - Burgess
Bankers cooperation. 152
See - Hoover

Banking conditions
Gov. Meyer said, were very serious.

Bar Harbor, Maine.
Rachel Hale goes to, tomorrow to visit Emily Trevor.
July 1, 1931. 67

Still at, to return the last of the week.
July 13, 1931. 86

Barnes, Mrs. Cecil
H.P.K. arranges to have, call on Mary Roberts Reinhart.
She had a delightful call.
Sept. 12, 1931. 137.

Dines with us at Mattapoisett.
Sept. 20, 1931. 143.

Baruch, B. 91
See - James

Beale
See - B.I.S.

Bayard, Mrs.
C.S.H. calls on.
June 26, 1931. 50.

C.S.H. calls on.
Sept. 16, 1931. 141.

Beal, T. 2nd National Bank, Boston
C.S.H. meets, at lunch at Union Club given by Curtiss.
Oct. 16, 1931. 164.

Beale, Mrs.
185, 184
See - Hale, Rachel

Belgium
Gov. Norman told Board that, and France had stabilised on too low a basis, but that they got a great temporary advantage over England thereby, but that prices had so risen that the advantage had been lost.
April 6, 1931. 8.
Belgium (Cont'd.)

C.S.H. refers to Belgian credit in which the Federal Reserve Bank, New York remitted the commission charges taken by the other participating central banks. Aug. 5, 1931, 130.

See — National Bank of Belgium

Bellegarde
See — Haitian Minister

Bills
See — Acceptances
Federal reserve credits
Open market operations
Sterling

Bills, Foreign
Glass denies power in Federal Reserve System to buy, to aid central banks, such bills not being genuine commercial bills.


Wills said the German bills bought by Federal Reserve System were not commercial bills. Oct. 7, 1931, 155.

Glass asked C.S.H. if Federal reserve banks were buying frozen German bills, — 600 millions. Oct. 7, 1931, 155.


Birthdays
Grant, Catherine
Will be 43 on November 25, 1931. 72.

Grant, Christopher
Born July 22, 1929. 72.

Hamlin, Anna. 167
See Same

Hamlin, C.S.

Birthdays (Cont'd.)

Hamlin, C. S. (Cont'd.)
Magee sends charming letter.
Aug. 29, 1931. 134

Nancy and Margaret Warren send telegram.
Aug. 29, 1931. 134

Black, Gov.
Had left open market policy conference when Board conferred with the Governors.
Aug. 10, 1931. 134

Blair, Gist
We meet, at dinner at Mr. and Mrs. Dodge's.
April 21, 1931. 17

Blake, Mrs. Arthur
Dines with us.
Oct. 25, 1931. 173
Oct. 31, 1931. 173

Leaves Mattapoisett for Boston.
Nov. 5, 1931. 177

Bliss, Robert
We visit house and grounds of, with Miss Hagerman and Nancy McCoombe.
May 16, 1931. 32

Blood pressure
Taken by Dr. Dunn. 160.
April 25, 1931. 20

Taken by Dr. Joslin. 160. He said this was absolutely normal. 160.
Nov. 9, 1931. 161-162

Blood sugar
Dr. Dunn. 1016.
April 29, 1931. 22

Dr. Joslin. 142.
April 29, 1931. 22

Boardman, Mabel
We meet, at dinner at Polish Embassy.
June 3, 1931. 38

Bolling, Randolph. 39.
See - Wilson, Mrs.

Bond market
Gov. Harrison tells Magee that increasing discount rates would greatly injure the.
Sept. 16, 1931. 141

C.S.H. and Miller say that fact that increased discount rates might affect bond market should not be a reason for not increasing.
Oct. 1, 1931. 148
Gov. Meyer said that Herbern Fess of State Department wanted Federal Reserve Board to get behind a long term credit for Germany; that he told him that was a matter rather for the Federal Reserve Board than for the State Dept.

July 25, 1931. 84

See - Germany

Boston

See - Cow pasture

Federal Reserve Bank, Boston

Curtiss, Federal Reserve Agent

Young, Gov.

Bovley, Gen.

Told Mrs. Larz Anderson that he had tried to help Gertrude Meyers straighten out her affairs, but nothing was ever right.

July 24, 1931. 105, 106.

Both Helm tells C.S.H. that, has just been married.

Oct. 14, 1931. 163

Branch banks

Gianini tells James that MoAdoo told him - Gianini - that he could pull over James as to branches of Bank of Italy but that it would cost $50,000, which he paid MoAdoo, who, however, failed to "pull over" James. James said Gianini asked him what his price was.

July 16, 1931. 91

Brandeis, Justice

C.S.H. calls on.

Judge Brandeis said the modern bank has too many inconsistent functions - demand deposits, savings deposits, trust functions, investment functions, placing of securities, affiliates, etc.

Nov. 5, 1931. 177.

Briand-Kellogg pact

William Hard over radio says Hoover refused to agree with Laval to "consult" in case of a breach of.

Oct. 28, 1931. 166.

Bright, Frank

Told H.R.H. that Gov. Meyer's brother once told him that Gov. Meyer's income was a million dollars a year.

May 26, 1931. 37.
British Ambassador. 17.
See — Delano, Mrs.
Miller, Mrs.

British Navy 53
See — Daniels, Josephus

Broadening of eligibility, Federal Reserve Act
See — Eligibility
Eligible paper
Non-eligible paper

Bulk head line
See — C.S.H.

Gov. Meyer said, had good qualities but the Federal Reserve
Bank, New York, needed strengthening at top.
April 11, 1931. 13, 14.

New York Times says report is current that is going to Chile to
study conditions there; that New York bankers have asked this.
This has never been mentioned to Board.
June 28, 1931. 64.

Miller, who had been in New York with Gov. Meyer told C.S.H. before
the meeting that there was a troublesome question in New York
which Gov. Meyer would tell the Board.

Gov. Meyer at meeting said nothing and C.S.H. finally asked him as
to conditions in New York. He said there was nothing to speak
off, which surprised C.S.H. greatly in view of what Miller had
said to him.

Miller after the meeting walked with Gov. Meyer towards his office.

Then Gov. Meyer called out to C.S.H. and entered his office.

Meantime Miller asked C.S.H. if his question to Gov. Meyer had to
do with an alleged agreement to buy Chilean bills, and sent
Burgess to Chile.

C.S.H. said he had read of this rumor but it had never come up
before the Board; that his sole reason in asking Gov. Meyer
was because of what Miller said to him before the meeting,
but what Miller referred to C.S.H. did not know, and therefore
he asked Gov. Meyer with the above negative reply.
Miller said he had in mind the alleged Chilean relief and trip of Burgess.

C.S.H. and Miller agreed this would be very foolish.

Gov. Meyer then went into Gov. Meyer's office.

Gov. Meyer said C.S.H. Mitchell had persuaded the Federal Reserve Bank of New York directors to vote favoring buying Chilean bills and sending Burgess to Chile.

Gov. Meyer said he told Gov. Harrison the Board would never agree to this; that it would be most unwise to involve the Federal Reserve System in South American affairs.

C.S.H. said if Burgess was sent he ought to go to all South American countries, to which Gov. Meyer agreed.

Gov. Meyer said even if Board wanted to send Burgess to Chile, the Federal Reserve Bank of New York could not spare him in Case's illness.

Gov. Meyer said he would explain this to James.

Gov. Meyer never mentioned this to the Board, as he clearly should have done.

June 30, 1931.

Miller brought up the question of Burgess's trip abroad to B.I.S.

He said he gathered from newspaper men that Burgess was to attend the B.I.S. directors meeting; that from other sources he gathered that McGarrah wanted a guarantee that all B.I.S. deposits in U.S. should be payable in gold and that Burgess had gone over to convince McGarrah this was not practicable.

Gov. Meyer seemed to know all about Burgess but he had never mentioned his going over to the Board.

Oct. 5, 1931. 150, 151.

Miller strongly objected to what purported to be an account in the papers of Burgess's remarks to the B.I.S. defending the Federal Reserve System.
Miller said he should ask for an official inquiry why Burgess was sent to B.I.S.; that the Board knew nothing of it until Gov. Meyer told Board Burgess had sailed; that the Board's consent should have been asked.


Miller said Gov. Meyer must have had knowledge which he had never given to Board.

Gov. Meyer resented this but did not specifically deny it.

Later, in C.S.H.'s office, Gov. Meyer said Miller's statements were "insinuating", meaning "insulting."

C.S.H. believes Gov. Meyer knew all about Burgess's trip and very likely consented to it without informing the Board.

C.S.H. asked Gov. Meyer if he did not believe the distrust of the Federal Reserve System, which Burgess sought to dispel, was not inspired by the French, and Gov. Meyer said he believed it was.

Board all agreed that Burgess's talk did not help matters, but that he should have kept quiet.

Later, Gov. Meyer wired Gov. Harrison that Board was disturbed about Burgess's alleged talk and that he should warn Burgess under no circumstances to give out any interview.

Burgess came before Board to explain his trip to B.I.S. He said that McGarrah wanted a guaranty that all deposits made by the B.I.S. in Federal reserve banks and other banks in U.S. should be payable specifically in gold; that the Swiss National Bank by regulation refused to buy dollar exchange unless so guaranteed; that he had persuaded McGarrah and the Swiss Bank that it was impracticable to make any bank a preferred creditor and that the latter revoked its regulation.

He said the B.I.S. was not in a liquid condition.

Miller said it was insolvent but Burgess denied this.

C.S.H. asked if it had a fighting chance of pulling through and Burgess said it had much more than that.
Burgess, W. R. Federal Reserve Bank, New York (Cont'd.)

He said France had difficulty in balancing its budget, that prices were up and cost of living very high; that manufacturing costs were very high; that there was much hoarding.

He said he told the French that the U.S. had gone through a severe liquidation or deflation during the last two years and that France must do the same.


Burgess told Board that Anderson's article on free gold had greatly injured the Federal Reserve System abroad.

(This article was published Mar. 16, 1931. See 213 Scrap books, 98)


Business conditions

Gov. Meyer said, were very serious.

Oct. 1, 1931. 148

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

Butler, Charles

We meet, at dinner at Dr. and Mrs. Richmond's.

April 4, 1931. 5

Butler, Nicholas Murray

G.S.H. sends Rachel Hale a copy of address of. "These United States"

April 1, 1931. 2.

Wants G.S.H. to preside at Armistice Day meeting, but G.S.H. said Delano expected to preside.

Oct. 6, 1931. 151, 152.
Cabinet officer

Gov. Meyer evidently feels that he is a, uncontrolled by our Board.

June 23, 1931.

Calkins, Gov. Federal Reserve Bank, San Francisco

James tells C.S.H. that Gov. Meyer knows well that Gov. Harrison gave, a raw deal as to Bank of America, but is too shrewd to commit himself.

July 23, 1931.

Gov. Calkins had left the meeting when Board conferred with the Governors Open Market Conference Committee.

Aug. 10, 1931.

Gov. Meyer said Gov. Calkins asked him over telephone whether, in case of any sudden unexpected crisis it would be permissible to loan on paper not strictly eligible, and that he told him that in his opinion, it would be permissible.

Sept. 29, 1931.

Carnegie Foundation

We go to New York to attend meeting.

May 6, 1931.

C.S.H. attends meeting.

C.S.H. lunches with trustees at Century Club and sits beside Dr. Pritchett.

C.S.H. asked Dr. Pritchett as to Wilson's application for a pension and Pritchett explains matter.

May 7, 1931.

C.S.H. sends Rachel Hale a copy of William Llartin's article on European countries, published by...

May 12, 1931.

May 26, 1931.

Dr. Butler wanted C.S.H. to preside at Armistice Day meeting but C.S.H. pointed out that Delano expected to preside.

Oct. 6, 1931.

C.S.H. said if Delano could not preside he would.

Oct. 7, 1931.

C.S.H. presides at lunch to Pan American Conference given by.

Oct. 12, 1931.
Carnegie Foundation (Cont'd.)

C.S.H. asked Dr. Scott two weeks ago for a copy of Kellogg's dissenting opinion in advisory opinion of World Court on Austria-German tariff agreement.

Scott said, had no copy and that he inquired at State Department and it had no copy.

Nov. 5, 1931. 180, 181.

Carnegie Pension fund. 6.

See - Carnegie Foundation

Pritchett

Wilson

Attended armistice day meeting called by Delano preside and Huston Thompson and Frederick Coudert spoke.

Nov. 11, 1931. 185.

Case, Deputy Governor, Federal Reserve Bank, New York.

Gov. Meyer said Case was good and also Burgess but something more was needed in Federal Reserve Bank, New York.

April 15, 1931. 15.

Board asked to report just what examination, if any, of the trust side of New York state member banks is made by State Bank Dept.

May 29, 1931. 41.

Has been ill for some time.

June 30, 1931. 67.

Castle, Under Secretary of State

Gov. Meyer says, has talked too glibly, and that Mills had publicly taken issue with him as to his statement intimating that allied debt revision was a possibility, to prevent the public getting at the facts.

June 17, 1931. 53.

Gives out statement denying that the Federal reserve had agreed to give further credits to Reichsbank, and adding that the Government had no jurisdiction over Federal Reserve System.

July 12, 1931. 81, 88.

Central banking system

Action of Governors in open market conference in voting 11 to 1 against Gov. Harrison's plan of further easing of market, convinces C.S.H. that, although we have a central banking system, the Federal Reserve Bank of New York is not the central bank.

Aug. 10, 1931. 126.
Central banks plan to deposit 10 millions in B.I.S. to help smaller European central banks. June 16, 1931. 49.

See - Federal reserve credits
C.S.H. told reporter he had not heard of rumor that the Federal Reserve System was to give credits to South American. June 27, 1931. 62.

New York Times says Federal Reserve System is to cooperate with New York banking interests to give credits to central banks of South America. June 28, 1931. 63

See - Burgess

New York Times publishes text of Hoover-Leval agreement, which stated that the Federal reserve banks would cooperate with the European central banks to help those which were weak. July 7, 1931. 71.

The French copy of Hoover-Leval agreement pledges concerted action by the principal central banks through the B.I.S. for the benefit of European countries affected by the proposed moratorium. July 7, 1931. 72.

Board considers deposit with B.I.S. with which to buy bills from European central banks. July 9, 1931. 77, 78.

See - B.I.S.

Federal reserve credits
C.S.H. reads to Board letter of Glass protesting against credits to European. July 20, 1931. 93.

See - Glass

Hoover writes to International Conference as to effort by central banks to persuade banks not to draw down their short term loans to Germany. July 21, 1931. 96.

C.S.H. asks Gov. Meyer how he defined word "cooperation" in Hoover letter to International Conference, whether it meant a pledge of further Federal reserve credits. July 21, 1931. 97.

See - Federal reserve credits
Meyer, Gov.
Contra banks (Cont'd.)

Board discussed B.I.S. telegram to all central banks to name a member of a Committee to consider help to Germany. July 28, 1931. 108.

Gov. Harrison said he would make it clear to B.I.S. that the Federal Reserve Bank of New York was not a central bank in European sense. July 28, 1931. 109.

C.S.H. feels that vote of Governors Conference of 11 to 1 against Gov. Harrison's desire further to ease money market shows that while Federal reserve is a central banking system, the Federal Reserve Bank of New York is not the central bank. Aug. 10, 1931. 126.

Glass told C.S.H., but rather mildly, that he still could not see how Federal Reserve System had authority to buy bills to help European central banks. Oct. 7, 1931. 154.

Central Trust Company, Chicago

C.S.H. asks Gov. Meyer if the proposed merger of, with another bank, - National Bank of Republic, - meant that either bank was in trouble.

Gov. Meyer said he knew nothing about it except what had appeared in the papers; that Stevens, Federal Reserve Agent, had not mentioned it. June 12, 1931. 48.

Board considered above merger.

Chicago Executive Committee said the set up was satisfactory and advised approval.

Committee seemed to attach some importance to a guaranty given by National Bank of Republic.

Miller and James insisted on examination whether the guaranty was good for anything.

The matter had to be decided Saturday morning.

C.S.H. said he would cancel his trip to Mattapoisett.

Miller, about to go to New York, - made no similar offer although he was on the Chicago Committee to report to Board on the merger.
The time came for Miller to leave and he left saying he was ready to vote approval on the facts already known, although he had been criticizing the set up for over an hour. Miller said Gov. Meyer—absent—favored approval.

It was felt that a rejection would be fraught with serious consequences in Chicago, as conditions were very disturbed there.

C.S.H. said he would accept the recommendation of Federal Reserve Agent Stevens and the Executive officers. James would not agree and said Board must find some way to approve it. C.S.H. feels Gov. Meyer and Miller should have been present as in their absence the Board's executive committee must be unanimous.

July 23, 1931. 102, 103.

Executive Committee voted approval of the merger.

July 24, 1931. 106.

Choral festival

We attend, at White Plains, as guests of Gov. and Mrs. Meyer.

May 22, 1931. 34.

Chronology, Wilson

See—Wilson chronology.

Cleveland, Grover

Prof. Nevins writes C.S.H. that first draft of his life of, will be completed next fall and he hoped C.S.H. would be willing to go over it carefully.

April 1, 1931. 1.

Gov. Norman said he found no interest in the silver question either in India or China; that Kammer made an exhaustive and exhausting report advising China to go into gold exchange standard, but that China paid no attention to it; that the decline in silver had not affected Chinese exports but had cut down her imports, which may not have been bad for her; that our exports to China, however, had not declined.

April 6, 1931. 7, 8.

China

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Cleveland, Grover

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April 1, 1931. 1.
Collapse of Europe

Gov. Meyer says, means danger to U.S. which we should do all we can to avert; that by helping Europe we helped Germany, while failure to help might precipitate her fall.

June 16, 1931, 50.

Collateral for Federal reserve notes

Gov. Harrison agreed with C.S.H. that it would be safe to reserve the requirement of collateral, above the 40% required reserve, for Federal reserve notes. Gov. Harrison would like to have the notes changed to direct obligations of the Federal reserve banks.

April 7, 1931. 10, 11.

Commissions

C.S.H. pointed out the German credit called for a commission; that he approved of this but remembered that Board objected to it in Belgian credit and the Federal Reserve Bank of New York finally rebated it.

Miller and James said this was settled by previous vote of Board, to which all agreed.

June 26, 1931, 61, 62.

Some of Board at first objected to the 10% renewal rate for German 26 million credit, but C.S.H. said we should go along with Bank of England and Bank of France which insisted on this rate, and thus avoid the condition we got into when we rebated to Belgium the commission on her credit. Agreed to.

Aug. 5, 1931. 120.

Committee on reserves

Renders preliminary report.

Aug. 18, 1931, 132

See - Reserves

Comptroller of Currency

Comptroller in and made a quorum and voted for Austrian credit.

May 15, 1931, 51

Voted to permit Federal Reserve Bank, New York, to take 1 million more bills under Austrian credit.

June 16, 1931, 49.

Voted for 10 million deposit with B.I.S. to aid smaller central banks.

June 16, 1931, 50.
Controller of Currency (Cont'd.)

Voted for 5 million Bank of Hungary credit.
June 26, 1931. 61.

Voted to order Mercantile Bank & Trust Co. to divest itself of stock holdings in a national bank.
July 8, 1931. 73, 74.

Tells C.S.H. he wants our Board to examine thoroughly the subsidiary of Atlantic National Bank, and thought it could be done quietly and without injury to parent bank.

He said, however, he would not insist on an immediate examination, if we believed it might injure the parent bank.
Sept. 17, 1931. 141, 142.

C.S.H. advises, from Boston, that National Bank Examiner, Gov. Young, Curtiss and Drinnen all agree examination should be postponed until parent bank is examined by National Bank Examiner in November.
Sept. 21, 1931. 144.

Votes to approve increase of discount rates at New York to 21/2.
Oct. 8, 1931. 158.

Told C.S.H. he hoped Board would not insist on examining affiliate of Atlantic National Bank, when the parent bank was examined.

Asked Board to forget it.
Nov. 5, 1931. 176, 177.

In afternoon, after consultation with Amalt, Floyd Harrison, and Wyatt, he said he saw no reason why we should not examine it.
Nov. 5, 1931. 177.

See - Atlantic National Bank

Condition, Admission of state banks
As to holding stock in other banks.

Penn. Co. case.

No condition was imposed on entrance, but it merged with another bank which was subject to the condition.

Board ruled new company was subject to the condition.
37.

Condition, Admission of state banks (Cont'd.)

C.S.H. and Wyatt advised Board they would recommend (C.S.H. only as a compromise) interposing no objection to the purchases if made only for investment, and did not exceed 20% of the capital of the bank whose stock was purchased.

Gov. Meyer rather favored this.

Miller said that while he was willing to forget the past he would insist on imposing the condition as to future purchases.

Board finally agreed to give hearing to Penn. Company.

C.S.H. said he believed the Board could lawfully impose a condition that no stock in other banks could be bought without the consent of the Board, but that the Board would have no right under the condition to refuse its consent in all cases, but would be bound to grant consent unless the investment in the stock affected adversely the condition of the parent company.

May 6, 1931. 23, 24.

Board took up Mercantile Bank & Trust Co. holding all of stock of a national bank. The member bank under Missouri law could hold all of the stock of one bank in trust company.

The bank merged with the national bank and Board originally permitted it to continue to hold the stock until its trusts could be wound up.

Later the Bank decided to operate the national bank permanently and with Comptroller's consent, changed its location and began active business. It asked Board for permission, but Board for over a year has held it unsettled.

C.S.H. doubted the power of the Board to prevent the bank holding this stock as its charter permitted this, and Sec. 9 Federal Reserve Act as amended give it unimpaired its charter rights save as conflict with the Federal Reserve Act or lawful regulations thereunder.

C.S.H. admitted Board could have a regulation forbidding ownership of such stock without Board's consent, but claimed that it would be bound to give its consent unless the holding of stock jeopardized the condition of the holding bank.

C.S.H. cited an opinion to this effect by the Attorney General, although Wyatt claimed it did not really decide this.
Condition, Admission of state banks (Cont'd.)

Gov. Meyer asked C.S.H. to prepare a memorandum of his views which he did. (See scrap books)

Wyatt claimed verbally that holding of stock in another bank of itself affected the soundness of the holding bank.

No one even claimed in this case that this stock holding affected adversely in fact the holding bank.

C.S.H. said there was no necessity for a specific regulation as to stock holding as the general condition as to change of assets covered it.

C.S.H. prepared a list of 15 cases in which Board had granted permission to hold stock of another bank, and in 9 of these the stock was originally bought without prior approval of the Board.

In only one of these, however, did a bank own all of the stock (except qualifying share) of the other bank.

Gov. Meyer and the other members insisted on ordering the bank to dispossess itself of the stock so voted, and Federal Reserve Agent Wood was directed to inform the bank of the decision and confer with Board as to the best means of enforcing it.

Aye: Gov. Meyer, Miller, James, Comptroller
No: C.S.H.

July 8, 1931. 72, 73, 74.

Federal Reserve Agent Wood was directed to inform the Bank and another St. Louis Bank similarly situated, of the Board's decision.

Federal Reserve Agent Wood told C.S.H. that neither bank was affected adversely by ownership of the stock.

July 14, 1931. 88.

Lonsdale, of Mercantile Bank & Trust Co. came before Board and stated that he had supposed that Gov. Young and Comptroller had given him permission to carry on the national bank.

Board agreed to give him a reasonable time in which to dispose of the stock in view of banking conditions in St. Louis.

Aug. 11, 1931. 128.

Conditions, Banking and business

See: Banking conditions

Business conditions
Conferences

Gov. Meyer referred very briefly to a conference or conferences with State Department, at which it developed that the State Department was much disturbed at conditions in Germany.

The conference was held, as later appeared, about June 13, but this, I believe, is the first reference to it before the Federal Reserve Board.

June 17, 1931. 53.

New York says that as result of a conference between Federal reserve and Treasury officials, the Federal Reserve System is to cooperate with New York banking interests in extending aid to Latin American countries through credits; that the White House denied the Government was considering plans for a discussion of South American debts; that before the statement was made, and before the Federal reserve and Treasury officials had completed their discussion, the State Department announced that the Federal Reserve Board was studying the whole situation; that Gov. Harrison took part in a series of conferences, ending today, and talked with Ogden Mills, among others, and discussed the situation with Gov. Meyer; that the announcement following the last meeting was that New York banking interests would have the cooperation of the Federal Reserve System in making an investigation of Latin American conditions, preparatory to the possible granting of credits; that Burgess would go to Chile to investigate conditions; that the New York banking interests had asked the Federal Reserve Bank, New York, for the sources of an official to investigate conditions in South America, and had suggested Burgess.

C.S.H. never heard the above mentioned in the Federal Reserve Board by Gov. Meyer or by anyone else.

The spectacle of the State Department, Ogden Mills, Gov. Harrison, and Gov. Meyer settling policies of the Federal Reserve Board behind its back, is certainly strange!

(See scrap book for N.Y. Times statement.)

June 28, 1931. 63, 94.

Gov. Meyer tells C.S.H. personally that C.E. Mitchell persuaded the Federal Reserve Bank of New York directors to have a resolution favoring buying bills in Chile and sending Burgess there to investigate but that he told Gov. Harrison that the Federal Reserve Board would not agree to this.
Conferences (Cont'd.)

Gov. Meyer, however, never gave the Board a chance to pass on it and C.S.H. believes there is no record in Board of any such vote of Federal Reserve Bank, New York.

Gov. Meyer said he would speak of this to James.

Miller knew it as he had just been in New York with Meyer.

Gov. Meyer concealed from Board his previous knowledge of this.

June 30, 1931. 65, 66, 67.

See — Meyer, Gov. Miller

New York Times refers to a conference between Hoover, Ogden Mills, Gov. Meyer and State Dept. over German Reparations. It referred to the claim of France that she must retain 25 millions out of the money remitted to Germany (Moratorium) for loans to Jugoslavia and Czechoslovakia, and stated that the Federal Reserve System might buy bills from the central banks of these countries, up to that amount, to satisfy France.

July 3, 1931. 67, 68.

Gov. Harrison waves Board stating that, referring to a conference between Ogden Mills, Gov. Meyer and himself, his directors had voted to authorize the officers with the consent of two of the directors to deposit ten millions with B.I.S. etc.

July 7, 1931. 69.

C.S.H. had never been told of any such conference.

See — B.I.S. Congress Federal reserve credits.

New York Times give text of accord reached between Hoover and France, one clause of which stated that the various central banks and the Federal Reserve System would cooperate to help weak central banks of Europe.

This had never been previously mentioned to Federal Reserve Board.

C.S.H. is satisfied that Hoover, Mills and Gov. Meyer agreed to some pledge of cooperation but the Board had never been told of it. July 7, 1931. 71.
Conferences (Cont'd.)

Gov. Meyer wired C.S.H. on train at Philadelphia that he could not go to Washington with him as agreed, because he was detained at a conference in New York.

July 12, 1931. 83.

Gov. Meyer tells Board there was a conference in New York yesterday — Sunday, that Gov. Harrison, Ogden Mills, Owen D. Young, Parker Gilbert and others were present; that the principal topic discussed was whether the Federal Reserve Bank of New York should issue a reassuring statement; that this was decided in the negative and that Ogden Mills gave out a statement personally; that the decision was reached that the German situation was a Governmental and not a banking question; that the Federal Reserve System should go slowly as to any future credits unless and until some definite plan of permanent relief could be worked out; that Parker Gilbert said Germany had not managed her banking and financial problems well; that by credit rationing she could have avoided the crash.

July 12, 1931. 83, 84.

Gov. Meyer told C.S.H. that at a conference at Sec. Stinson's house on June 13th, every effort was made to dump all assistance to Germany upon the Federal Reserve System, but that he fought this.

July 28, 1931. 111

New York Times states that Hoover called together in conference Ogden Hills, Gov. Meyer and Sec. Lamont, but no details were given.

Gov. Meyer never mentioned this to the Federal Reserve Board. Oct. 2, 1931. 149.

See — International Conference Pan American Conference

Congress

C.S.H. believes Hoover should call a special session, and ask for authority:

1. To guarantee German long term bonds up to a certain amount with or without cooperation of other nations.

2. Guaranty German bonds issued under Dawes and Young plan held in good faith by American citizens on Jan. 1, 1931.

3. Offer to reduce Allied debts by amount armaments are reduced.
4. Direct Federal Farm Loan Board not to sell Govt. stores (grain stabilization corporation) of wheat, cotton and tobacco, until a certain market price is reached.

5. Horizontal reduction of tariff by 25%.

6. Join League of Nations with the reservations agreed to by Wilson in letter to Senator Hitchcock.

7. Join World Court.

C.S.H.

July 10, 1931. 82.

Hoover feels that whatever action Congress might take would not be as bad for Hoover as to await the regular session in December.

July 10, 1931. 83.

Hoover calls into Conference the leaders of both parties who agree on principles:

1. Establishment of National Credit Corporation.

2. Cooperation of Federal reserve banks with bankers in making advances on sound securities of failed banks, to insure prompt payment to depositors.

3. Federal reserve banks to appoint Committee to carry out above.


5. If necessary form new corporation like War Finance Corporation.


Hoover said he would discuss Allied debts with Laval and that this was not considered in above conference.

Of the above propositions 2 was suggested by Board in 1918.

(See index to Federal Reserve Bulletins by C.S.H. under head of failed banks.)
Gov. Meyer never mentioned 1 or 5 to Board.

Gov. Meyer once referred briefly to 4 giving the Board to understand that he was opposed to it.


Commd. The Misses C.S.H. invited to dinner at Cosmos Club but they could not come.

Aug. 4, 1931, 119.

Consultative pact

Hard, over Radio, said that the talk between Hoover and Laval settled the fact that the U.S. would never enter any security agreement with France nor even agree to "consult" in case of a violation of Briand-Kellogg pact.

Oct. 28, 1931, 166.

Copper

Gov. Meyer told C.S.H. he was familiar with conditions in Chile as he had placed millions of bonds representing copper and other interests there.

June 30, 1931, 66.

Correspondent and agent

Board willing to have B.I.S. open account with Federal Reserve Bank of New York as its, but as yet not willing to have Federal Reserve Bank of New York appoint B.I.S. as its.

In this case, however, Board agreed to approve a deposit in B.I.S. as special agent of Federal Reserve Bank of New York with which to buy bills.

June 16, 1931, 50.

Cosmos Club

C.S.H. moves from Hay-Adams House to Cosmos Club.

June 13, 1931, 48.

Cost of living

Burgess said France was suffering from high cost of living.

Oct. 30, 1931, 171.

Coudert, Frederic

Address Armistice meeting.

Carnegie Foundation.

Nov. 11, 1931, 188

Court of International Justice

World Court.
Cow pasture
Edward Hamlin attended hearing before Public Works Committee as to extending bulk head line of cow pasture.

The Committee said it would withdraw its former opposition and would do all it could to help Hodsdon’s plan.

Bill now goes to Ways and Means Committee of H.R. and should be reported back next week.

April 23, 1931. 19.

Edward Hamlin writes that the bill has had two readings in H.R. and now goes to Senate and will be before the Governor next week.

May 7, 1931. 28.

Edward Hamlin writes that Governor Ely has signed the bill, and that Hodsdon says he will send out notices at once for partial payment of subscription, and seems very happy.

May 14, 1931. 31.

The War Department has just officially approved the extension of the bulk line.

Sept. 24, 1931. 145.

Crane, John
H.R.H. calls on Mrs. Miller to meet mother-in-law of.

May 12, 1931. 30.

Crane, U.S. District Attorney. 52.
See - Daniels, Sec.

Crane, Mr. Federal Reserve Bank, New York.
Tells McClelland that Bank of England will hold all bills purchased under Federal reserve credit for the Federal Reserve Bank of New York.

July 24, 1931. 104, 105.

Credit rationing
Gov. Harrison called Gov. Elyman that Germany, before securing further credits from Federal Reserve System and from American banks, must satisfy the world that she is doing everything to maintain her credit position; that credit rationing seemed to be called for and immediately.

July 9, 1931. 79.

Parker, Gilbert said Germany could have avoided the crash by credit rationing.

July 15, 1931. 84.

Crane, Vice President
See - Short term credits.

Curtis, Vice President
Charles Warren said they dined with Eugene Meyer; that Mrs. Sarn was
Curtiss, Vice President (Cont'd.)

given precedence over the wife of a U.S. Supreme Court Justice.
April 4, 1931.

Curtiss, Federal Reserve Agent, Boston
C.S.H. spends two hours with, at Federal Reserve Bank, Boston.
June 22, 1931.

Telephones and wires C.S.H. to confer with him at Boston.
Aug. 4, 1931.

C.S.H. agrees to meet Curtiss in Boston tomorrow, Aug 5, 1931.

C.S.H. confers with, et al., at Federal Reserve Bank, Boston.
Aug. 6, 1931.

Mr. and Mrs. Curtiss lunch with us at Mattapoisett.
Oct. 19, 1931.

See - Atlantic National Bank, 177, 178.

Czechoslovakia
France claimed right to retain 25 million dollars out of moratorium remittance to Germany for loaning to, and Jugoslavia.
July 2, 1931.

So said there would be satisfactory to him.

We also still that the Polish Navy Conference, in May 1931, Crozier's had that he would not support the League of Nations' advice to make Warsaw a friend country. This would be a step towards making it a preposterous Navy that to inform Poland of this, that Poland told Italy, George that while he believed the Hungarian people did not want war, the use of the British Navy, we would give no preference to Italy's offer.
Oct. 23, 1931.
Daiger, Mr.

Shows C.S.H. a draft of article on Federal Reserve Act.

C.S.H. said he could not criticise it but pointed out a few errors as to the law.

He also talked with Miller and other members.

He said Glass admitted to him that when a bank was well managed and in good condition, the fact that it was carrying a reasonable amount of stock exchange collateral loans did not as matter of law prevent it from rediscounting eligible paper to replenish its reserves.

He said Glass said he would try to avoid extreme amendments which might be bitterly fought.

May 22, 1931. 35, 36.

Daniels, Sec.

Takes lunch with C.S.H. at Cosmos Club.

He said he thought the south would accept Gov. Roosevelt as a candidate for President if he would stress the tariff and other issues, saying little or nothing as to repeal of 18th amendment.

C.S.H. asked him as to:

1. Strong states rights plank.
2. 18th amendment to be left to conscience of the Democrats in and out of Congress.

He said above would be satisfactory to him.

He said he heard on good authority that Ex-Governor Smith asked Roosevelt to protect District Attorney Crane, no matter what Seabury might recommend, but that Roosevelt declined to give any such assurance.

He also said that during the Paris Peace Conference, in Feb. 1919, Lloyd-George told him he would not support the League of Nations unless Wilson gave assurance that Great Britain should always be allowed to have a preponderant Navy; that he informed Wilson of this; that Wilson told Lloyd George that while he believed the American people did not care much as to the size of the British Navy, he could give no such assurance to Lloyd-George.

June 16, 1931. 35, 36.
Dawes plan, Germany

C.S.H. believes U.S. should guarantee German bonds issued under
Young and, held in good faith by American citizens on Jan. 1, 1931.

July 10, 1931. 82.

DeCamp, Federal Reserve Agent, Cleveland

Says his directors may increase discount rates tomorrow to 3 or 3 1/2%.

None of Board objected.

Oct. 8, 1931. 156.

Deaths

Allen, Geo. H. H.

Oct. 9, 1931. 159.

Hemenway, Augustus.

May 26, 1931. 36.

Wills, Miss.

June 1, 1931. 46.

Deflation

Burgess told the French that U.S. had gone through a radical deflation
in last two years, and that France is now to have same experience.

Oct. 30, 1931. 172

Delano, F. A.

Drives C.S.H. out to zoo in Washington.

April 15, 1931. 15.

We meet Mr. and Mrs. Delano at dinner at Mrs. Dodge’s.

April 21, 1931. 17.

Calls on C.S.H. at Treasury with Catherine Grant and Mrs. Haughtaling.

May 11, 1931. 28.

We dine with Mrs. Delano and Catherine Grant.

May 15, 1931. 32.

Agrees to preside at Armistice Day meeting of Carnegie Foundation.

Oct. 6, 1931. 151, 152.

Presides at meeting.

Nov. 11, 1931. 185.

Denegre, Mr. and Mrs.

We meet, at dinner with Mr. Dodge.

April 21, 1931. 17.

Department of Agriculture

See — Yohe.
Depositors

Prof. Sprague believes that, are better protected in non-member banks. April 4, 1931. 4

Deposits

Board discusses with Federal Advisory Council lower interest rates on. May 18, 1931. 33.

See - Government deposits

Dinners (See also, Lunches, suppers, teas.)

April 4, 1931.  
With Dr. and Mrs. Richmond. 5.

See - Hughes, Chief Justice Taft, Mrs.

April 6, 1931.  

April 12, 1931.  
At Woman's National Democratic Club. 
To hear Gov. Montague. 14.

April 21, 1931.  
With Mr. and Mrs. Dodge. 17.

May 2, 1931.  
Bessie Stevens and daughter dine with us. 26.

May 15, 1931.  
We dine with Mr. and Mrs. Delano. 38.

May 18, 1931.  
C.S.H. dines with Federal Advisory Council. 33.

May 27, 1931.  
We dined with Dr. and Mrs. Richmond. 37.

June 3, 1931.  
We dine with Polish Ambassador to meet Mrs. Wilson. 38.

June 13, 1931.  
We dine with Mr. and Mrs. Charles Warren. 46.

June 30, 1931.  
Dinners (Cont'd.)

July 13, 1931.
C.S.H. dines with Charles Warren at Metropolitan Club.

July 20, 1931.
C.S.H. dines with Charles Warren.

July 22, 1931.
C.S.H. dines with Rachel Hale.

Aug. 8, 1931.
We dine with Mr. Houghton.

Aug. 9, 1931.
We give dinner to Mrs. Roosevelt, mother of Gov. Roosevelt.

Aug. 15, 1931.
Capt. and Mrs. McNamara dined with us.

Aug. 20, 1931.
C.S.H. dines with Rachel Hale.

Aug. 27, 1931.
We give dinner to Dr. and Mrs. Mary Roberts Reinhart.

Aug. 30, 1931.
Quiet family dinner on my 70th birthday.

Sept. 6, 1931.
We dine with Capt. and Mrs. McNamara.

Sept. 20, 1931.
We had at dinner Alexander and Catherine Grant, Capt. and Mrs. McNamara, and Mrs. Barnes.

Sept. 26, 1931.
We dined with Mr. and Mrs. Houghton to meet Mr. and Mrs. Oswald Villard.

Oct. 5, 1931.
C.S.H. has dinner at Wels at Cosmos Club.

Oct. 7, 1931.
C.S.H. dines with Senator Glass at Hotel Raleigh.

Oct. 24, 1931.
Catherine Grant dines with us.
Dinners (Cont'd)

Oct. 31, 1931.
We had Mrs. Blake and Mr. and Mrs. Wood of New Bedford at dinner. 173.

Nov. 19, 1931.
C.S.H. dines with George Higgin. 189.

Nov. 26, 1931. Thanksgiving Day.
C.S.H. dines with Mr. and Mrs. Chas. Warren. 193.

Nov. 30, 1931.
C.S.H. dines with Charles Warren. 193

Disarmament

William Hard said over radio that the Hoover-Laval Conference settled there was no connection between disarmament and Allied debts. Oct. 28, 1931. 168.

Discount of non-eligible paper


Discount rates

Prof. Sprague tells C.S.H. that, should have been put up even to 8 or 9% in 1929 in order to break stock market speculation; that this would undoubtedly have injured business but probably no more or not as much as did the crash of Oct. 1929.

He frankly admitted the political difficulties in the way.

C.S.H. said if we had affirmatively increased discount rates, as New York banks wanted, we would have produced a crash in about April 1929, and the economists would all be now contending that there would have been no crash had not the Federal Reserve Board deliberately produced it.

Sprague agreed to this, but said if speculation ever revived again we would have a precedent warranting us in breaking the stock market. April 4, 1931. 4.

Gov. Norman tells C.S.H. that the British banks rely solely on the discount rate to curb speculation.
April 5, 1931. 8, 9.

Gov. Harrison tells C.S.H. he was surprised at his and Miller's testimony before the Glass Comm. to effect that they would have voted for a 6% rate in 1928 had it been asked for by Federal Reserve Bank of New York after July 13 when 6% rate was established.

He seemed to think that Miller testified that such a rate would have been approved by the Board.
C.S.H. said Miller merely said he would have voted such a 6% rate, and that he, C.S.H., certainly said no more than that.
C.S.H. said some members might have opposed such an increase.

C.S.H. then told Gov. Harrison of Sprague's advice to him in March, 1928, not to increase discount rates, and his subsequent criticism, in the Annalist, of the Board for not having increased rates.

Gov. Harrison seemed greatly surprised at above; he said the Board never suggested in 1928 any increase over the 5% rate.

April 8, 1931. 9, 10.

Gov. Talley tells C.S.H. that Gov. Meyer and James favor buying more Govt. securities to bring about lower discount rates, thus increasing the spread between Federal Reserve and Bank of England rates (then 3%).

May 1, 1931. 22.

Magee said Gov. Harrison gave him a lecture on what would happen to the bond market if discount rates were increased.

Sept. 10, 1931. 140, 141.

C.S.H. and Miller insist discount rates should be increased to 2%.

C.S.H. said only objection seemed to be that it might affect bond market, but he and Miller thought this not a valid objection.

Oct. 1, 1931. 148, 149.

C.S.H. asked Dr. Willis if discount rates hold not be increased to 2% at least in New York.

Willis said theoretically yes but that today it was not very important.

Federal Reserve Bank, New York, asks approval of increase to 2%. Unanimously approved.

Aye: Miller, Magee, James, C.S.H., Comptroller.

Oct. 8, 1931. 158.

Cleveland telephones will increase tomorrow to 3 or 3½.

Executive Committee authorized to approve.

Oct. 8, 1931. 158.

Boston increased to 2½% from 3.

Oct. 9, 1931. 159.

Cleveland increased to 3½.

Oct. 9, 1931. 159.
Discount rates (Cont'd.)

All members except Miller felt that rates at New York should be increased to 3½.

Miller agreed on principle but feared that it might increase the fear of depositors and that it would increase hoarding.

C.S.H. said he preferred a moderate increase now instead of a sudden jump later.

C.S.H. opposed the practice of increasing 1 full per cent at a time, to which Gov. Meyer agreed.

Oct. 14, 1931. 163.

Federal Reserve Bank, New York, increased to 3½.

Oct. 15, 1931. 163.

Chicago increased to 3½.

Oct. 16, 1931. 164.

Boston increased to 3½.

Oct. 16, 1931. 164.

See – Acceptance rates.

Discounts

C.S.H. told Glass he hoped he would by amendment make it clear that a Federal reserve bank has right to refuse to a bank abusing the privilege.


Dodd, Mrs.

Charles Warren said Jouett Shouse was completely devoted to, the daughter of Mr. Filene, and had left his wife. He said Mrs. Harriman told him this.

July 20, 1931. 96.

Mrs. Harriman told C.S.H. that Jouett Shouse told his wife he should leave her and demanded that she get a divorce; that finally they signed a one-year separation agreement; that Shouse was infatuated with Mrs. Dodd but that Mrs. Shouse still loved him, and had even given him much money after the separation; that Shouse did not want her to spend next winter in Washington but that she insisted on doing so as she was bringing out a daughter.

Mrs. Harriman said every effort was being made to keep this out of the papers, as it would injure the Democratic Party.

She said Shouse and Mrs. Dodd were recently together in New York.

July 20, 1931. 106.
Domination


He tells the Board little or nothing of their proceedings.

Is he dominating or is he being dominated? C.S.H. is beginning to suspect the latter.

April 29, 1931. 21, 22.

C.S.H. does not like the way in which Gov. Meyer confers with Sec. Stimson and Ogden Mills, without the knowledge of the Board.

He seems to conceive of himself as a Cabinet officer under no control of the Board.

C.S.H. has about reached the conclusion that the Board should elect its own Governor, and at times even feels it might be advisable for the Board to move its offices, — say to Chicago or some other point remote from New York.

Gov. Meyer seems to regard the Board as subordinates and not as equals, and seems to want to divide his time between the State Department, Ogden Mills and the Federal Reserve Bank of New York.

June 23, 1931. 57, 58.

Under Secretary Castle in New York Times issued a statement that the administration had no control over Federal Reserve Board.

In previous interviews he has talked very freely as to what the Federal Reserve System would and would not do.

July 12, 1931. 85.

Gov. Harrison, in objecting to an increase in discount rates on ground that it would injure the bond market, shows his policies are dominated by the needs of the Treasury as during the war.

Sept. 16, 1931. 1d.

C.S.H. and illier insist on increasing discount rates and state that the effect on the bond market was not a valid reason for delay.

A new procedure has been adopted in the Board. All papers, including even legal questions, go first to Wyatt, Harrison, and Morrill, even Clayton Act applications and trust powers.

When Wyatt and C.S.H. were discussing the Atlantic National Bank affiliate matter, Harrison was present.

Gov. Meyer will sign nothing without Harrison and Morrill's check, and anything with it.

Gov. Meyer has in fact delegated his work in Board to these two men, leaving him free to receive callers, attend New York directors meetings, confer with Ogden Hills, the State Dept. and Hoover.

These two, Harrison and Morrill, are practically Under Secretaries of the Governor of the Board.

This "reform" has been very expensive; if McClelland had been made Secretary, as he should have been, expense would have been saved.

Nov. 5, 1931. 179, 180.

Gov. Meyer has practically forced on the Board the appointment of Floyd Harrison as Assistant (at $15,000 per year) and Chester Morrill as Secretary at $12,000 per year, passing over McClelland who had been Acting Secretary since July was taken ill.

Harrison was a member of the Federal Farm Loan Board at a salary of $10,000 and Morrill its Secretary and General Counsel.

In other words, the Federal Reserve Board is now dominated by Gov. Meyer and the former members of the Federal Farm Loan Board.

They both seem able men in whom Gov. Meyer has supreme confidence, which he does not seem to have in his fellow members and in the organization staff.

Nov. 5, 1931. 180.

Donegal, Pa.
Rachel Hale goes to.

June 16, 1931. 54.

Drinnen, Chief Examiner
134, 135, 141, 142, 143, 185

See - Atlantic National Bank

Dunn, Dr.

Blood pressure 160.

April 25, 1931. 20.

See - Ruffin, Dr.
Gov. Harrison told Bank of France it could not allow acceptances to run off and remain as a deposit in the Federal Reserve Bank of New York; that it must reinvest, export or earmark.

The Bank of France carries earmarked gold as part of its reserve, but a mere deposit in the Federal Reserve Bank is carried as holdings of foreign exchange and is not counted in its reserves.

Oct. 28, 1931, 169.

Goldenweiser said we exported over 700 millions in gold in last 5 weeks, of which 400 millions was earmarked.

Oct. 28, 1931, 169.

See—Gold.

Easy money

Gov. Norris told the Governors Conference that a large majority of Governors was opposed to any further easing, but finally by a compromise agreed to purchase of 100 millions more of Government securities.

Gov. Norris said Gov. Meyer worked with N. Y. for easier money, and was with the Governors most of the time working to that end.

None of the other members were at the Governors meeting.

April 23, 1931, 21.

McKinney, President of Federal Advisory Council, told the Governors Conference that many of the Council were opposed to easier money, but finally decided reluctantly to go along with the Federal Reserve Bank of New York and with the Board.

May 16, 1931, 33

See—Federal Advisory Council Governors Conference.

Eligibility

Hoover, at conference with leaders of Congress, favors broadening, to present loans as sound security in times of stress.

Glass told C.S.H. he opposed above at the Conference; that Hoover did not attempt to answer him but kept his eyes down at his feet, not looking him in the eye, - his usual practice.

Glass said several Republicans told him he was right; that Gov. Meyer offered no objection in the Conference but told him privately he was as much opposed as was Glass.

Glass said as he felt now he would never agree to make the Federal Reserve System an investment system; that the New York banks could easily bring about the "stress" requiring such loans.

While Glass was disturbed, he did not show it as much as C.S.H. expected.


Gov. Meyer told C.S.H. that Glass, over the telephone, this morning, had favored broadening eligibility to include "Lombard loans" but feared it would pave the way for dangerous changes in eligibility.

Oct. 8, 1931. 158.

Federal Advisory Council favors consideration of making intermediate credit debentures running 9 months eligible for member bank collateral notes.

Nov. 17, 1931. 187.

Eligible paper.

James said Federal Reserve Bank of Atlanta had saved a bank by accepting as collateral for member bank collateral notes intermediate credit bank debentures not eligible.

Nov. 18, 1931. 190

Glass finally admits that Federal reserve banks may discount eligible paper to replenish reserves aloho the discounting bank has in its portfolio a not unreasonable amount of non-commercial loans.

May 22, 1931. 36.

Gov. Meyer said Gov. Calkins asked him over telephone whether at times of acute crisis it would be proper to take paper not strictly eligible, and that he said in his personal opinion, Yes.
Eliot, Rev. Samuel
Visits us for Sunday.
July 11, 1931. 80

English banks
See - speculative loans

Ernst, Helen
C.S.H. calls on.
April 17, 1931. 16.

H.P.H. takes tea with, to meet Miss Storer.
May 5, 1931. 22

C.S.H. receives letter from, in thanks for article he sent her.
June 10, 1931. 46

Europe
Gov. Meyer says collapse of Europe would injure U.S. and that we ought to do all we can to help that failure might precipitate the fall of Germany, - referring to Austrian credit.
June 16, 1931. 60.

Willis told C.S.H. and Miller we were bound to give Europe further credits to save our investments but that Federal reserve banks should not be used for this purpose.

European central banks
See - Central banks

Eustis, Ethel
Invites us to her daughter, Margaret’s, wedding, on June 10, 1931.
June 3, 1931. 57.

Eustis, Margaret
We attend wedding of, to David Finley at Leesburg, Va.
June 10, 1931. 46.

Examinations
Board felt to admit Pierre Jay’s company - the Fiduciary Trust Company - would put on Board responsibility for a thorough examination of its trust business, which was about all the business the company expected to do.
May 29, 1931. 41.

Board voted to ask Case, Federal Reserve Agent, just what examination of the trust side of New York State member banks was being made by the New York Superintendent of Banks.
May 29, 1931. 41.
Examinations (Cont'd.)

Wyatt was not prepared to say whether admission of this company
would place on Board the responsibility of examining its
trust business.

The Comptroller now makes a thorough examination of the trust
side of national banks, but in these cases the Board grants
the permit.

Wyatt said even if Board had power to examine the trust side of
state member banks, it had no power to correct any situation
found.

O.S.H. claimed that where no power to correct exists there can
be no responsibility for examination and all the members
agreed.

Wyatt did not combat this but said he wanted to consider whether
the Board did not have duty to impose as condition of
admission the right of examination of the trust side.

O.S.H. said nothing in Federal Reserve Act would warrant such a
consideration and Wyatt said he would consider this.

Board felt that either the state bank doing
nothing but trust business, whatever its responsibility of
examination might be in case of a bank doing both a commercial
and a trust business.

May 29, 1931. 41, 42, 43.

Export trade

Gov. Norman said decline in value of silver had not affected
Chinese export trade, nor had our exports to China fallen off.
April 6, 1931.

Exports.
See - Earmarked gold.

Gold.
Failed banks

See Bank failures

Hoover

Suspended banks

Faly, M. Jr.

Told C.S.H. that Gov. Meyer never uses Government transportation, although he had urged him to do so. He said that when Gov. Meyer wanted an airplane he notified the Secretary of War, who furnished it.

C.S.H. assumes the Government bears the expense of this.

July 14, 1931. 88, 89.

Father Anderson

Preached at special service in memory of Anna, at St. Agnes Church.

The 26th fell on Sunday, so we had the service on Saturday.

April 25, 1931. 19.

Federal Advisory Council

Discusses with Board question of lower interest rate on deposits and the continuing easy money policy through lower discount and bill rates.

Met by itself in afternoon.

In evening Board members dined with it at Mayflower Hotel.

After dinner Council stated it strongly favored lower interest rates on deposits, but that this should not be given publicity.

Kinsey, the President, told C.S.H. there was a feeling in minds of some that the System should cease easing but that it was finally decided to go along with the Federal Reserve Bank of New York, and with the Board.

No resolutions were filed.

C.S.H. referred to a letter of the Secretary of the Council expressing the hope that the function of usefulness of the Council should be enlarged, and asked if any of the Council wished to express their views on this, but no one responded.

May 19, 1931. 33.

Hoover has Council and Governor Meyer at dinner at White House the night before our meeting.

James and Magoo told C.S.H. who was away the day before the meeting, that they were not invited. C.S.H. of course was not.
Federal Advisory Council (Cont'd.)

C.S.H. feels Hoover was very discourteous to the Board at the meeting with the Board. Mr. Prince started to talk about banking conditions but said that he had gone over all that "last night" (at the dinner) and would not repeat himself. Unfortunately the Board members, except Gov. Meyer were not present at the dinner.

The Council approved the Board's policy as to credits to foreign central banks. **Sept. 15, 1931. 128, 139.**

C.S.H. heard Gov. Meyer tell Gov. Harrison that Hoover, at the dinner to the Council had suggested each bank contributing 2% of its deposits into a fund to take over sound assets of embarrassed banks, and Gov. Meyer said, "Unfortunately you were unable to be present at the dinner!" **Oct. 2, 1931. 149.**

Council meets with Board.

Yesterday Goldenwasser talked to Council and Gov. Meyer lunches with the Council, the other Board members not being invited.

In the discussion, Gov. Meyer frequently referred to what was said at the lunch yesterday, evidently feeling that all important matters had been gone over there.

The Council submitted to Board's consideration the advisability of broadening eligibility so as to permit debentures of intermediate credit banks to be used - when running not over 9 months, as collateral for member banks collateral notes. **Nov. 17, 1931. 187.**

Federal Farm Loan Board

Gov. Meyer persuades Board to appoint Morrill, Secretary, and Floyd Harrison, Assistant to Governor.

The former was Secretary and General Council and the latter a Member of the Federal Farm Loan Board. **Nov. 5, 1931. 180.**

Federal land banks

Hoover recommends additional subscription to stock in, by the Government. **Oct. 7, 1931. 153.**
Gov. Harrison agrees with C.S.H. that it would be perfectly safe to amend, and do away with necessity for collateral for Federal reserve notes.

April 7, 1931. 10.

Glass told C.S.H. that Willis favored an amendment repealing the limitation that only one Board member can be appointed from any one Federal reserve district.

Oct. 7, 1931. 156.

Glass said he would call his Sub-committee together in November and prepare a bill amending the.

He said he would make the amendments simple and would press any likely to call forth great resistance and long drawn out discussion; that some which he would favor might ultimately have to be thrown overboard.

C.S.H. said he hoped Glass would make it clear that Federal reserve banks could decline rediscounts for abuse of the privilege.


Bay Stannard Baker told C.S.H. that two more volumes of his Life of Wilson would be published this winter; that Volume 4 would contain the history of the Federal Reserve Act.

He has forgotten his request to me to review this before publication. Perhaps Mrs. Wilson is responsible for this.


At lunch Baker said he counted on C.S.H. to go over the fifth volume when ready as to the growth of the System under the Federal Reserve Act.

Nov. 5, 1931. 176.
Federal Reserve Bank, Boston
C.S.H. confers with Curtiss at.
June 22, 1931. 55.

C.S.H. makes appointment with Curtiss at, for tomorrow.
Aug. 5, 1931. 119.

C.S.H. confers with Curtiss at.
Aug. 6, 1931. 121.
Sept. 3, 1931. 125.

C.S.H. visits, with Mr. Magee.
Oct. 15, 1931. 163.

C.S.H. speaks at stockholders meeting at.
Nov. 20, 1931. 189.

See - Atlantic National Bank Curtiss, Federal Reserve Agent Discount rates

Federal Reserve Bank, Chicago
Did not want at the conference, to accept a reduction to a minimum of 1½% acceptance rate fixed by New York, but Gov. Meyer went to Chicago and it agreed to accept the rate.
April 29, 1931. 22.

See - Discount rates Stevens, Federal Reserve Agent

Federal Reserve Bank, Cleveland
Executive Committee voted to approve a discount rate of either 3% or 3½% if made by, tomorrow.
Oct. 8, 1931. 158.

Increased discount rates from 2½ to 3½.
Oct. 9, 1931. 159.

Federal Reserve Bank, Kansas City
 Raises question of a general reduction of salaries. All except Miller felt this should not be acted on at least for the present.
Oct. 5, 1931. 151.

Federal Reserve Bank, New York
Gov. Harrison asked C.S.H. if he was satisfied with existing relation between Board and.

C.S.H. said his chief criticism was the need of closer contact.
April 6, 1931. 10

See - Harrison
Gov. Meyer said he thought the Federal Reserve Bank of New York needed strengthening by the addition of an outstanding officer with practical knowledge of banking; that Case was pretty good; that Burgess had good qualities, but that something more was needed.

April 11, 1931, 13, 14.

Gov. Meyer, by his frequent trips to New York, has evidently got into a close working arrangement with the New York directors. Is he dominating the New York bank or is the latter dominating him?

C.S.H. begins to fear the latter.

April 29, 1931, 22.

C.S.H. lunches with Gov. Harrison and attends meeting of Executive Committee at which only C.S.H. Mitchell was present.

May 25, 1931, 34.

Gov. Meyer tells C.S.H. that C.S.H. Mitchell persuaded the directors to pass a resolution favoring purchase of Chilean bills, and that Burgess be sent to Chile to investigate conditions; that he told Gov. Harrison the Board would never agree to this.

June 30, 1931, 66.

C.S.H. said he would not agree to proposition of Gov. Harrison, as voted by his directors, to deposit 10 millions with the B.I.S., with the consent of two of the directors.

July 7, 1931, 69, 70.

Gov. Meyer attends conference in New York on Sunday to consider whether Federal Reserve Bank of New York should issue to public a reassuring statement.

Those present decided in the negative.


July 11, 1931, 84.

New York Times says Gov. Meyer is to spend Sunday at Hoover's camp and will tell him how the Federal Reserve Bank of New York and the other Federal reserve banks could go as to entering into an international banking arrangement for a private loan to Germany, if the French demands are compromised.

July 19, 1931, 92.
Federal Reserve Bank of New York (Cont'd.)

Miller says Gov. Meyer is opposing any further commitments to Germany by Federal Reserve Bank of New York or by the Federal Reserve System.

Gov. Meyer has never mentioned them to Board.

July 21, 1931. 95.

Gov. Meyer and Miller have gone to New York to meet, as C.S.H. believes, the New York directors. Nothing said to Board about it.

July 23, 1931. 101, 105.

C.S.H. fears Board is controlled by a super Board — Federal Reserve Bank of New York, Ogden Mills, State Department, and Governor Meyer.

July 26, 1931. 107.

New York Financial and Commercial Chronicle says that the New York bankers have agreed that they will not reduce German short term credits without notifying Federal Reserve Bank, New York.


C.S.H. objects to using word "ill-advised" in passing an application of Federal Reserve Bank of New York for authority to buy sterling, claiming that Executive Committee in fact approved it. Gov. Meyer objected and no action taken to change the minutes.

July 28, 1931. 108.

Board authorized Gov. Harrison to comply with McGarrah's request, and appoint an American member of Committee to consider plans to help Germany.


C.S.H. and Miller insist that Federal Reserve Bank of New York must transmit any request for a renewal of Bank of England 125 million credit to the Board for approval.

July 30, 1931. 115, 116.

The New York directors wanted to make the British credit 200 millions but on C.S.H. and Miller's insistence it was made 125 millions, the same as France.

Owen D. Young particularly wanted 200 millions.

July 30, 1931. 116.
In this case the Federal Reserve Bank of New York directors affirmatively asked approval of the Board, which will serve as a precedent in future.

July 30, 1931. 116.

Miller said the Federal Reserve Bank of New York was not very strong at the top and that Gov. Meyer felt the same.

Gov. Meyer never expressed this to Board.
Aug. 5, 1931. 120

The action of the Governors in voting 11 to 1 against Gov. Harrison's desire to further ease the market, - altho they finally voted a limited authority in case of emergency, was a blow at the Federal Reserve Bank of New York.

It showed a feeling that altho we have a central banking system, the Federal Reserve Bank, in the minds of the other Governors was decidedly not the central bank.
Aug. 8, 1931. 126

C.S.H. said that merely "noting" the action of New York in voting for that 10 million Reichsbank credit was a surrender of write to Federal Reserve Bank of New York for which he should not vote "Noted" again.
Aug. 10, 1931. 127.

Miller favored a regulation requiring Federal Reserve Bank of New York to ask approval, affirmatively in future.
Aug. 10, 1931. 127

Gov. Meyer said the question of such a regulation had been pending for years and could safely wait.

C.S.H. believes Gov. Meyer feels that the Federal Reserve Bank of New York has the right to buy foreign bills without asking approval of Board.
Aug. 10, 1931. 127.

In the British 126 millions credit the Federal Reserve Bank of New York asked approval of Board and C.S.H. and Miller regard this as a binding precedent.
Aug. 10, 1931. 127, 128.

Gov. Meyer, at dinner at Metropolitan Club, expressed regret at action of Governors in voting down Governor Harrison as to further easing which Board had approved, and for the first time seemed to feel that the supremacy of the Board over New York and the other Federal reserve banks must be maintained.
Aug. 11, 1931. 129
Magee and Governor Meyer visited the Federal Reserve Bank of New York. Magee wanted higher discount rates, but Gov. Harrison gave him a lecture as to injurious effect of such increase on the bond market.

C.S.H. fears the Federal Reserve Bank is being dominated by the needs of the Treasury as during the war; that the New York bank must protect the recent 3% Treasury issue - altogether too low - by not increasing discount rates.

Board voted to approve the vote of New York directors to send Kemmerer to attend conference of South American republics.

Miller told C.S.H. that Gov. Meyer's weekly meeting with the New York directors had unnerved him as they were so extremely pessimistic.

Miller objected to Board's approval of second renewal of the Reichsbank credit until the Federal Reserve Bank of New York requested it in writing.
Federal Reserve Bank of New York (Cont'd.)

McGarrah asked a guaranty from Federal Reserve Bank of New York that all deposits of B.I.S. should be repayable specifically in gold.

Burgess went over and satisfied McGarrah that this was impracticable. Oct. 30, 1931.

171, 172.

State Department sends us a despatch from its Charge in Paris, to effect that the Assistant of Gov. Moret of the Bank of France stated that if the Federal Reserve Bank of New York was not conservative and opposed to inflation, it would resume its deposits.

The Charge enclosed clipping from a Paris paper, which he said was inspired, intimating that Gov. Harrison had asked the Bank of France not to withdraw its deposits, and that Bank of France had promised not to do so on above terms.

Prof. Sprague said small banks injure their depositors by borrowing from Federal reserve banks, which take a pledge of the best assets; that depositors are, he almost believed, better protected in non-member banks.

April 4, 1931. 3, 4.

Gov. Meyer said capital of was 168 millions and surplus 274 millions, total 442 millions; that our reserve deposits were liabilities; that any plan to aid European central banks must be considered with reference to capital and surplus.

June 17, 1931. 53, 54.

N. Y. Times says Gov. Meyer is to spend Sunday with Hoover at his camp prepared to tell him how far the Federal Reserve Bank of New York and other Federal reserve banks can enter into a banking arrangement for a private loan to Germany.

July 19, 1931. 92.

Hoover's letter to International Conference to work out Moratorium impliedly pledges Federal reserve banks, in connection with European central banks, to cooperate to induce banks not to draw down their German short term credits.

C.S.H. fears this might lead to discounting with Federal reserve banks.

July 21, 1931. 96, 97.

Gov. Harrison said he would consult the other Federal reserve banks and appoint a banker on Committee to examine into German conditions, as suggested by B.I.S., subject to approval of Board.


Hoover consults leaders of Congress and suggests:

1. A new corporation to take over sound paper of embarrassed banks, not eligible for discount with Federal reserve banks.

2. Cooperation of Federal reserve banks with bankers to take over sound assets of failed banks.

3. Governors of Federal reserve banks to appoint appropriate Committee.

Glass asks C.S.H. if Federal reserve banks were taking or buying the 600 millions of frozen German bills.

C.S.H. believed not but said he would inquire.


C.S.H. told Glass he held his amendments would make clear the right of Federal reserve banks to refuse discounts to member banks abusing the privilege.


Goldenweiser points out that the increased discounts gave Federal reserve banks eligible paper with which they could take down gold pledged for Federal reserve notes.

Oct. 27, 1931. 169, 170.

See — Sprague, Prof. O. M.

Federal Reserve Board.

See — Hamlin, C.S.

Meyer, Gov.
Power of Board.

Regulations

Wyatt

See also:

Acceptances
Admission; state banks
Atlanta National Bank
Bank of England
Bank of France
Bank of International Settlements
Bankers acceptances
Burgess
Case, Gov.
Castle, Under Secretary
Central Trust Co.
Clayton Act
Commissions
Commission of Banking
Commission of Currency
Conditions, Admission
Conferences
Discount rates
Eligible paper
Federal Advisory Council
Federal Reserve Bank, New York
Federal Reserve Board (Cont’d.)

See 
Federal reserve notes
Fiduciary powers
Government securities
Government conference
Haulin, C.S.
Harrison, Floyd
Harrison, Gov.
Hoover, President
Jay, Pierre
King, John
Magee
McDarragh
Mellon, Sec.
Mercantile Bank & Trust Co.
Meyer, Gov.
Miller
Mills, Ogden
Mitchell, G.E.
Morrill, Chester
Norman, Gov.
Open Market Conference
Power of Board
Recess appointment
Reserve Committee
Salaries
Secretary of Board
South American central banks
Sprague, Prof. O.M.W.
State Department
Sterling
Super Board
Votes
Willis, H.P.
Wyatt
Young, Gov.
Young, Owen D.

Federal reserve credits
Federal reserve Bank, New York, asks approval of an agreement to buy doubly indorsed bills guaranteed by Austrian National Bank, up to 3 millions for period of one year.

The B.I.S. negotiated a credit entered into by Bank of England,
Federal reserve credits (Cont’d.)

Bank of England, Bank of Belgium, etc. our participation taking above form.

After discussion, the Comptroller was sent for to make a quorum.

Board voted to approve:

No: Miller

Miller’s objection was not to the amount or the risk but he felt we should keep out of foreign banking complications.

C.S.H. feels he is at bottom an isolationist.

May 15, 1931. 31.

Federal Reserve Bank of New York asked approval to take one million more of these Austrian bills

Only about one million of those authorized on May 15th had been bought.

As the total comes within the three millions authorized, the Board approved.

No voting: Miller

June 16, 1931. 49.

Federal Reserve Bank of New York reported that B.I.S. was to act as custodian of a fund of 10 millions to be contributed by central banks and wished the Federal reserve banks to contribute 2 millions of this.

The fund was to be used to help smaller European central banks, especially Hungary.

The B.I.S. was to buy prime bills or to make secured deposits with the money, but no assistance would be given, except to Hungary, except with the consent of the Federal Reserve System.

Long discussion.

C.S.H. asked if the State Department favored this, as also the Austrian credit.

Gov. Meyer said Yes.
Federal reserve credits (Cont'd.)

C.S.H. objected to secured deposits, but said he would vote to permit Federal Reserve Bank of New York to appoint the B.I.S. as its special agent to receive the money and with it to buy prime bills.

Board voted to approve.

Aye: Gov. Meyer, C.S.H., Comptroller, Magee

Not voting: Miller

The above follows exact language of Sec. 14, Federal Reserve Act.

Gov. Meyer said the collapse of Europe meant danger to U.S. and we ought to do all we can to help; that success would tend to help the German situation, while failure might precipitate her fall.

June 16, 1930. 49, 50.

Gov. Meyer said the second Austrian purchase was conditional on raising 500 millions Schilling outside and that the Bank of England had become responsible for raising this.

June 16, 1931. 51.

Gov. Harrison wired Board that Bank of England had telephoned him that the Reichsbank had asked the Bank of England to arrange for it a credit of 100 millions against prime commercial bills, to be repaid on July 16; that the credit was to be used to tide the bank over the end of the half year period; that his directors (Federal Reserve Bank, New York) had voted to participate up to 50 millionse subject to Board approval, on condition that the Bank of England would do the same and that the Bank of France and the B.I.S. be invited to join, the Federal reserve share to be reduced proportionally in that event.

Later, Gov. Harrison telephoned that he should make it a condition that the Bank of France should join in a substantial amount.

A memorandum from Ogden Mills was read to the effect that the Bank of France was disposed to join, on the understanding that this had nothing to do with Hoover's moratorium.

Board unanimously approved.

Miller asked Gov. Meyer how President Hoover felt about this plan.

Gov. Meyer said Hoover had no objection, provided the Board in its judgment approved it.

June 23, 1931, 55, 56.

Gov. Meyer said the next step would be for the administration to work out a relief plan along the lines of the proposed moratorium, but that the Federal Reserve System should participate only along purely banking lines.

Gov. Meyer said he took this position at a recent conference at Secretary Stimson's home.

June 23, 1931, 56, 57.

C.S.H. at first was disposed to approve up to 100 millions without conditioning it on France,joining, as he did not want to put it in the power of France to hold up this greatly needed relief.

Miller said if we participated without France it would take on a political tinge.

C.S.H. said in such event it would be France which played the politics.

Gov. Meyer thought Ogden Mills memorandum indicated that France was prepared to agree to the proposed Hoover moratorium.

C.S.H. drew just the opposite conclusion.

Late in p.m. Gov. Harrison telephoned that the Bank of France had agreed to participate, on equal terms with Bank of England and Federal Reserve System.

This A.M. New York Journal of Commerce had a substantially accurate account of this credit.

June 23, 1931, 56, 57, 58, 59.

C.S.H. asked Gov. Meyer when this credit was to be announced and whether by the Board or the Federal Reserve Bank of New York.

Gov. Meyer rather brusquely said it was for the Reichsbank to announce it; that possibly it might fall through.

Yesterday, however, he had said the Board and not the Federal Reserve Bank of New York should announce it.

Later, this p.m. New York wired a copy of its announcement.
C.S.H. thinks Gov. Meyer knew about this but for some reason did not care to discuss it with C.S.H.

The Wall Street Journal referred to it this morning.

June 25, 1931. 59.

Gov. Harrison told Board his directors had voted, subject to approval of Board, to buy bills from the Bank of Hungary for 90 days.

Gov. Harrison said that Hungary, up to this year, had balanced its budget; that she was the best of all the Balkan states; that he believed these bills would be paid unless some world crisis should develop.

Gov. Harrison said that Hungary - even its central bank, was honeycombed with politics, and that his directors would never favor a credit to her even if she asked it.

Miller said had he not originally voted against the Hungarian credit, he would vote for this, but that he believed Europe should settle her own problems, and it could easily do so; that, although he sympathized with Hungary, he should vote No.

Gov. Meyer said Hoover had eaten his own words, and had reversed his position as to the relation between reparations Allied debts; that the Board should not queer the Moratorium by throwing down Hungary, especially as the New York directors consider this a safe arrangement; that the collapse of Hungary might cause serious trouble - which now was bad enough - in Europe.

Board voted approval on Gov. Harrison's assurance that he would cut the credit down from 5 to 3 millions.

Aye: Gov. Meyer, C.S.H., James, Comptroller

No: Miller

June 25, 1931. 60, 61.

C.S.H. pointed out that the German credit provided for a commission. He fully approved this but called attention to it remembering the Board's objection to a commission in the Belgian loan.

Miller and James said that this was settled by the vote, and the other members agreed with this.

June 26, 1931. 61, 62.

A representative of the United Press called on C.S.H., Gov. Mayer
Federal Reserve credits (Cont'd.)

being away and asked as to truth of rumor that the Federal Reserve System was going to extend credits to South American central banks.

C.S.H. said this had never been before the Board and he had never heard of it.

June 27, 1931, 63.

New York Times states that as the result of a conference between Federal Reserve and Treasury officials, a decision has been reached for the Federal Reserve to cooperate with New York banks in extending credits to South American countries; that the White House denied that Government was considering plans for or a discussion of South American debts; that before this denial, and before the Federal Reserve and Treasury officials had completed their discussion, the State Department announced that the Federal Reserve Board was studying the whole situation; that Gov. Harrison took part in a series of conferences ending today; that he talked with Ogden Mills and Gov. Meyer; that the announcement following the last meeting was that the New York bankers would have the cooperation of the Federal Reserve System in investigating Latin American conditions preparatory to the possible granting of loans or credits; that the report was current that Burgess, at the request of the New York bankers, would go to Chile to study conditions there. (See scrap book).

The above is news to C.S.H. Gov. Meyer has never mentioned any such conference to the Board.

June 28, 1931, 63, 64.

Gov. Harrison wires Board that, referring to a previous conference between Gov. Meyer, Ogden Mills and himself, his directors had voted, subject to approval of Board, to authorize the officers, with the consent of two of the Directors, to:

1. Deposit 10 millions with the B.I.S. for one year, with interest.

2. To direct the B.I.S. to invest this in prime bills to be bought from European central banks needing relief.

C.S.H. asked Gov. Meyer if the directors had in mind assistance to Jugoslavia and Czechoslovakia in which France was interested.
Federal reserve credits (Cont'd.)

Gov. Meyer said he did not know.

C.S.H. objected to delegating such power to 3 directors; that the Board should know just what central bank bills were to be bought.

C.S.H. said he would go the limit to help Hoover, but that it must be along sound banking lines.

Miller also objected.

Went over.

Gov. Meyer never mentioned the above conference to the Board.

July 7, 1931. 69, 70.

New York gives text of Hoover and France accord, which pledged cooperation of Federal reserve and central banks to help the weak central banks of Europe by credits.

July 7, 1931. 71.

C.S.H. believes Hoover, Mills, and Gov. Meyer have given some pledge of cooperation, but Gov. Meyer never mentioned this to the Board.

July 7, 1931. 71.

Gov. Meyer brings up again the proposed deposit of 10 millions in the B.I.S. or, in alternative an instruction to buy bills with it from European central banks.

C.S.H. preferred a time deposit.

Others preferred the purchase of bills.

C.S.H. asked if B.I.S. would guarantee all bills bought as does the Federal Reserve System for foreign central banks depositing with us with instructions to invest.

Gov. Meyer sharply said - No - that this is an entirely different question, but did not explain why.

Board decided that in the absence of a specific plan from the Federal Reserve Bank of New York, it would not now pass on the question.

The Board members agreed in principle, and voted to put a statement in its minutes to this effect.
Federal reserve credits (Cont'd.)

Board further authorized the Governor or acting executive officer to approve, should Federal Reserve Bank of New York come back with a specific plan.

Unanimous.

Aye: Gov. Meyer, Miller, James, C.S.H., Comptroller
July 9, 1931. 77, 78.

Later, Miller prepared a draft which referred to the accord between Hoover and France as to cooperation between Federal Reserve and European central banks.

C.S.H. objected to this as it gave no power to the Board.

C.S.H. said it was our duty to cooperate with European central banks by giving credits, for their collapse might seriously injure us by leading to a run on our banks, and seriously affect our export trade.

Miller said the Hoover-Laval agreement was a treaty.

C.S.H. said even if it was, he did not care to rely upon it, but we should follow the Federal Reserve Act, which he believed gave us the necessary power.

Miller then struck out this reference.
July 9, 1931. 78.

Gov. Meyer read to Board a cable from Gov. Harrison to Gov. Norman, as to the desire of Germany for further large credits from American banks and the Federal Reserve System.

The cable said Germany must satisfy the world that she is doing everything possible to maintain her credit position, that credit rationing seemed to be called for and immediately.

All seemed to approve this, but C.S.H. raised the point that we should make it clear that Germany, even if she rations credit, has no right to further credits unless justified on banking principles.
Gov. Meyer said Gov. Harrison clearly understood this, and that no action on our part was called for, but the cable was shown us merely for our information.

July 9, 1931. 79

Castle gives out statement denying that the Federal reserve has agreed to give further credits to Germany.

C.S.H. feels that further credits to the Reichsbank would merely postpone the inevitable crash.

July 12, 1931. 81

C.S.H. believes Hoover should call an extra session and get authority to guarantee long term German bonds under Dawes and Young plan, when held in good faith by Americans on Jan. 1, 1931.

July 10, 1931. 82

Gov. Meyer read a letter from the German Consul General in New York setting forth instant need of Reichsbank for further credits.

A copy was sent to Hoover and Federal Reserve Bank of New York.

July 12, 1931. 83, 84

At a conference in New York, Parker Gilbert said Germany had not managed her financial and banking problems well, and that credit rationing would have avoided the crash.

July 12, 1931. 84

Gov. Meyer said Herbert Hoover of State Department wanted the Board to get behind a long term credit for Germany, but that he told him this was a matter for Federal Reserve and not for State Department determination.

July 12, 1931. 84

Board approved request of Federal Reserve Bank of New York to extend the Reichsbank credit for 3 months, to Aug. 15, 1931.

July 12, 1931. 219-86

Senator Glass, in New York Times, vehemently opposes any further credits to Germany.

(See scrap book)

July 17, 1931. 91

New York Times says Gov. Meyer is to go with Hoover to his camp and will tell him just how far the Federal Reserve System can enter into an international banking arrangement for a private loan or credit to Germany, if the French demands are compromised.

July 19, 1931. 92
Federal reserve credits (Cont'd.)

C.S.H. read to Board a letter from Glass protesting against further credits to European central banks by the purchase of finance bills under guise of prime commercial bills.

He also referred to the British 200 million credit of 1925.

July 20, 1931. 93

C.S.H. explained to Board that his records show that Wyatt gave an informal opinion that the British credit was lawful.

C.S.H. also said the Board records do not mention the moral commitment made by Board to give such a credit early in 1925.

C.S.H. said the opinion of our Counsel and perhaps of the Attorney General should be obtained as to the power of the Board.

Gov. Meyer said the question was not likely to come up again in the near future.

C.S.H. said that before voting he should want a legal opinion, and that the Board members thought this reasonable.

July 20, 1931. 93

Miller said Gov. Meyer was opposing any further commitments in foreign credits; that he had so stated to the Board.

C.S.H. said he had been present at every meeting at which Gov. Meyer was present during last two or three months and that he had never mentioned this to the Board.

Gov. Meyer has evidently taken Miller into his confidence.

July 21, 1931. 96

Hoover's statement to international conference on moratorium pledges cooperation of Federal Reserve System in inducing American banks not to draw down their short term credits in Germany.

Whether or not this means rediscounting or further Federal reserve credits is not clear.

July 21, 1931. 95, 96, 97.
Federal reserve credits (Cont'd.)

C.S.H. asks Gov. Meyer whether Hoover's reference to "cooperation" means further Federal reserve credits.

Gov. Meyer said he took part in a conference at the White House yesterday at which the subject of a 300 million short term loan to Germany was revived but that he told the conference there was "nothing doing:" that further Federal reserve credits were not contemplated.

Miller said Wall Street Journal took this view.

July 21, 1931. 99.

Miller calls up James from the N.Y. directors meeting and said the Federal reserve Bank of New York had voted to buy 25 millions of sterling because of the loss of gold by the Bank of England, on condition that the Bank should buy bills with it.

Crane tells McClelland that all bills bought would be held by the Bank of England for us.

Miller said Gov. Meyer and he approved, or at least, would offer no objection.

James said he told Miller that the Federal Reserve Bank should wire us full particulars, so we could act intelligently.

Later the New York Bank wired us.

Executive Committee voted unanimously to approve.

Aye: C.S.H., James, Magee.

July 24, 1931. 104, 108.

The minutes of Executive Committee were sent in to C.S.H. for approval.

They merely "Noted" the action of the Federal Reserve Bank of New York.

Such a notation means neither approval nor disapproval.

C.S.H. is certain the vote taken was for "approval."

July 27, 1931. 107, 108.

It was moved to satisfy the action of the Executive Committee, but C.S.H. moved to add that the Board ratified and did not object to the transaction, or that it approved it.
Miller said New York in its telegram did not specifically ask for Board's approval.

C.S.H. pointed out that Miller telephoned James as to the vote of the New York Bank and said that it asked for Board's approval; that James said Executive Committee wanted formal telegraphic request for approval with full particulars; that the telegram sent in effect asked approval by Board.

This same telegram revealed that the Bank had bought some sterling without prior approval of Board.

No action was taken as to C.S.H.'s request, and the record remained "Noted." July 27, 1931. 107, 108, 109.

Senator Glass told C.S.H. he had had a satisfactory talk with Gov. Meyer as to Federal reserve credits, and that he — Gov. Meyer — relied on Wyatt's affirmative opinions that he was glad that Gov. Meyer had kept the amount down.

Glass said the only lawful way to buy foreign bills was for sake of earnings, or to make discount rates effective.

C.S.H. pointed out that the Glass Committee in 1913 stated that control of foreign exchange fluctuations was one reason for buying foreign bills.

Glass again criticised the British credit of 1925. He denied System had power to grant such a credit.

C.S.H. pointed out that the power granted in Sec. 14 to deal in gold coin and bullion carried the power to buy, sell, or loan gold.

Glass asked if System could lend gold to Bank of England, e.g. to buy a battleship?

C.S.H. said No, that it must have some connection with foreign prime bills.

C.S.H. believes Glass is beginning to realise that the Board is justified in accepting opinion of Counsel as to its power, and must use its own judgment.
Glass said the Board would be attacked politically with the charge that it could not or would not spend money to save American banks, but that it poured out credits to aid foreign central banks; that it would be difficult to defend the System against such attacks. July 29, 1931. 113, 114, 115.

Board approved vote of N.Y. directors to make a demand deposit of the millions with the B.I.S. with which to buy 90 day prime bills guaranteed by the B.I.S.

The above is strictly in accordance with Wyatt's opinion, and the guaranty of the B.I.S. accords with C.S.H.'s suggestion when the matter was last under discussion. July 30, 1931. 115.

Federal Reserve Bank of New York voted to deposit 125 millions with Bank of England with which to buy 90 day bills guaranteed by the Bank; also that if any renewal were requested the request would be given favorable consideration.

C.S.H. and Miller insisted on a clause that any request for renewal must be transmitted to Board for approval, and Gov. Harrison was so telephoned.

The New York directors wanted to make the credit 200 millions, especially Owen D. Young.

C.S.H. and Miller objected to any amount greater than the Bank of France had agreed to give as an independent credit, - 25 million pounds sterling.

The New York directors wished to have the credit run for 6 months, instead of 90 days.

The Bank of France could not give such a credit for longer than 90 days, but it had made a gentleman's agreement to renew for another 3 months.

C.S.H. and Miller insisted that the credit should be limited to 90 days, leaving the question of renewal open for determination of the Board.

The Federal Reserve Bank of New York in this case specifically asked for the Board's approval, and this will be a precedent for the future.
Goldwasser said the Federal Reserve System could easily do this.
July 30, 1931.

Board approved unanimously.

Aye: Gov. Meyer, C.S.H., Miller, James, Magee
July 30, 1931. 115, 116.

Wyatt told Board later that it had clearly lawful power to approve this.
July 30, 1931. 117.

C.S.H. originally suggested that this should be a private credit given by the bankers or banks, but Gov. Meyer said Gov. Harrison had told him this would take too long, and that the banks were heavily involved in the "stand still" agreement not to disturb short term credits in Germany.
July 30, 1931. 117.

Gov. Harrison wired him his directors had voted to extend the 25 million Reichsbank credit for another 90 days.

It had already been extended from July 15 to August 6.

Gov. Harrison said the Bank of England and Bank of France wished to fix the renewal rate at 10%.

James thought this too high.

C.S.H. said the German banks were charging their customers 15% and that the 10% rate was not too high.

Miller finally agreed to this.

Gov. Harrison said he would try to have this rate reduced.

The Executive Committee voted to approve this extension, leaving the details as to rates, etc. to be worked out by the directors.
Aug. 6, 1931. 119, 120.

C.S.H. took view that we should agree as to the rate with the other central banks concerned, and cited the difference which arose in the Belgian credit, when the Federal Reserve Bank of New York rebated to Bank of Belgium all above what it considered to be a fair rate.
Aug. 5, 1931. 120.

Gov. Harrison telephoned that the Bank of England refused to agree to any lowering of the rate, and that therefore, it must stand at 10%.
Aug. 6, 1931. 121.
Federal reserve credits (Cont'd.)

C.S.H. asked that the Board records be amended to show, what was the fact, that the Board not only approved the action of the Executive Committee as to the 10 million Reichsbank loan, but also approved the loan affirmatively, or at least voted "no objection."

Gov. Meyer objected claiming that the Board merely approved action of Executive Committee which noted but did not affirmatively approve the loan.

Board so ruled.

Aug. 10, 1931. 126.

C.S.H. said as records now stand the Board merely has ratified the "noting" by the Executive Committee and that merely noting what the New York bank did was a surrender of the power of the Board, and that in the future he should vote only for approval or disapproval.

Miller agreed with C.S.H.

Aug. 10, 1931. 126.

C.S.H. regards the specific request for approval of the Bank of England credit, a direct precedent.

Aug. 10, 1931. 127, 128.

Federal Reserve Bank of New York bought, under the B.I.S. credit one million of Bank of Poland bills and one million of Guilder bills.

Sept. 9, 1931. 137.

Federal Advisory Council approves Federal Reserve System policy in giving credits to European central banks.

Sept. 15, 1931. 139.

Glass said he could not see how Federal Reserve System could aid foreign central banks by credits in shape of buying bills. He was not as disturbed about it, however, as formerly.


Willis said we were bound to give Europe further credits to save our investments there, but that Federal reserve banks should not be used for this purpose.

C.S.H. asked him where the funds could be procured, but he was evasive, hinting at bond issues.

C.S.H. said if the money market furnished the funds it would in the long run be dependent on Federal reserve credit, which Willis denied. Oct. 7, 1931. 156.

Federal Reserve Bank requests Board to approve a second renewal of the Reichsbank credit.

The B.I.S. had agreed provided the Bank of France and the Federal Reserve Bank would agree.

Miller objected to consideration until Federal Reserve Bank of New York gave Board in writing the reason for requesting a renewal. This was for our records. Oct. 20, 1931. 165.


Federal reserve districts

Glass said Willis favored doing away with provision in Federal Reserve Act that no more than one member shall be appointed from one. Oct. 7, 1931. 156.

Federal reserve notes

Gov. Harrison agrees with C.S.H. that Federal reserve notes need have no collateral beyond the 40% reserve; he would like to have these notes made notes of the Federal Reserve Bank. April 7, 1931. 10, 11.

Goldenweiser points out that free gold can at any time be increased by the Federal reserve banks turning over to the Federal Reserve Agent Federal reserve notes held but not put in circulation. July 30, 1931. 135.

Goldenweiser points out that the gold which was exported or earmarked, 7000 millions, was obtained through the increases of discounts and acceptances which were turned over to Federal Reserve Agent and gold pledged taken down. Oct. 27, 1931. 169, 170.

Federal Reserve System

Prof. Sprague said he would prefer having only about 700 strong banks in the Federal Reserve System; that small banks were really injured by the facilities offered for rediscounting;
that in case of trouble their best assets are bound to be pledged with the Federal reserve bank; that he almost believed that depositors would be better protected in a non-member bank.

April 4, 1931. 3, 4.

Castle gives out statement that the administration has no power over Federal Reserve System.

This is not consistent with his earlier statements which implied that there was such control.

July 12, 1931. 85.

Miller says Gov. Meyer is opposing any further Federal reserve credit commitments by Federal Reserve System.

C.S.H. said he had never stated this to Board.

July 21, 1931. 95.

Gov. Meyer did not tell Board of a conference yesterday at the White House, at which he was present, which made a recommendation affecting the Federal Reserve System.

July 21, 1931. 98.

C.S.H. refers to Hoover's letter to International Conference at Paris concerning working out of moratorium, in which he pledged the Federal Reserve System to "cooperation" and asked whether this was a pledge for future Federal reserve credits.

Gov. Meyer said there was a conference yesterday at the White House in which he took part; that the subject of a 300 million short term loan to Germany was brought up; but that he told it there was "nothing doing"; that future Federal reserve credits were settled in the negative.

July 21, 1931. 99.

Gov. Harrison said he would make it clear to B.I.S. that the Federal Reserve Bank of New York bought foreign bills merely for the whole Federal Reserve System; that the Committee appointed by him at request of U.S. would represent the banks of the U.S. and not the Federal Reserve System.

Federal Reserve System (Cont'd.)

Gov. Meyer told C.S.H. that at a recent conference at Secretary Stimson's house, every effort was made to dump all assistance to Germany on the Federal Reserve System, but that he fought this to the end.

July 28, 1931. 111.

Glass said it would be difficult to defend the Federal Reserve System from the criticism that it passed out money to help foreign central banks but could not spend it to aid member banks.

July 29, 1931. 114, 115.

C.S.H. fears appointment of Morrill as Secretary will injure the spirit of the personnel of the Federal Reserve System, however able Morrill may be.

Sept. 29, 1931. 147.

C.S.H. and Miller said that failure to increase rates because of fear of effect on Treasury issues was an admission of domination of the Federal Reserve System by the Treasury.


Burgess tells Board that Anderson's recent article on free gold had greatly injured the Federal Reserve System abroad.

Oct. 30, 1931. 170.

See - B.I.S.

Burgess

Conferences

Deager

Eligibility

Federal Reserve Bank, New York

Federal Reserve banks

Federal Reserve Board

Hoover

Meyer, Gov.

Fess, Herbert

Gov. Meyer said, of State Department, urged him to get behind a long term credit to Germany that he told him that that was a matter for the Federal Reserve Board rather than for the State Department.

July 12, 1931. 84.
Fiduciary powers
See - Fiduciary Trust Co.

Fiduciary Trust Co., New York

Pierre Jay came before Board to ask for admission of, a new company organized by him which was to do purely trust and not commercial business.


It appeared, however, that while it received deposits and made collateral loans, it granted no commercial credits.

C.S.H. called on Carter who said that the N.Y. State Superintendent of Banking did not thoroughly examine the trust side of New York state banks.

Board felt that admission would place responsibility on the Federal Reserve System to examine this bank thoroughly, and while it did not specifically reject the application, it voted to inform Mr. Jay that we were not now prepared to act on it.

Board voted to ask Gov. Case to ascertain just what examination, if any, is made of trust companies, or of the trust side of state banks in New York.

Jay brought out that the Board years ago had admitted the U.S. Trust Co. and Fulton Trust Co. which did not commercial business.

Board members replied that then we wanted all bank assets gathered into Federal Reserve System and that President Wilson appealed to the state banks to join, - which condition is different now.

Wyatt informally told C.S.H. we had lawful power to admit this bank, but was not prepared to say whether admission would put on the Federal Reserve System responsibility for examination as to trust functions.

State banks derive authority for trust powers from state law, and Section 9 of the Federal Reserve Act respects their charter powers.

When Board grants permits, - National banks - the Comptroller makes a rigid examination of trust powers.

Wyatt said that even if the Federal Reserve System has responsibility of examination, it clearly has no power to correct any situation disclosed.

C.S.H. claims that where there is no power, there can be no responsibility and the members agreed with him.
Wyatt did not deny this but said he would like to consider, whether it would not be the duty of the Board to impose a condition of admission, providing for such examination.

C.S.M. took position that conditions can be imposed only strictly in accordance with the Federal Reserve Act, which contains nothing as to admission of state banks with trust powers.

Wyatt said he would consider this.

The Board, in any event, was adverse to admitting a state bank doing no commercial business, whatever its responsibility might be on admitting a state bank doing both a commercial and a trust business.

May 29, 1931. 40, 41, 42, 43.
France

Gov. Norman said France and Belgium had stabilized on too low a basis; that this gave them temporary advantage over Great Britain, but that prices had so risen that this advantage had ceased.

April 6, 1931. 8.

New York Times refers to claim of France to retain 25 millions out of money remitted to Germany through the moratorium, for loans to Jugoslavia and Czechoslovakia, and that, to satisfy France, the Federal Reserve System might buy their bills up to this amount.

July 3, 1931. 67, 68.

New York Times publishes text of accord between France and U.S., and one part reads that the Federal Reserve System will cooperate to help weak central banks of Europe.

July 7, 1931. 71.

Miller drew a draft which referred to accord between France and Hoover as a justification for our buying foreign bills.

C.S.H. objected and Miller omitted it.

July 9, 1931. 78.

The papers say France refused to give help to Germany unless she will give political consideration for it.

C.S.H. believes there is an economic war between France and Germany.

July 12, 1931. 81, 82.

C.S.H. asked if the lack of confidence in American dollar was not impaired by France.

Gov. Meyer said he believed unqualifiedly this was true.

Oct. 12, 1931. 160.


1. No connection between disarmament and reduction of Allied debts.

2. U.S. will do nothing to insure security of France.

3. Reparations to be determined by the foreign Governments concerned.

4. Cooperation to maintain gold standard.

Miller said effect of Hoover-Laval agreement was the recognition of the political and economic supremacy of France in Europe; that Germany must look to France for relief; that the U.S. has in effect agreed to back up France.


Miller told C.S.H. that the effect of the Hoover-Laval agreement was that U.S. was to go hand in hand with France not by way of any specific alliance, but under a general understanding; that France had agreed to be "good" and try to clean up the German and European situation; that there was a thorough understanding.

Oct. 29, 1931. 170.

Burgess told Board that France had many problems; that prices and cost of living were high; that there was much hoarding; that manufacturing costs were high.

He said he told French officials that the U.S. had gone through a great deflation during the last year, and that France must have the same experience.


Franconi, Mrs.
C.S.H. receives from Jesse Wald a check for $278.17 as his share from estate of.

Nov. 13, 1931. 186.

Praulein Maier
54

See - Bank of France
Hoover
Laval

Fraulein Müller
54

See - Hale, Rachel

Free gold
Goldenweiser says System has 750 millions of free gold; that if Federal reserve banks returned Federal reserve notes held as cash but not put in circulation, it would bring the free gold up to 1 billion.

July 30, 1931. 132.

Goldenweiser says that in spite of the earmarking and exportation of over 700 millions of gold in 5 weeks, the free gold at the end was about same as at beginning, as increased discounts and bill holdings were presented to Federal Reserve Agent and gold taken down pledged vs. Federal reserve notes.

Oct. 27, 1931. 169, 170.
Free gold (Cont'd.)

Burgess told Board that Anderson's article on free gold had greatly injured the Federal Reserve System abroad.


See — Anderson
Burgess

Frost, Killing
At Mattapoisett.
Nov. 7, 1931. 178, 179.

Frozen acceptances. 155.

See — Acceptances

Atlantic credit might only enhance that
her protection of a country in time preliminary to the fall of January.

June 17, 1931. 56.

See — Acceptances

If any country's credit be so much injured or injured or ruined that to protect them would be in the best interest, see any country's credit be so much injured or ruined. July 7, 1931. 32, 33.

See — Acceptances

Atlantic credit might only enhance that her protection of a country in time preliminary to the fall of January.

June 17, 1931. 56.

See — Acceptances

If any country's credit be so much injured or injured or ruined that to protect them would be in the best interest, see any country's credit be so much injured or ruined. July 7, 1931. 32, 33.
Gann, Dolly
Gov. Meyer at dinner placed, over the wife of a Justice of
the Supreme Court. April 5, 1931. 7.

German banks
Are charging customers 15%. Aug. 5, 1931. 120.

German bonds
Gov. Meyer said that merely investing in, would give little
relief; that any one investing in, was a "sucker." June 17, 1931. 54.

Germany
Gov. Meyer said the Austrian credit might help Germany; that
the prostration of Europe might precipitate the fall of Germany.
June 16, 1931. 50.

Gov. Meyer said that his conferences with State Department
reveal much anxiety as to conditions in Germany and a feeling
that something must be done; that he personally favored the
remission of reparations and Allied debts for five years.
June 17, 1931. 53.

Gov. Meyer said Germany should have no further Federal reserve
credits unless some comprehensive plan is worked out;
that merely buying bills or investing in German bonds will
give no real relief; that anyone who invested in German bonds
was a "sucker." June 17, 1931. 54.

New York Times refers to White House Conference in which
reference was made to claim of France that she must retain
25 millions for the moratorium remittance to Germany for
loans to Jugoslavia and Czechoslovakia.
See scrap book.
July 5, 1931. 67, 68.

Houghton said the English tax rate was as high as that in Germany,
but that England, differing from Germany, had wealth to tax,
while German wealth was sadly depleted.
July 5, 1931. 69.

Gov. Harrison read to Board a cable to Gov. Norman as to hope of
Germany for future large credits from U.S.
The gist of the cable was that Germany must satisfy the world that she is going all she can to maintain her credit position; that credit rationing seemed called for immediately.

C.S.H. said it should be made clear that even if Germany rations, the Federal Reserve System is not bound to give her further Federal reserve credits except on sound banking principles.

Gov. Meyer said Gov. Harrison clearly understood this; that no action on our part was called for; that he read the cable merely for Board's information.

July 9, 1931. 79.

The Sunday papers are filled with the rumor of the impending crash in Germany.

The New York Times says it is up to the Federal Reserve System.

July 11, 1931. 81.

Under Secretary Castle gives out statement denying that further Federal reserve credits are to be given to the Reichsbank.

C.S.H. fears further credits to Germany will merely postpone the inevitable crash.

July 11, 1931. 81.

The papers say France has refused to give further help to Germany unless she will give political considerations for it, e.g., agree to give up the Austro-German tariff agreement.

July 11, 1931. 82.

C.S.H. believes there is an economic war between France and Germany which we should try to keep out of.

July 11, 1931. 82.

C.S.H. believes Germany needs a 500 million long term credit, which the Federal Reserve can not give.

July 11, 1931. 82.

C.S.H. believes Hoover should call a special session of Congress and obtain authority to guarantee a long term loan for Germany.

July 10, 1931. 82.

Parker Gilbert told N.Y. conference that Germany had not managed her financial and banking problems well; that she could have avoided the crash by a firm credit policy.

July 10, 1931. 84.
Gov. Meyer said Herbert Fess of the State Department urged the Board to get behind a long term credit to Germany; that he told him this was a matter for our Board to consider rather than the State Department.

July 10, 1931. 84.

Glass, in N. Y. Times, strongly opposes any further Federal reserve credits to Germany.

July 17, 1931. 91

New York Times says Gov. Meyer is to go to Hoover in his camp to tell him just how far the Federal Reserve System could go in making an international arrangement for a private loan to Germany.

July 19, 1931. 92.

Miller told C.S.H. that Hoover is considering the matter of further short term credits to Germany.

July 21, 1931. 96.

Hoover's statement to International Moratorium Conference at Paris states desire to have Federal Reserve System cooperate to induce U.S. banks not to draw down the short term German credits held by them.

July 21, 1931. 95, 96.

Gov. Meyer said that at a conference yesterday at the White House in which he took part, that the subject of a $300 million short term loan to Germany was taken up, but that he said there was "nothing doing;" that the matter did not involve further Federal reserve credits; that that had been settled in the negative.

July 21, 1931. 99.

New York Times praises Gov. Harrison for work in persuading Austrian banks not to draw down their short term loans in Germany.

July 24, 1931. 104.

McGarrah asks Gov. Harrison and also all European central banks to appoint a member of a Committee to consider some plan of helping Germany.

Board voted - no objection.


Gov. Meyer told C.S.H. that at the Conference at Sec. Stimson's house, every effort was made to dump all assistance to Germany on the Federal Reserve System, but that he fought this to the end.

July 28, 1931. 111.

Glass at first wanted the Bank of England credit to be a private bankers credit, but Gov. Meyer said Gov. Harrison told him this would take too long and, further, that the New York banks were heavily involved in the "stand still" agreement as to Germany.

July 30, 1931. 117.

Miller said that the Hoover-Laval agreement in effect provided that Germany must look to France for relief. Oct. 28, 1931. 168.

Miller said that above agreement in effect provided that the U.S. would go hand in hand with France permitting it to clean up the German situation. Oct. 29, 1931. 170.

See:
- Amster-German tariff agreement
- B.I.S.
- Federal reserve credits
- Hoover
- Houghton
- Laval
- Moratorium
- Reichsbank
- Reparations
- Young plan

Gianini told James he had given W. G. McAdoo $50,000 for which McAdoo said he could pull over James as to Bank of Italy branches, but that McAdoo did not succeed.

James said, asked him what his price was. July 16, 1931. 91.

Gilbert, H. Parker

Said in N.Y. conference that Germany had not managed her banking and finance problems well; that she could have avoided the crash by firm credit rationing. July 12, 1931. 84.
Gilbert, H. Parker (Cont'd.)

Goldenweiser said Ogden Mills prepared the basis of the Hoover-Leavel agreement; that Gilbert et al advised Miller that all reparation questions should be settled under the Young agreement.

Oct. 27, 1931. 171.

Glass, Senator

C.S.H. refers to his letter to Glass in March, 1931, on subject of Prof. Sprague's inconsistencies.

April 4, 1931. 4.

C.S.H. feels passage of Glass resolution has profoundly affected Hoover and Sec. Stimson.

April 11, 1931. 14.

Daiger tells C.S.H. that Glass, in a talk with him, admitted that a well-managed bank carrying only a moderate amount of stock loans could be granted discounts on eligible paper to keep up its reserves.

May 22, 1931. 35, 36.

Daiger said Glass told him he would avoid extreme amendments which might be bitterly contested.

Glass called up C.S.H. while he was in New York.

May 22, 1931. 36.

Glass, in this morning's New York Times bitterly opposed any further Federal reserve credits to Germany.

July 17, 1931. 91.

Gov. Meyer told C.S.H. he had read above letter. He said Yes.

July 18, 1931. 92.

C.S.H. read to Board Glass' letter protesting against credits or loans to European central banks through purchase of finance bills under guise of prime commercial bills, and also criticizing the British credit of 1925.

July 20, 1931. 95.

C.S.H. told Board Glass had asked him for an interview on Thursday or Friday.

As Gov. Meyer had said he would be in New York then, C.S.H. asked him if he could see Glass on either of those days.

Gov. Meyer brusquely said Yes and then added, "I am in touch with Glass," as if it was not C.S.H.'s business.

Later Glass telephoned he had changed the date to next week Wednesday, and asked C.S.H. if this was agreeable to him. C.S.H. said Yes.
Glass, Senator (Cont'd.)

Gov. Meyer evidently asked for this postponement, but he said nothing of it to C.S.H.

July 21, 1931. 100

C.S.H. called on Glass who said Gov. Meyer was to call on him at 2:30 and asked C.S.H. to call at 5.

Gov. Meyer had not told C.S.H. of his appointment.

C.S.H. met Gov. Meyer in the hall on his way to Sen. Glass and asked as to his interview with Glass.

Gov. Meyer said very laconically - All right.

C.S.H. asked if he had any trouble and he said shortly, "None at all."

He spoke almost as he would have to an inquisitive reporter.

July 29, 1931. 112, 113.

C.S.H. called on Glass.

Glass said he had had a very satisfactory talk with Gov. Meyer and thought he would be a very useful member of the Board.

Glass said Gov. Meyer misled on Ryatt's opinion that the System had power to buy foreign bills; that he was glad Gov. Meyer had kept their amount down.

Glass made a furious attack on Hoover and Stimson.

C.S.H. believes, from Glass's manner, that Gov. Meyer also must have been very critical of both Hoover and Stimson.

C.S.H. believes Gov. Meyer must have told Glass that they wanted to dump all German relief into the Federal Reserve System, but that he had thwarted their efforts.

Glass persisted that foreign bills could lawfully be bought only to increase earnings or to make discount rates effective.

C.S.H. answered that the Glass Committee in 1913 stated that control of foreign exchange fluctuations and gold was also out of reason.

Glass attacked the 1923 credit to Great Britain, denying any power to grant such a credit.

C.S.H. asked if the power given in Sec. 14 of the Act to deal in gold did not carry the power to buy, sell, or loan gold.
Glass, Senator (Cont'd.)

Glass said soon the System will be loaning gold to Bank of England, e.g. to buy a battleship.

C.S.H. pledged every vote against such an impious proposal.

C.S.H. explained that such credits must have to do with bills.

C.S.H. feels Glass is beginning to realize that the Board must take the law from its Counsel, and that its application is a matter of judgment.

Glass said the Board would be attacked politically, the charge being that while it could not spend money to save American banks, it could give credits to save European central banks; that it would be difficult to defend the System against such attacks.

C.S.H. told Glass his name would be immortal because of his putting together the Federal Reserve Act; that he built better, perhaps, than he knew; that the Federal Reserve Act was like the U.S. Constitution, its construction was a steady growth to meet changing conditions; that some critics regarded the Act as like the miniature gold links scattered over the cities, but that it was broad enough to cope with every condition which might arise.

July 29, 1931. 113, 114, 115.

Glass asks C.S.H. to dine with him this evening.

Glass said he was present at the Conference of Congressional leaders at the White House; that he opposed Hoover's suggestion of broadening of eligible paper; that Hoover did not answer him but kept his eyes looking down at his feet, not looking him in the face, his usual manner; that several Republicans told him secretly they thought he was right.

Glass said Gov. Meyer made no objection at the conference, but told him privately he was as much opposed to it as was Glass; that he, Glass, said he would never agree to making the Federal Reserve System an investment system; that the New York banks could easily bring about the "stress" necessitating such broadening.

While Glass was clearly disturbed at the outlook, he was much calmer than C.S.H. feared he would be.
Glass, Senator (Cont'd.)

He said he still could not see what right the System had to give them foreign credits, the bills not being genuine commercial bills.

C.S.H. said every bill bought from the Bank of England was a genuine prime commercial bill.

Glass seemed not nearly as positive as he has been before.

Glass asked if the Federal reserve banks were taking or buying the 600 million of frozen German bills.

C.S.H. said he was sure not, but would ascertain definitely.


Glass told C.S.H. that Willis favored repeal of that part of Federal Reserve Act limiting Board members to not more than one from any-one district.

Oct. 7, 1931. 156.

Tells C.S.H. he will have Sub-committee meet in November and frame amendments to Federal Reserve Act.

He said he would make the amendments simple and would probably include some which might ultimately be thrown overboard.

C.S.H. said he hoped Glass would make it plain that the Federal reserve bank can refuse discounts to member banks abusing the privilege by undue and excessive speculative loans; that while the Act now gives this power, it required our lawyers opinion to extract it from Act and it would be better clearly to express it.


Gov. Ualeyer told C.S.H. he had talked over the telephone with Glass this a.m. and that he favored broadening of eligibility to include Lombard loans, but feared such change would pave the way for many dangerous amendments.

Oct. 8, 1931. 158.

Ray Stannard Baker told C.S.H. that Glass had helped him greatly on Volume 4 of the Wilson history covering the period of formation of the Federal Reserve Act.

Nov. 3, 1931. 174.

Glynn, Eleanor
Rachel Hale has bought house in Georgetown formerly owned by.
April 29, 1931. 21

Gov. Norman refers to Kemmerer's exhaustive and exhausting report urging China to adopt the gold exchange standard. April 6, 1931. 7.

In last 6 months, 187 millions of gold has been imported, and 84 released from earmark, part of which lies idle in the Federal reserve bank and part has been hoarded. June 16, 1931. 51.

Goldenweiser shows that by turning back Federal reserve notes held by Federal reserve banks but not put into circulation 250 millions could be added to free gold of the System. July 20, 1931. 132.

Magee telephoned C.S.H. that Gov. Meyer in New York said that England was going off the gold standard. Sept. 19, 1931. 143.

Great Britain suspends gold standard. Sept. 21, 1931. 144.

Willis said it was a terrible mistake for England to go back into the gold standard in 1925 as it involved radical deflation which England could not stand. Oct. 7, 1931. 156.


Gov. Harrison told Bank of France officials that further deposits of Bank must either be earmarked or exported. Oct. 28, 1931. 169.

Burgess went over to B.I.S. and persuaded McGarrah that his request that all deposits of B.I.S. be payable specifically in gold, could not be complied with.

The National Bank of Switzerland issued a regulation that no dollar exchange would be bought unless bank selling it guaranteed payment in gold, but rescinded it after hearing Burgess. Oct. 30, 1931. 171, 172.

Burgess told Board that Anderson's article on free gold had greatly injured the prestige of the Federal Reserve System abroad. Oct. 30, 1931. 173.

See — Free gold.
Goldenweiser

Said we could easily grant the $125 million credit to Great Britain as the System had $750 million of free gold and by turning over Federal Reserve notes held by banks but not put into circulation, to Federal Reserve Agent, we could make the free gold over $1 billion.

July 30, 1931. 132.

Said over 700 million of gold had been remitted or exported during last 5 weeks, the largest amount ever moved in world's history in that time; that the free gold was not reduced by this export, because increased holdings of discounts and bills furnished eligible paper which was turned over to Federal Reserve Agent and gold taken down for it.

Oct. 27, 1931. 169, 170.

Said that Ogden Mills prepared the basis of the Hoover-Laval agreement after consultation with Gov. Harrison, S. Parker Gilbert, and others; that they advised Mills that reparation questions should be settled under Young agreement.

Oct. 29, 1931. 171.

Told C.S.H. the Bank of France had not materially decreased its deposits in U.S. during past few months; that the increase in the Bank of France of U.S. gold came from Frenchmen selling their American securities, turning the dollar credits into gold, exporting the gold and depositing it in Bank of France in exchange for francs.

Nov. 4, 1931. 176.

Gives a talk to Federal Advisory Council.

Nov. 16, 1931. 187

Goodwin, Mrs. Elliott

We both visit, at Emergency Hospital.

April 18, 1931. 17.

Gordon-Cuming, Mrs.

We called on and met Mrs. Rodgers there.

June 5, 1931. 44.

Government deposits

Ogden Mills objects to Reserve Committee recommendation that member banks should carry reserves against all Govt. deposits as it would interfere with the profits of the banks in placing Govt. securities.

Oct. 21, 1931. 166.

Government securities

See - Governors Conference
Government transportation

Mr. Fahy, Gov. Meyer's secretary, told C.S.H. Gov. Meyer never used Govt. transportation even when travelling on official business, although he had often urged him to do so.

C.S.H. said that a Board member dividing up his vacation into week-ends to accommodate Board members who have to go long distances for vacation, would be entitled to use Govt. transportation, provided he pays personally the first trip away from Washington and the last trip to Washington; that Wyatt last year so advised him.

C.S.H. said, however, he had only used Govt. transportation when on strictly official business.

C.S.H. asked Fahy how Gov. Meyer arranged for the airplanes which he often took to go to New York.

Fahy said he notified the Secretary of War and he furnished the machines.

Fahy did not say whether Gov. Meyer paid for these machines.

July 14, 1931. 88, 89.

C.S.H. used Govt. transportation this summer only as follows:

1. August 4, 1931.

   To Federal Reserve Bank, Boston, in company with Chief Examiner Drinnen. Atlantic National Bank matter. 135.

   Conference with Curtiss, Young, Drinnen, and National Bank Examiner Williams. Atlantic National Bank affiliate. 145.

   To Federal Reserve Bank of Boston with Mr. Magee. Attended meeting of Executive Committee. Later Curtiss invited us to a bankers' lunch and conference. 163, 164.
5. Nov. 20, 1931.
Spoke at stockholders meeting of Federal Reserve Bank, Boston, 189.

Governors Conference. (Also Government securities)

Governors Conference met today.

C.S.H. at home with cold.
April 27, 1931. 20.

Conference ended today.

Gov. Norris called and said a large majority of the Governors was opposed to having any easier money, but finally voted for authority to buy 100 millions, to cover emergencies.

Gov. Norris said Gov. Meyer was with the conference most of the time, the only Board member present, and worked hard with Gov. Harrison to secure authority for much larger purchases.

April 29, 1931. 21, 22.

Gov. Meyer suggests buying 100 millions of Government securities to offset hoarding.

It was decided to call a meeting of Executive Committee of Governors Open market Conference.

June 16, 1931. 51.

Governors Open Market Conference convenes.

Gov. Meyer had told them that the Board, should the conference make the suggestion, consider sympathetically a proposition to buy in near future 200 or 300 millions of Government securities, so as to force banks to invest in Railroad and other bonds, now greatly depressed.

The Governors were in conference all the morning until 5:30 p.m.

Gov. Meyer sat with them from 3:30 to 5:30 p.m., no other member being asked to be present.

At 5:30 the Board met with the Governors.
Governors Conference (Cont'd.)

Gov. Meyer's sitting alone with the Governors was a repetition of the last conference, and C.S.H. feels disturbed about it.

Gov. Harrison gave us, but did not read, a preliminary memorandum.

He stated that the original resolution before the Conference was to authorize the purchase (and sale) of 300 millions of Governments; that an amendment was offered cutting this down to 120 millions (including 20 which represented unexpended authority; that the Resolution, as amended, was adopted 11 to 1, Governor Harrison alone voting No; that the authority granted was practically merely an emergency power.

Gov. Harrison added that the situation could not be corrected by buying 120 millions; that nothing short of a bold stroke, e.g. buying 250 or 300 millions could cure the situation, and that even that was doubtful.

C.S.H. suggested that those who voted for the amendment should state their reasons.

Gov. Young said that he believed that lowering acceptance rates would afford all needed relief, and that his directors were opposed to further purchases of Government securities, except in real emergencies.

Governors Black, Norris, Calkins, and others had left when the Board came in.

Miller said the report was very disappointing to him; that while he was distrustful generally of open market operations, present conditions offered an opportunity for a bold stroke which he had hoped the Governors would make, but that they had sidestepped and merely compromised.

Gov. Meyer said the procedure should be changed and the Board should sit in with the Governors in the first instance; that thereafter the Governors could meet by themselves and prepare their report; that the Governors came to the meeting without instructions from their directors, and thus real discussion on the merits of any question was impossible.

James said the Governors were discourteous in not inviting the Board to sit in with them, although such discourtesy he did not believe was intentional.
Governors Conference (Cont'd.)

Gov. Harrison said the Governors were merely carrying out the procedure fixed by the Board.

C.S.H. said he could not vote intelligently without hearing the initial discussion; that the directors should not instruct the Governors; that the directors, however, were not bound to accept the conclusions of the Conference.

Gov. Harrison said he had long felt that having all the Governors in the Open Market Committee had not been satisfactory, and could not be; that under the former procedure the members of the Executive Committee had never been instructed by the Directors.

C.S.H. believes that Governor Meyer was satisfied with the old procedure so long as he, sitting in with the Governors alone, could persuade them to accept his views, but after the defeat of his easy money views, he now wants the rules changed.

The adverse vote — 11 to 1 — of the Governors was a heavy blow at the Federal Reserve Bank of New York; it shows that New York is not the central bank of the System.

August 10, 1931.

Miller favored a regulation requiring Board's approval before any purchase or sale of Government securities.

Gov. Meyer objected to present consideration as the matter had been pending for years, and could wait.

C.S.H. thinks Gov. Meyer believes that New York has a right to buy and sell Governments without approval of Board.

August 10, 1931. 127.

In the British credit the Federal Reserve Bank of New York asked approval of Board. This is a precedent.

August 10, 1931. 127.

Board approved recommendation of Governors Conference as to purchase and sale of 120 millions of Governments, but only after consultation with Board.

August 11, 1931. 128.

Gov. Meyer told C.S.H. at dinner at Metropolitan Club he was much disturbed at action of Governors in voting down Gov. Harrison's request to purchase 300 millions of Governments.
Governors Conference (Cont'd.)

Gov. Meyer said Gov. Harrison could present a matter very gracefully, but could not sell it; that if the Board had taken part in the conference he believed the Governors would have followed the Board and the New York bank.

Aug. 11, 1931. 129.

Approval of Governors recommendations taken up again, but no action taken.

Gov. Meyer for the first time seemed impressed with the realization that the supremacy of the Board over all the Federal reserve banks, including New York, must be maintained.

Aug. 11, 1931. 130.

Miller again pressed a regulation covering Government securities and bills.

Gov. Meyer again opposed present action but said he would take it up with Gov. Harrison.

Went over.

Aug. 14, 1931. 130.

Board finally agreed on a letter to Chairman of Open Market Conference giving general approval to the purchase and sale of 120 millions of Government securities.

It provided that such purchases should be made only after consulting the Governor, who was given general authority.

The power to sell, however, was not delegated to the Governor for approval, but was reserved by the Board in each instance.

Aug. 18, 1931. 131.

In discussing power of Board to frame regulations covering purchase and sale of bills and Government securities, C.S.H. pointed out that one of Board's earliest regulations was one authorizing Federal reserve banks to buy Government securities as they may deem advisable.

Aug. 18, 1931. 131, 132.

Ogden Mills told Board that banks subscribed for Government securities not to hold them but to sell them, and that exemption for reserve requirements really was a part of their commission for selling.

Oct. 21, 1931. 166.

Governors Open Market Conference convened with Board.

Informal discussion in a.m. with Board.
Agreed hoped for improvement had not materialized.

Gov. Harrison said the New York member banks had relatively few rediscounts; that they were afraid to rediscount and were striving to keep liquid.

Gov. Harrison said the New York City banks ought to rediscount fearlessly, but that they feared such course might revive lack of confidence abroad resulting in gold exports and domestic hoarding; that there was no way of forcing the banks to rediscount.

All agreed that the banks through fear had practically instituted a credit blockade to the injury of many good customers.

The question before Conference was whether to buy more Governments now.

Gov. Harrison thought it wise not to buy any more just now as Treasury would put out a large issue on December 3, 1931, and further purchases now might ease market so that Treasury rate would be too low on selling the certificates sell in the future below par.

Gov. Meyer agreed we should not buy now but should be prepared for any emergency.

Miller said the credit blockade must be met with courage by somebody; that if the banks won't loan freely, he would favor the purchase of almost any amount of Government securities and if the banks would courageously loan he would not mind if the required reserves had to be reduced.

Gov. Meyer gave a dinner to the Governors and Board at his home.

Gov. Meyer gave a dinner to the Governors and Board at his home.

The Governors reported on present need, but favored granting authority to purchase or sell up to 200 millions, all purchases to be resold in January.

Board approved above.
Gov. Norris told C.S.H. that the Governors, including Gov. Harrison, all believed the New York member banks should rediscount; that they will not help them in their refusal to discount by buying Government securities; that the 200 million authority was granted only for emergencies.

Nov. 20, 1931. 196.

See - Open Market Conference
Sterling

Grant, Catherine
Replies to C.S.H. letter.
April 24, 1931. 19.

Calls on C.S.H. at Treasury with her father and Mrs. Houghtaling.
May 11, 1931. 28.

Calls on us at Hay-Adams House and spends an hour.
May 13, 1931. 30.

We meet, at dinner with Mrs. Delano.
May 15, 1931. 32.

Catherine’s birthday is Nov. 25th. She will be 43 on Nov. 25, 1931.

Christopher Grant was born July 22, 1929. Will be two years old on July 22, 1931. 72.

C.S.H. writes a letter of sympathy to, who is ill with mumps.
July 13, 1931. 86.

Comes to dinner, together with Mrs. Roosevelt.
Aug. 9, 1931. 122.

Dines with us to meet Capt. and Mrs. McNamara.
Sept. 20, 1931. 143.

Leaves Fairhaven for Brookline.
Sept. 25, 1931. 145.

C.S.H. takes supper with, in Brookline, on way to Washington.

Catherine and 4 children come down to Fairhaven for over Sunday.

Lunched with us on Saturday.

After lunch Catherine and H.P.H. took a nap and the children rommed around the place.
Grant, Catherine (Cont'd.)

In evening Catherine came out alone and dined with us.
   Oct. 24, Saturday. 167.

C.S.H. writes Catherine thanking her for the flowers she sent for
   Anna's birthday Oct. 26th.

Returning from Forest Hills C.S.H. stopped at Catherine's, who was
   out, C.S.H. having sent her no notice of coming. C.S.H.
   had Christopher brought down and had a nice 1/2 hour with him.
   Nov. 9, 1931. 181.

Catherine came down to Fairhaven with the children. Saturday they
   all lunched with us, and spent the afternoon, leaving at 5:30.
   Nov. 14, 1931. 186.

C.S.H. wires Catherine congratulations on her 42nd birthday.
   Nov. 25, 1931. 192.

Grant, Christopher
Born July 22, 1929. 72.

C.S.H. calls on and sees, although Catherine is out.
   Nov. 9, 1931. 181.

Great Britain
Gov. Norman told Board he found no interest in the silver question
   either in Great Britain or China; that British exports to
   China had not fallen off since decline in silver.

He said the great problem of, is to reorganize industry and lower
   costs to help her export trade; that wages must be reduced.

He said Belgium and France had a great advantage over Great Britain
   by revaluation but that they revalued at too
   low a rate; that this gave them a great temporary advantage
   over Great Britain but that prices had so risen that this
   advantage had ceased.
   April 6, 1931. 8.

Gov. Norman told C.S.H. that in, the banks controlled speculation
   not by denying loans to customers, but by increasing discount
   rates.
   April 8, 1931. 7, 8.

Houghton said the tax rate in Great Britain was as high as in
   Germany, but that England had wealth to tax while German wealth
   was sadly depleted.
   July 5, 1931. 69.
Great Britain (Cont'd.)

Magee telephones C.S.H. that Gov. Meyer telephoned from New York that Great Britain was going off the gold standard.

Sept. 19, Sat. 1931. 143

Government announced suspension of gold redemptions and closing of stock exchange for two days.

C.S.H. fears it will be a long time before she goes back.

Sept. 21, 1931. Monday,

144, 145.

Willis said, made a terrible mistake to resume on the gold standard in 1925 as it caused deflation which she could not stand.

He held Gov. Norman and Gov. Strong responsible for this.

Oct. 7, 1931. 156

See - Bank of England
British Ambassador
League of Nations
Norman, Gov.
Wilson, Woodrow
Haitian Minister, Bellegarde
Delivers address at lunch to Pan American Conference given by Carnegie Foundation.

Hale, Donald. 28
See — Hale, Rachel

Hale, Mary
32, 54, 117, 136, 137, 138, 162
See — Hale, Rachel

Hale, Rachel
C.S.H. writes, sending her a copy of Dr. Butler's address, "These United States."
He also told her of Bertie calling up Gertrude Meyer pretending to be a society reporter.
April 1, 1931. 2
See — Meyer, Gertrude

Called up Rachel.
She was flat on her back but we had a good talk.
April 7, 1931. 11.

We both call on Rachel. April 14, 1931. 14.

C.S.H. writes, as to visit to Reptile House.
April 16, 1931. 16.

Gertrude Meyer says Bertie was rude to her in not inviting her to dinner at Woman's Democratic Club on which occasion she had invited Rachel, and Bishop and Mrs. Rhinelander.
April 23, 1931. 18.

C.S.H. calls up Rachel.
She said she had bought a house in Georgetown, formerly owned by Eleanor Glynn.
April 29, 1931. 21.

C.S.H. called up Rachel.
She said she might leave for her place in Maryland next week.
May 5, 1931. 23.
C.S.H. calls on Rachel.

She said Donald had been promoted to Asst. Treasurer of his bank in New York.  

C.S.H. writes, sending a copy of William Martin's article on conditions in Europe, published by Carnegie Foundation.  
May 13, 1931. 23.

In above letter C.S.H. expressed the hope that before she left Town he could see Mary's baby and the new house in Georgetown.  
May 13, 1931. 32.

C.S.H. wrote on Sunday that he hoped he could see her new house before she left but received no answer.  
May 24, 1931. 36.

We walked by Rachel's house after dinner but it was all closed, - she had evidently gone to her Maryland place.  
May 26, 1931. 36.

Rachel called up Bertie and asked us to dine with her at His Lordships Kindness either Friday or Saturday night.  
June 10, 1931. 46.

We meet Rachel at Margaret Eustis' wedding at Leesburg.  
Bertie regretted she could not dine with her as she was leaving Washington Saturday.  
June 10, 1931. 46.

Bertie asked her to look out for C.S.H. while she was away.  
C.S.H. said he would call her up next week and come over to Tea.  
This seemed to please her.  
June 10, 1931. 47.

Bertie told Rachel that she believed Gertrude Myer was jealous because C.S.H. called on her, - Rachel that she seemed to think she had invented C.S.H.  
June 10, 1931. 46, 7.

C.S.H. called up.  
Fraulein said she went to Donegal yesterday with Mary.  
June 17, 1931. 54.
Hale, Rachel (Cont'd.)

C.S.H. called up Rachel and had a good talk.
June 19, 1931. 54.

C.S.H. called up Rachel and had a talk.
June 23, 1931. 55.

C.S.H. drives over to tea with Rachel. Met Mrs. Wilson, widow of the Washington lawyer, there.
She had on a table the box of cigarettes C.S.H. had sent her.
June 24, 1931. 59.

C.S.H. called up.
She was just going to Bar Harbor for ten days. Tomorrow to visit Emily Trevor.
July 1, 1931. 67

C.S.H. called up.
Mary Hale said she was still at Bar Harbor, to return the last of the week.
July 13, 1931.

C.S.H. called up and talked with.
July 21, 1931. 96.

C.S.H. dines with Rachel.
She said Gertrude Myer had bought an auto and had hired as chauffeur the husband of her maid; that Gen. Bowley went with her to pick out the auto, and that she was angry with him for not trying to beat down the price.

We fear that Gertrude suspects he may have got a commission!
She said Gertrude was to go to Hot Springs in August, probably taking with her young Dangerfield.
July 21, 1931. 101.

C.S.H. writes Rachel quoting Bertie wrote - that Mrs. Anderson sat next General Bowley at dinner at Gertrude's and that the General said that he had tried to help Gertrude straighten out her affairs but that "nothing was ever right."

July 24, 1931. 105, 106.

C.S.H. called up.
Rachel said Mary had left for New York to sail for Europe Saturday.
Hale, Rachel (Cont'd.)

She said Gertrude had said she would spend Sunday with her and leave for Hot Springs on Tuesday, but that she had not heard from her.

She said Gertrude said she somewhat hesitated to go to Hot Springs "as it would look so strange to enter the dining room there alone".

July 30, 1931. 117.

C.S.H. called up.

Rachel wanted him for dinner Friday night but he was going to Boston.

She said Gertrude left at 3 p.m. today for West Point, N.Y. for ten days.

She also said Gertrude dined with her the other evening bringing with her Col. Hodges, military aide to President Hoover.

August 5, 1931. 120, 121.

C.S.H. wrote Rachel.

Spoke of excessive heat at Mattapoisett.

Sent messages from Bertie.

August 7, 1931. 122.

C.S.H. called Rachel but could get no answer.

August 10, 1931. 128.

C.S.H. called up Rachel.

She said she had leased her 16th street house to Leland Harrison for one year.

August 11, 1931. 129.

C.S.H. called up.

She asked him to dinner for tomorrow night.

August 19, 1931. 132.

C.S.H. dines with Rachel.

Returning to Washington, C.S.H. wrote her enclosing copy of Gertrude Myer's letter to Bertie, from West Point, dated August 18, in which Gertrude sent her love to us both.

August 20, 1931. 133.

C.S.H. called up.

Mary answered that Rachel was ill with grippe; that moving in the hot weather into the Georgetown house had worn her out.
Hale, Rachel (Cont'd.)

C.S.H. said he hoped she would be up again in a few days, and Mary said rather ambiguously she hoped so.
Sept. 2, 1931. 135.

C.S.H. wrote Rachel a letter of sympathy.
Sept. 2, 1931. 135.

C.S.H. called up.
Mary said Rachel had been in a hospital for some days, but would return on Saturday.
Sept. 8, 1931. 126, 127.

C.S.H. called up.
Mary said she had just returned from the hospital.
Sept. 9, 1931. 127.

C.S.H. writes Rachel a long letter expressing pleasure at her release from the hospital.
Sept. 9, 1931. 127.

Bertie writes Rachel a long letter and encloses a letter as to Madame Ashe's death written by an employee.

Bertie also begged her to come to Mattapoisett to recuperate, and spend at least a week with her.
Sept. 11, 1931. 137.

C.S.H. called up.
Mary said she was still in bed but hoped to be up next week.
Sept. 15, 1931. 138.

C.S.H. wrote Rachel.
Sept. 16, 1931. 141.

Bertie received a long letter from Rachel regretting that she could not visit her.

She said a germ had got into her kidneys giving her a very high temperature, but that she was slowly getting better.
Sept. 24, 1931. 139.

C.S.H. called up.
The Nurse answered and said Rachel was getting along comfortably but was still in bed and could see no one; that Mary had gone back to New York.
Sept. 29, 1931. 146.

C.S.H. left card on Rachel.
The maid said she was improving fast but as yet could see no one.
Sept. 30, 1931. 146.
C.S.H. left a card and some roses on Rachel.
The maid said she was getting along very well. Oct. 1, 1931. 149.

C.S.H., when he called, left a letter for Rachel saying Bertie had asked him to join her in sending the flowers. Oct. 1, 1931. 149.

Bertie receives letter from Rachel thanking "you both" for the roses. Oct. 3, 1931. 150.

C.S.H. calls on Rachel, without making any appointment. She was receiving.

Mary's baby was to be baptized at 5 p.m. so I made a very short call.

C.S.H. said her letter to Bertie acknowledging the roses gave them both a good laugh; that C.S.H. told Bertie that if he had sent the flowers without her knowledge, pretending to Rachel that Bertie had joined with him, how astonished Bertie would have been to receive her letter thanking her for flowers. Bertie knew nothing about it.

Rachel laughed and said "what would Bertie have thought if sometimes she had found a letter to you - C.S.H. - from me thanking you for flowers of which Bertie knew nothing?"

Oct. 13, 1931. 162.
C.S.H. writes Rachel sending a copy of his address to Pan Americans at luncheon.

C.S.H. told her in the letter that Edith Helm had told him that Gen. Bowley had just been married. Oct. 14, 1931. 163.

C.S.H. called up Rachel and arranged to call at 5 p.m. Oct. 20, 1931. 165.

C.S.H. called on Rachel.

She looked surprisingly well considering her long illness.

C.S.H. gave her all the European gossip. Oct. 20, 1931. 165.

Hale, Rachel (Cont'd.)

C.S.H. called on Rachel.

Met there Mrs. Rodgers and Mrs. McNamara.

C.S.H. told her his diaries had frequent references to her, all very eulogistic and that they stated she was one of the distinctive women of Washington.

C.S.H. said if she raised any objection to this he would delete every reference to her.

C.S.H. reminded her that these diaries, if ever printed, would not be open to public inspection until years after his death, but that they probably would appear some time at Harvard University and the Library of Congress wanted him to leave them with it, which meant future publication.

She did not demur but, on the contrary, seemed very much pleased, and said her descendants some day would read with great interest what C.S.H. had written.

Oct. 29, 1931. 170.

C.S.H. writes Rachel, sending a copy of the New Bedford Times interview with Bertie.


C.S.H. called up.

Rachel asked him to call her up on Thursday as she was tied up today and tomorrow with Ellen Leonard.

C.S.H. said he would not call this week, but she said she would like to have him call her up on Thursday and to see him before he went back to Mattapoisett again.

Nov. 3, 1931. 178.

C.S.H. called up.

Rachel said she was going to the symphony concert this p.m. but hoped he would call this week.

C.S.H. said he was leaving for Boston tonight.

She asked him surely to call her up next week on his return.

C.S.H. said it was an imposition on her to keep calling her up every week, and that he would take his chances and call some time next week.
Hale, Rachel (Cont'd.)

She said No, she really wanted to have C.S.H. call her up, that if he did not it would look as if he really did not want to see her, - this latter in jest.

C.S.H. then said he would call her up. Nov. 5, 1931. 174, 175.

C.S.H. called up.

Rachel seemed very much perturbed. Before C.S.H. could say anything she said she was very much incommoded and was really sorry C.S.H. had called her up. She added that Mrs. Beale was in Town and that she must see much of her with Ellen Leonard this week.

C.S.H. at once expressed regret at having troubled her, and said he was leaving for Mattapoisett tonight but would return early next week.

She said she would be very glad to hear from me when I returned.

She then said Gertrude had said she would "address herself" to Mary, and she feared it would be hard on Mary.

C.S.H. told her about Mrs. Blake's accident. Nov. 11, 1931. 182, 183, 184.

C.S.H. was much puzzled at above interview. He does not believe Rachel intended to be rude in saying she was sorry he had called her up, but thinks she was tired and perhaps not feeling well, which would not be surprising in view of her illness, which requires her still to keep her nurse.

C.S.H. feels that for the present he will keep away, until, at least, she has wholly recovered and has discharged her nurse.

Nov. 11, 1931. 184.

(C.S.H. has enjoyed his acquaintance with Rachel very much, as has also Bertie. We have considered her, - as she has considered us, - as one of the family. This is shown by fact that from April 1 to Dec. 1, 1931, C.S.H. called her up 24 times, called in person 9 times, wrote her 12 letters, and dined with her at her country house twice.)

Hallett, Mr.

The director of the zoo took, into the cage where there were two enormous pythons. April 15, 1931. 15.
Hallet, Mr.
See - Atlantic National Bank

Hamlin, Alma

We have a special service in memory of Anna at St. Agnes Church, Washington. Father Anderson. Tomorrow - Sunday - is the 26th, the anniversary, but to oblige Father Anderson we had the special service today. Mr. and Mrs. Harrington sent us flowers in memory.

April 25, 1931. 19.

Catherine Grant sent us flowers - Anna's birthday.

C.S.H. writes Catherine and the Harringtons for the flowers.
Oct. 28, 1931. 169.

C.S.H. goes out to Forest Hills cemetery.
Nov. 9, 1931. 181.

Hamlin, C.S.

Tells Gov. Harrison he and Miller would probably have voted for a 6% rate in 1928 had New York asked for it.

Explains to Gov. Harrison Prof. Sprague's advice in 1928.
April 6, 1931. 9, 10.

Gov. Harrison asked if C.S.H. was satisfied with relations now existing between Board and Federal Reserve Bank, New York.

C.S.H. said his chief criticism was the lack of close contact.
April 6, 1931. 10.

C.S.H. in bed with a severe cold.
April 25, 1931. 20, 21.

See - Dunn, Dr.
Ruffin, Dr.

C.S.H. is beginning to fear that the Federal Reserve Bank of New York is dominating Gov. Meyer.
April 29, 1931. 22.

C.S.H. votes against James motion to order our disbursing officer to pay Magee's salary and to make it good if not confirmed by Senate.
May 11, 1931. 29.
Hamlin, C. S. (Cont'd.)

Votes in favor of Austrian credit. May 15, 1931. 31.


C.S.H. attends Executive Committee meeting at Federal Reserve Bank of New York. May 22, 1931. 34.

Votes for new Austrian credit. June 16, 1931. 49.

Votes for 10 million deposit in B.I.S. June 16, 1931. 50.


Voted for credit to Hungary up to 3 millions. June 26, 1931. 61.

C.S.H. told reporter he had never heard of proposed Federal Reserve credit to South America. June 27, 1931. 62.


See - Conferences.

C.S.H. believes Gov. Meyer has given some pledge to Hoover as to cooperation under Hoover - French accord without telling Board of it. July 7, 1931. 71.


C.S.H. claims Board has no power to order a state member bank to dispossess itself of holdings of national bank stock. July 8, 1931. 72, 73.

See - Condition

C.S.H. votes against such power. July 8, 1931. 74.
C.S.H. votes to authorize the Governor as Executive officer to approve definite proposition from Federal Reserve Bank of New York as to disposition of 10 millions special deposit in B.I.S.

July 9, 1931. 78.

C.S.H. objects to reference in Miller draft to Hoover-France accord as justification for deposit in B.I.S.

July 9, 1931. 78.

C.S.H. said our Board was not bound to give further credits to Germany under Gov. Harrison's cable to Gov. Somner, even if Germany should ration credit.

Gov. Meyer said Gov. Harrison fully understands this.

July 9, 1931. 79.

C.S.H. feels further credits to Germany will only postpone the inevitable crash.

July 22, 1931. 81.

Gov. Harrison's secretary refuses to give a message to him from C.S.H.

July 16, 1931. 89.

C.S.H. is surprised at failure of Gov. Meyer to talk with him freely about Federal Reserve matters.

July 18, 1931. 92

See - Meyer, Gov.

C.S.H. said that before voting on another Federal reserve credit, in view of Glass's protest, he should ask for opinion of Counsel or of Attorney General.

July 20, 1931. 93.


July 24, 1931. 105.

Votes to approve merger of Central Trust Co. of Chicago merger.

July 24, 1931. 106

C.S.H. votes on objection to Gov. Harrison to appoint at request of B.I.S. members of a Committee to consider German relief.

July 26, 1931. 109.

C.S.H. said that as Miller raised question of Board power to deposit in B.I.S. he must insist on an opinion from Wyatt.

July 26, 1931. 110.
Hamlin, C. S. (Cont'd.)

Votes to approve 125 million credit to Bank of England.
July 30, 1931. 116.

C.S.H. at first preferred a private bankers credit but Gov. Meyer said Gov. Harrison said it would take too long and the New York banks were heavily involved under the standstill agreement.
July 30, 1931. 117.

C.S.H. said he could not vote intelligently on the Governors Open market report, not having heard the preliminary conference.
Aug. 10, 1931. 128.

C.S.H. voted to amend records to show that Board not only ratified action of Executive Committee in "noting" the 10 million deposit in the B.I.S., but also either approved or voted to offer no objection.
Voted down.
Aug. 10, 1931. 126.

C.S.H. said merely "noting" was an unlawful delegation of power to Federal Reserve Bank, New York.
Aug. 10, 1931. 127.

C.S.H. says action of Federal Reserve Bank, New York, in specifically asking approval of British 125 million credit is a valuable precedent. Aug. 10, 1931. 127

C.S.H. pointed out that one of the first regulations of Board gave authority to Federal reserve banks to buy Government securities in their discretion.
Aug. 18, 1931. 131, 132.

C.S.H. objects to Gov. Harrison's reasons for not increasing discount rates, - injury to bond market.
Sept. 16, 1931. 140, 141.


C.S.H. opposes N.Y. theory of increasing discount rates by 1% at each increase.
Oct. 14, 1931. 163

See - Government transportation
Mattapoisett
Meyer, Gov.

See also:
Atlantic National Bank
B.I.S.
Burgess
Carnegie Foundation
Central Trust Co.
Hamlin, C. S. (Cont'd.)

See also: Condition of admission

Dinners
- Discount rates
  - Ernst, Helen
- Federal Reserve Board
  - Federal Reserve credits
  - Federal reserve notes
- Fiduciary powers
- Glass, Senator
- Grant, Catherine
- Government transportation
- Governors Conferences
- Hale, Rachel
- Hamlin, E. P.
- Harrison, Floyd
- Harrison, Gov.
- Helm, Ethel
- Kincheloe case
- Lee, Lucy
- Lueshiana
- Mattapoisett
- McClelland
- McDonogh
- Meyer, Gov.
- Morrill, Chester
- Salaries
  - Sprague, Prof. O.M.W.
  - Suppers
  - Wilson, Woodrow
  - etc. etc. etc.

Hamlin, Edward
Dines with us on my 70th birthday.
Aug. 30, 1931. 134

See - Gov pasture

Hamlin, George
C.S.H. dines with George and Mary.
Nov. 19, 1931. 189.

Hamlin, George, Jr.
Calls on us en route from Richmond to Boston.
Tells us about the Groton scandal
April 4, 1931. 7.

Takes Dorothy King to dinner at Mrs. Hoyt's in Marion, with
certain unpleasant consequences during or just after the dinner.
July 31, 1931. 118.
Hamlin, Harriet and Jane

Hamlin arrives at Carlton Hotel with Mrs. Reed.
April 4, 1931. 6.

They both lunch with us.
April 5, 1931. 7.

They arrive back from Virginia.
May 3, 1931. 22.

We lunched with Harriet and Jane.
Nov. 15, 1931. 186.

Hamlin, Huybertie F.

Mrs. Kiplinger wrote, on Mar. 31, 1931, that her reminiscences have been received and are now in the hands of Mrs. E. S. Mills, who is reading them; that Mrs. Mills knew personally many of the people mentioned; that she is a critic of rare ability.

She said it would take some time to finish reading as the manuscript is four times the length of the average book.

She added that if the manuscript is one from which a volume of general interest could be extracted, Mrs. Mills will be a good judge of that.

April 1, 1931. 1

Receives with Mrs. Wilson et al at tea at Woman's National Democratic Club.
April 17, 1931. 16.

Bessie Stevens and daughter call on.
May 3, 1931. 22.

Bertie goes to tea at Helen Ernst's to meet Bessie Stevens.
May 3, 1931. 22.

Goes to New York with C.S.H. - Carnegie Foundation meeting.

We call on Erving Frayn, Anna Sage, Mrs. Langdon Marvin, and telephoned Nina Hopkins.

Mrs. Erving Frayn was in but said the baby had just been vaccinated, and that Erving was taking a nap. She did not call him. She did not offer us tea, nor even ask where we were staying.

Mrs. Langdon Marvin said Langdon was busy with a brief and she did not tell him we were calling.

Anna Sage was out and we left our address, but she did not call us up.
Hamlin, Huybertie P. (Cont'd.)

Nina Hoppin called up and we dined with her at Colony Club.
May 7, 1931. 24, 25.

We go to New York as guests of Mr. and Mrs. Eugene Meyer.
May 22, 1931. 34.

Bertie received a report on her reminiscences from Longmans,
Green & Co., together with a long letter from Mrs. Kiplinger.
(See scrap book).
June 2, 1931. 43.

Leaves Hay-Adams House for Albany on route to Mattapoiset.
June 13, 1931. 45.

Arrives at Mattapoisett.
June 17, 1931. 54.

Bertie writes Rachel Hale to visit her at Mattapoisett.
Sept. 11, 1931. 127.

Rachel Hale writes Bertie regretting she can not visit her.
Sept. 24, 1931. 145.

Rachel Hale writes thanking Bertie for roses she and C.S.H. sent.
Oct. 3, 1931. 150.

New Bedford Times publishes a long descriptive interview with H.P.H.

C.S.H. sends copy of above to Rachel Hale.

C.S.H. and H.P.H. leave Mattapoisett for the season.
Nov. 22, 1931. 193.

See - Myer, Gertrude
Woman's National Democratic Club.

etc. etc.

Hard, William

Analyzes over radio the Hoover-Laval agreement:

1. No connection between disarmament and revision of Allied
debts.

2. U.S. will not sign any security pact nor agree to "consult"
in case of a violation of the Briand-Kellogg pact.
Hard, William (Cont'd)

3. Reparation question to be settled by European Governments concerned.

4. Cooperation to maintain gold standard.


Harriman, Mrs. Borden
C.S.H. takes supper with.

Met there Argentine Ambassador, Sec. and Mrs. Adams, etc. etc. June 29, 1931. 64.

Mrs. Warren said, had told her that Jouett Shouse and his wife had separated. July 20, 1931. 96.

C.S.H. calls on.
She said Jouett was infatuated with Mrs. Dodd (daughter of Filene) and had demanded that his wife get a divorce; that finally a separation agreement for a year was entered into; that Shouse said his wife and children must not live in Washington next winter, but she insisted she should, as she wished to bring out her daughter; that Mrs. Shouse had much money, but Shouse had little or none; that Mrs. Shouse was infatuated with Shouse and had even given him money since the separation. July 25, 1931. 106.

Harrington, Mr. and Mrs.
Sent us flowers in memory of Anna. April 26, 1931. 19.

Harrison, Floyd
Executive Committee appointed, Assistant to Gov. Meyer; at his earnest request fixed salary at $15,000.

Gov. Harrison said he was easily worth $50,000 per year; that he was of the highest class; that the Board should not be guided by members low salaries in fixing salaries of its employees in key positions.

C.S.H. believes Gov. Meyer will throw into Harrison all details, leaving him free to meet callers and arrange the really big problems. Sept. 8, 1931. 136.
Harrison, Floyd (Cont'd.)

Harrison came in with Wyatt to consider Atlantic National Bank matter. Nov. 5, 1931. 177

A new procedure has been adopted.

All papers, even Clayton Act and trust powers, go to Harrison and Morrill for check before coming to C.S.H.

Gov. Meyer won't sign anything unless checked by Harrison and Morrill.

C.S.H. feels Gov. Meyer has delegated his work to these two men, at an expense of $27,000 per year, leaving him free for other matters, Hoover conferences, etc., etc.

Harrison and Morrill are in effect under secretaries of Gov. Meyer.

In effect the Board is now controlled by two ex-members of Federal Farm Loan Board.

They are certainly able men, however. Nov. 5, 1931. 179, 180, 183.

Harrison, Gov. Federal Reserve Bank, New York.


Confers with Board, together with Gov. Norman and Prof. Sprague. April 6, 1931. 7.

See - Norman, Gov.

C.S.H. sits next to, at dinner at Gov. Meyer's.

He said he was very much surprised at Miller's and my testimony before Glass Sub-committee that we would have voted for a 6% discount rate in 1928, after July 13th when the rate was fixed at $5, had his bank asked for this.

He thought Miller testified that such a rate would have been approved by the Board.

C.S.H. said he thought that Miller merely said that he would have voted for such a rate, and that he, C.S.H., certainly said no more than that.
Harrison, Gov.  (Cont'd.)

C.S.H. said there might well have been some opposition to a 6% rate by other members at that time.

C.S.H. then told him how Sprague in March, 1928, advised him not to increase rates nor sell any more Government securities, and his subsequent criticism of Board in April 1928 (See Annalist) because it had not increased rates.

Gov. Harrison seemed greatly surprised at this.

Gov. Harrison said the Board never suggested a rate higher than 5% in 1928.

April 6, 1931. 9, 10.

Gov. Harrison asked C.S.H. if he was on the whole satisfied with the relations between the Board and his bank.

C.S.H., confining his answer to the present, said he favored closer contact.

April 6, 1931. 10.

C.S.H. said Gov. Harrison of McGarrah's statement that his directors were preparing an announcement attacking loans for others, with an intimation that the collateral behind brokers loans might prove not to be liquid.

He said he had never heard of this and had no recollection that his Board ever contemplated such an announcement.

April 6, 1931. 10.

Gov. Meyer said, wants to attend meeting of B.I.S. early in May.

April 11, 1931. 12.

Gov. Meyer said, consulted with Sec. Stimson some time before Gov. Norman came over.

April 11, 1931. 12.

Gov. Meyer said Hoover and Stimson were not opposed to consulting with B.I.S. or even to some cooperation with the B.I.S., as the announcement formerly given out might seem to indicate.

In answer to C.S.H., Gov. Meyer said that Hoover and Stimson would not consider any action the Board might take as to Gov. Harrison's proposed visit as in derogation of the former announcement.


Miller strongly objected.
Harrison, Gov. (Cont'd.)

Gov. Meyer said Walter Stewart was also going.

C.B.H. said he originally did not favor official participation in B.I.S. by Federal Reserve System, either directly or by appointing two outside American directors, but that he did favor now cooperation between the B.I.S. and the Federal Reserve System, just as this administration now cooperates with the League of Nations.

All agreed that Governor Harrison should enter into no agreement except as authorized by Board.

April 11, 1931. 11, 12, 13.

Gov. Meyer said he did not approve of Gov. Harrison's last trip abroad and that he warned him not to go to Basle, the seat of the M.S.

Gov. Meyer, however, never mentioned this to the Board at the time and repeatedly said he did not know why he went abroad.

April 11, 1931. 11, 12, 13.

The majority of the Governors Open Market Policy Conference were opposed to Gov. Harrison's desire for easy money through purchase of Government securities.

April 29, 1931. 21, 22.

C.S.H. meets Gov. Harrison by chance in Gov. Meyer's office. C.B.H. still he may have come to talk about the Austrian credit.

May 15, 1931. 32.

Gov. Harrison lunched with us at Gov. Meyer's house in Westchester County. May 24, 1931. 34.

C.S.H. lunches with Gov. Harrison at Federal Reserve Bank of New York, and in afternoon attended meeting of Executive Committee. May 25, 1931. 34.

Gov. Harrison told C.S.H. that while C.S. Mitchell relieved the market, in 1929, there was a rumor abroad that the Federal Reserve Bank had refused Mitchell's bank any further rediscounts;
that he, Gov. Harrison, was ill at the time, but that he telephoned the officers of the Federal Reserve Bank and Mr. Potter of the Federal Advisory Council, who said this was not true.

May 26, 1931. 34, 35.

Gov. Meyer said he was away Friday at a Conference with Gov. Harrison and Under Secretary Mills as to possible relief to Germany by Federal Reserve System; that he, Gov. Meyer, said he would not agree except along sound banking lines.

June 16, 1931. 49.

Gov. Harrison came before Board as to a credit for 5 millions for Bank of Hungary.

He said Hungary, up to this year, had balanced her budget; that she was the best of all the Balkian States; that he believed the bills will be paid unless some world crisis should develop.

June 26, 1931. 60.

Governor Harrison said Roumania, even the central bank, was honeycombed with politics, and that his directors would never favor a credit to her, if she asked it.

June 26, 1931. 60.

New York Times says Governor Harrison has participated in a series of conferences, ending today, with Under Secretary Mills and Governor Meyer with relation to South American credits.

June 28, 1931. 65.

C.H. feels it is a strange spectacle for Ogden Mills, Gov. Harrison, and the State Department to be discussing or settling Federal reserve policies behind the backs of the Board.

June 28, 1931. 64.

Gov. Meyer said he told Gov. Harrison the Board would never agree to sending Burgess to Chile.

June 30, 1931. 66.

C.S.H. suspects there must have been some understanding reached as to above between Gov. Meyer, Ogden Mills and State Department of which Board was never told.

June 30, 1931. 67.
Harrison, Gov. (Cont'd.)

New York Times refers to a conference between Hoover, State Department, Ogden Mills, Gov. Meyer, and, I think, Gov. Harrison over reparations, and the claim of France was considered, to deduct 25 millions from amount remitted to Germany by the moratorium to loan to Jugoslavia and Czechoslovakia. See Scrap book.

July 3, 1931. 67.

Gov. Harrison telegraphs Board; telegram stated that, after a conference between Ogden Mills, Gov. Meyer and himself, his directors had voted to authorize the officers, with the consent of two of the directors, to deposit 10 millions in B.I.S. etc.

July 7, 1931. 69.

See - B.I.S.

Gov. Meyer never told Board of above conference.

July 7, 1931. 70.

C.H. fears the Board is being dominated by Gov. Harrison, Ogden Mills, and Gov. Meyer, as well as by Hoover.

July 7, 1931. 71.

Gov. Meyer reads to Board copy of a cable from Gov. Harrison to Gov. Norman, as to desire of Germany for further large Federal reserve credits.

Gov. Harrison said in cable that Germany must satisfy the world that she is doing everything to maintain her credit position; that immediate credit rationing seemed to be asked for.

C.S.H. said it should be made clear that even if Germany rationed, the Federal Reserve System is not bound to give further credits, unless in its discretion in exercise of sound banking judgment, it decides to do so.

Gov. Meyer said Gov. Harrison understood this perfectly.

July 9, 1931. 79.

C.S.H. called up Gov. Harrison but he was busy on another telephone.

C.S.H. asked if Gov. Meyer was there, but he was at Mt. Kisco.

C.S.H. said to tell Gov. Harrison he had called up but he need not call back unless there was something he wanted to say to C.S.H.

July 10, 1931. 80.
Gov. Meyer said he was at a conference at Federal Reserve Bank of New York yesterday - Sunday - at which Gov. Harrison, Ogden Mills, Parker Gilbert and Owen D. Young were present to determine whether the Federal reserve bank should issue a reassuring statement; that it was decided in negative and Ogden Mills gave out a personal statement.

July 12, 1931. 84.

C.S.H. called up Gov. Harrison at 12:30. His secretary said he was at lunch with his directors and could not be disturbed.

C.S.H. thinks it strange the secretary did not ask if it was an important message.

It is possible that she gave the call to Gov. Harrison and that he directed her to give the reply.

There is a telephone booth adjoining the directors lunch room so that Gov. Harrison could easily have been put in touch with C.S.H.

The whole episode consumed nearly 1/2 hour.

C.S.H. feels he will not soon again try to call up Gov. Harrison.

July 16, 1931. 90.

Gov. Meyer said he should go to New York this a.m. for a quiet talk with Gov. Harrison.

Gov. Meyer did not mention his conference at the White House yesterday in which suggestions were discussed affecting the Federal Reserve System.

July 21, 1931. 98.

Gov. Meyer's reasons for postponing his talk with Glass, C.S.H. believes, was to enable him to have a conference with Gov. Harrison.

July 21, 1931. 100

James told C.S.H. he thought Gov. Harrison had given Gov. Calkins a raw deal in connection with his trip from San Francisco as to the Bank of America, N.Y.

July 22, 1931. 103.


Gov. Meyer has never spoken of this to Board.

July 23, 1931. 104.
Harrison, Governor (Cont'd.)


See - B.I.S.

Gov. Harrison wanted authority from Open Market Conference to buy 500 millions of Government securities but was voted down 11 to 1. Aug. 10, 1931. 123, 124, 125.

Gov. Harrison said he had always felt it was a mistake to put all the Governors on the Open Market Policy Conference; that the Governors came instructed by their directors; that under the former system the Executive Committee were never so instructed. Aug. 10, 1931. 123.

Gov. Mayer was much disturbed at action of Governors in voting down Gov. Harrison. Aug. 11, 1931. 129.


Magee said he visited Federal Reserve Bank, New York, and met Gov. Harrison and Federal Reserve Agent Curtiss there; that he said discount rates should be increased, and that Gov. Harrison gave him a lecture showing the injury which would result to the bond market. Sept. 16, 1931. 140, 141.

C.S.H., going to Gov. Meyer's office, heard him talking over telephone to Gov. Harrison and saying that Hoover, at his dinner to Federal Advisory Council, wanted each bank to contribute 2% of its deposits to form the National Credit Corporation.

Gov. Meyer also said to Governor Harrison, "Unfortunately you were not able to be present at that dinner!" Oct. 2, 1931. 149.

Gov. Meyer wired Gov. Harrison that the Board was disturbed over Burgess's statement before the B.I.S., and that he must cable him to give out no more statements. Oct. 12, 1931. 163, 164.

At Hoover's dinner to Laval, Gov. Harrison, Ogden Mills, and Gov. Meyer were present. Oct. 24, 1931. 167, 168.
Harrison, Governor (Cont'd.)

Gov. Moyer told Board that Gov. Harrison told the visiting officials of the Bank of France that it could not carry proceeds of acceptances which had run off indefinitely as a deposit in the Federal Reserve Bank; that it must either invest the proceeds, earmark them or export them.

Oct. 28, 1931. 169.

Goldenweiser said Ogden Mills prepared the basis of the Hoover-Laval agreement after consultation with Gov. Harrison, Barker Gilbert, et al.

Oct. 29, 1931. 171.

Board last week approved action of Governor Harrison in appointing Walter Stewart as a member of the Advisory Committee to attend B.I.S. and examine into reparations problem.

Nov. 23, 1931. 190.

Gov. Harrison told Governors Open Market Policy Conference that much of the New York bank rediscounting was by banks outside New York City; that the New York City banks had very few rediscounts; that they feared that by rediscounting they might revive foreign distrust of American dollar and encourage more hoarding in U.S.; that these banks ought to rediscount freely but there was no way to force them; that the desire to remain liquid had dammed up credit.

Gov. Harrison felt no need of buying large amount of Governments just at this time; that the Treasury was to put out a large short term issue on Dec. 23rd and that more purchases now would so affect the market that the Treasury rate might be too low and the issues later fall below par.

Governors and Board agreed on authority to buy up to 200 millions but such purchases to be sold in January.

Nov. 30, 1931. 195.

See - Federal Reserve Bank, New York.

See also: Federal Reserve credits.

Harvard Club, Washington

Mr. Mann, Director of the zoo, invites to supper at Reptile House.

April 15, 1931. 15.

Hay-Adams House

Arranged for new lease at $250 per month.

Hay-Adams House (Cont'd.)

Manager says can give no lease but C.S.H. need not fear as to retaining the suite.

C.S.H. asked if the little room out of the suite could not be thrown into the rental.

The Manager could not do this, but said he would seal up the door to keep out sound.

Nov. 5, 1931. 175, 176.

Hegeman, Miss
We lunched with.

She told Bertie that Mrs. Hughes told her that she and the Chief Justice called on Mrs. Taft who never returned the call.

April 12, 1931. 14.

Drives us with Miss McCoomb to the Bliss gardens and then to Clancy Inn for tea.

May 16, 1931. 32

Helm, Edith
Takes supper with us.

She leaves Tuesday.

May 10, 1931. 28.

Writes C.S.H. as to value of a Lincoln letter owned by a resident of her town.

C.S.H. obtains list of experts from Congressional Library and sends her.

June 10, 1931. 46

Dine with C.S.H. at Cosmos Club.

She calls for Europe Friday.

Oct. 5, 1931. 151.

C.S.H. calls on.


Oct. 14, 1931. 163

Hemenway, Augustus

Death of.

May 25, 1931. 36.

Hitler

See - Haughton
Hoarding

C.S.H. believes, is most serious phase of existing depression.

Money in circulation has increased since last November, 375 millions.
Since last April has increased from 150 to 375 millions, largely
at Chicago.

Evidently much hoarding.

June 16, 1930. 61.

Miller objected to New York increase to 3% as likely to cause

New York City banks fear to rediscount lest it revives distrust
in dollar abroad and hoarding at home.

Nov. 30, 1931. 194.

Hodson

See - Cow pasture

Hoover, President
Reappoints James on Federal Reserve Board.
Recess appointment.

April 6, 1931. 10.

Gov. Meyer says Hoover and Stimson are not opposed to consultation
with B.I.S. nor to cooperation with it; nor were they opposed
to visit of Gov. Harrison to B.I.S.

April 11, 1931. 12.

C.S.H. feels that passage of Glass resolution has caused views of
Hoover and Stimson to change.

April 11, 1931. 14.

Mrs. Miller told H.P.H. she wondered whether Hoover would be
renominated, he was so universally unpopular.

May 13, 1931. 30.

Mrs. Miller told Mrs. Delano that Hoover generally invited her to
dinner when they were alone and she had to sit next to "that
stupid man."

May 13, 1931. 30.

Miller says that, not long ago, invited Gov. Case and wife to dinner
at White House and that Case charged all expenses for self and
wife to the F.R. Bank of N.Y. June 4, 1931. 40.

Hoover gives out a statement favoring a moratorium as to reparations
and Allied debts.

Received very favorably.

Boom in stock market.

June 20, 1931. 55.
Hoover, President (Cont'd.)

Bank of France will join the 100 million Reichsbank credit on understanding that this had no connection with the Moratorium.
June 26, 1931. 55, 56.

Miller asked Gov. Meyer how Hoover felt as to proposed 100 million Reichsbank credit in which B.I.S. and Banks of England and France were to join.

Gov. Meyer said Hoover had no objection to its being carried out, provided the Federal Reserve Board in its judgment approved it.
June 26, 1931. 56.

Gov. Meyer said Hoover had reversed himself and eaten his own words as to the relation between reparations and Allied debts and that our Board should not "queer" the Moratorium by letting down Hungary.
June 26, 1931. 61.

New York Times said White House denied that the Government was considering plans for credits to South American central banks; that before this statement was made the State Department had announced that the Federal Reserve Board was studying the whole question.
June 28, 1931. 63

Hoover holds a conference with State Department, Ogden Mills, and Gov. Meyer on reparations.
July 3, 1931. 67.

Houghton says the Hoover moratorium as agreed to by the French would help only for a few weeks.
July 5, 1931. 68.

C.S.H. said he was glad to cooperate with Hoover, but it must be along sound banking lines.
July 7, 1931. 70.

New York Times gives text of Hoover's accord with France, one clause of which provides for cooperation of Federal Reserve System to help weak European central banks.
July 7, 1931. 71.

C.S.H. believes that Ogden Mills and Gov. Meyer must have given some assurance on above to Hoover, but the Board has no knowledge of it.
July 7, 1931. 71.
Hoover, President (Cont'd.)

C.S.H. feels that the Federal Reserve Board practically consists of Hoover, Federal Reserve Bank of New York, Mills and Gov. Meyer.

July 7, 1931. 71.

James said that Kincheloe went to the White House and that Secretary Newton gave him a letter to Gov. Meyer.

Gov. Meyer told Board that Kincheloe came to him but he made no mention of any letter from the White House.

James said that Kincheloe's brother was a Republican Ex-Congressman and that political pressure would be brought to save him.

July 8, 1931. 75.

Miller drew a draft on subject of the proposed 10 millions deposit in B.I.B. in which he referred, apparently for justification, to the Hoover agreement with France.

C.S.H. objected.

Miller said above agreement was a treaty.

C.S.H. said the Board was bound by the Federal Reserve Act and he was not willing to justify action of Board by above agreement.

Miller then struck out this reference.

July 9, 1931. 78.

C.S.H. believes Hoover could become a world leader by calling an extra session of Congress and getting authority:

1. To guarantee long term German bonds up to a certain amount.

2. To guarantee German bonds issued under Dawes and Young plan, held in good faith by American citizens on Jan. 1, 1931.

3. Reduction of Allied debts by exact amount of reduction of Armament.

4. Direct Federal Farm Board not to sell Government wheat, cotton, etc., bought by stabilization corporation, until a certain market price is reached.

5. Recognize Soviet Government.
Hoover, President (Cont'd.)

6. Reduce tariff by 25%.

7. Join League of Nations with the Hitchcock reservations to which Wilson agreed.

8. Join World Court. July 10, 1931. 82, 83.

Hoover does not want to call special session, but C.S.H. believes he would not be nearly as injurious as what the regular session might do.

July 10, 1931. 83.

Board sends copy of letter from German Consul General, New York, pleading for further Federal reserve credits, to Hoover.

July 10, 1931. 83, 84.

Hoover called up Gov. Meyer while Board was in session.

Gov. Meyer told him things were going along fairly well.

Hoover asked him to do all he could to help the situation.

July 12, 1931. 84, 85.

C.S.H. fears there is politics in Kincheloe matter.

Kincheloe went to White House, returning from New York instead of conferring with James as he agreed to do, and Sec. Newton gave him a letter to Gov. Meyer.

Gov. Meyer later stated this to Board.

July 12, 1931. 86.

Papers say Hoover has given up his week-end trip.

July 19, 1931. 81.

New York Times says Gov. Meyer is to go with Hoover to his camp today, prepared to tell him just how far Federal Reserve System can go along the lines of an international agreement for a private loan to Germany if the French demands are brought to a compromise.

July 19, 1931. 82.

Gov. Meyer never mentioned to Board his conference with Hoover at his camp.

July 20, 1931. 84.
Papers publish Hoover's statement to International Conference at London. It pledges leadership and cooperation of Federal Reserve System to induce American banks not to draw down their short term credits.

July 21, 1931. 95, 96.

C.S.H. asked Gov. Meyer if he would give Board some information as to yesterday's proceedings, referring to Hoover conference and statement.

Gov. Meyer said "what proceeding? I don't know what you mean." C.S.H. then specifically referred to the Hoover's communication to the Moratorium Conference at Paris in which Hoover pledged the Federal Reserve System to take certain action which he called "cooperation", and told Gov. Meyer he wished to know what construction to put upon the word "cooperation"; whether this meant further Federal reserve credits.

Gov. Meyer then for the first time said there had been a conference at the White House yesterday, in which he took part; that the subject of short term 300 million loan for Germany was revived, but that he told the conference there was "nothing going"; that the proposal did not involve or contemplate further Federal reserve credits; that that was settled in the negative.

July 21, 1931. 98, 99.

Miss Patten told C.S.H. that Hoover returned from Indianapolis feeling that all was well, but was met by Ogden Mills and Gov. Meyer, who almost at the point of a pistol, made Hoover give out the moratorium suggestion, which he at first flatly declined to do.

July 26, 1931. 106.

C.S.H. fears Gov. Meyer is really a partisan, political servant of Hoover.

July 26, 1931. 107.

C.S.H. believes, from vague intimations of Miller that there is some friction between Hoover and Miller.

July 26, 1931. 107.

Glass made a furious attack on Stimson and Hoover at interview with C.S.H. following Glass's interview with Gov. Meyer which Glass said had been very satisfactory.

Glass said he thought Gov. Meyer would be a very useful member of the Board.
Hoover, President (Cont'd.)

C.S.H. infers from above that Gov. Meyer also must have been critical of Hoover.

July 29, 1931. 113.

James told C.S.H. he had been with Hoover twice during the past 10 days; that Hoover had a furtive look like a man with his back to the wall; that he was evidently more concerned about the political than about the economic trouble.

Sept. 9, 1931. 137.

Hoover gives a dinner to the Federal Advisory Council at which Gov. Meyer but no other members of Board was present. C.S.H. was away, but James and Magee said they were not invited.

C.S.H. feels this was very discourteous to the Board.

C.S.H. fears the Board according to Hoover is simply Gov. Meyer.

Sept. 15, 1931. 138.

At the Federal Advisory Council meeting with the Board, Mr. Prince, asked to tell us of conditions in his District, remarked that he had given his views in detail at the Hoover dinner last evening, and would not now repeat himself.

Unfortunately the Board was not invited to the Hoover dinner, so we never were permitted to know Mr. Prince's views.

Sept. 15, 1931. 138, 139.

C.S.H. fears Gov. Meyer is, perhaps unconsciously, trying to dominate the Board with the help of Ogden Mills and Hoover, or rather to ignore it.

Sept. 15, 1931. 139.

Hoover has a conference with leaders of both parties who accepted on principle the following plan:

1. National Credit Corporation.

2. Cooperation of Federal reserve banks with bankers to secure advances on sound assets of failed banks, so as to pay depositors more quickly.

3. Governors of Federal reserve banks to appoint Committees to carry out 1.

5. A new corporation like the War Finance Corporation.


Hoover did not discuss Allied debts at this conference as he said he would take it up with Laval.


Gov. Meyer has never discussed with Board either 1, 4, or 5.

Gov. Meyer spoke today briefly of 4, intimating that he had opposed it.


Glass told C.S.H. he was at the conference and opposed broadening of eligibility; that Hoover did not attempt to answer him but kept his eyes fixed on the ground, not looking him in the face.


C.S.H. feels Hoover has as usual ignored the Board and taken matters into his own hands.

Oct. 7, 1931. 156.

At meeting to consider New York increases to $4, Gov. Meyer was at White House.

Oct. 8, 1931. 157.

Wm. Hard construes Hoover-Laval agreement:

1. No connection between disarmament and revision of Allied debts.

2. U.S. will not help France as to security.

3. Reparations to be determined by European countries concerned.

4. Cooperation to maintain gold standard.

Oct. 28, 1931. 168

Miller said Hoover-Laval agreement recognized France as the political and economic leader of Europe; that Germany must look to France for relief; that the U.S. in effect has agreed to back up France.

Hoover, President (Cont'd.)

Mark Sullivan said agreement in effect provided that France would not withdraw her deposits here without definite notice of intention.

Oct. 27, 1931.
See Vol. 21, Scrap books.

Miller said Hoover-Laval agreement in effect provided that U.S. would go hand in hand with France not by any specific alliance but under a general understanding; that France said agreed to be "good" and to clean up the German and European situation; that there was a thorough understanding.
Oct. 29, 1931. 170

Goldman said Ogden Mills prepared the basis for the Hoover-Laval agreement, assisted by Gov. Harrison, Park Gilbert, et al.; that they all advised Mills that reparations should be settled under the Young plan.

See - State Department
Stimson
White House

Hoppin, Nina
We dine with, at Colony Club, New York.
May 7, 1931. 25.

Houghtaling, Mrs.
Calls on C.S.H. with Delano at Treasury.

Houghton, Ex-Ambassador
Mr. and Mrs. Houghton lunch with us.

He said the Moratorium as agreed upon with France would help Germany only a few weeks; he agreed with C.S.H. that only a 5 year Moratorium would do any real good.

He predicted that Germany within a year will admit bankruptcy and ask for a conference; that Germany of course could pay something and would be willing to take this up; if things got worse the government would fall and the Hitlerites would come in and announce that Germany could not and would not pay another dollar.
Houghton, Ex-Ambassador (Cont'd.)

He favored our notifying the Powers that we would cancel all Allied debts if they would reduce armaments 25%; that we are spending 800 millions annually for armament and could remit the debts free of cost to us.

He said taxes in England were as high as in Germany but that England had wealth to tax while Germany's wealth was sadly depleted.

July 5, 1931. 66, 69.

We dined with Mr. and Mrs. Houghton and met Dr. Jessup, Rector of St. Paul's, Buffalo, and Mrs. Mary Roberts Rinehart and husband. Aug. 9, 1931. 122.

Mr. and Mrs. Houghton dine with us to meet Mrs. Roosevelt. Aug. 9, 1931. 122.

We dined with, to meet Mr. and Mrs. Oswald Villard. Sept. 26, 1931. 145

Hoyt, Mrs.
George Hamlin, Jr. drives Dorothy King to Marion to dine. July 31, 1931. 118.

Hudson, Prof. Stanley

Hull, Cordell
Mr. and Mrs. drive us to the Lily ponds. May 31, 1931. 37

Hungary
See - Federal reserve credits National Bank of Hungary.
India
Gov. Norman said he found no interest in silver question either in China or India.
April 6, 1931. 7
See - China
Influence, Administration
See - Domination
Inflationists
Gov. Meyer angry with Miller who says New York Bank directors had always been.
Oct. 22, 1931. 166
Interest
Federal Advisory Committee strongly favors lower rates on deposits.
May 18, 1931. 33
Intermediate credit bank debentures.
Federal Advisory Conference favors making eligible collateral for member bank collateral notes.
Nov. 17, 1931. 167
James said Federal Reserve Bank of Atlanta, to save a bank, took non-eligible collateral.
C.J.B. thinks it was Intermediate Credit Bank debentures as collateral for member bank collateral notes.
Nov. 18, 1931. 168
International Conferences
Papers publish text of Hoover's communication to London to consider Germany's questions to which he sent Stimson and Miller.
July 21, 1931. 95, 96
See - Conferences
Hoover
Investment system
Glass said he never would consent to broaden eligibility so as to make Federal Reserve System ample.
Oct. 7, 1931. 164
Investments
Willis says further credits must be given to Germany to protect our, there, but not by Federal Reserve System.
Oct. 7, 1931. 165.
Isolationist C.S.H. feels that Miller's opposition to Federal reserve credits abroad shows that he is an.

May 15, 1931. 31, 32.

Miller said Europe should settle her own problems, which she can easily do and that he should vote against the credit to Hungary although he sympathized with her; that had he not voted against the original credit he would have voted for this one.

June 26, 1931. 60.

James menaged Board to direct our disbursing offices to pay Morgan's salary, although a reduce appointment, and original money would have been enough to cover it, and to society disbursing office against Italy, he offering to pay the bills.


Votes to approve European credit.

May 15, 1931. 31.

Votes for & against credit.

June 23, 1931. 32.

Votes for Bank of Hungary credit.

June 24, 1931. 31.

Morgan's objection to conclusion charged on Bank of Hungary credit.

June 24, 1931. 32.

Gov. Meyer said he would tell James of his action in closing New York bank. that Board could not dissent as Morgan going to Italy.

June 25, 1931. 37.

Votes to order Harrisville Bank & Trust Co., St. Louis, to increase legal reserve at cost of legal reserve.

July 6, 1931. 79, 74.

Some preliminary reports with C.S.H. on Kinsella case, not taken written.

July 8, 1931. 79

See - Kinsella
James, George R.
Reappointed on Board by Hoover.
April 6, 1931. 10.

Saw no reason why Gov. Harrison should not visit B.I.S.
April 11, 1931. 12.

Gov. Talley told C.S.H. that James and Miller favored buying more Government securities and lowering of discount rates to make the spread wider between Great Britain (2½%) and U.S.
April 29, 1931. 22.

James wanted Board to direct our disbursing officer to pay Magee's salary, although a recess appointment, and original vacancy occurred while Congress was in session, and to guaranty disbursing officer against loss, he offering to pay his share.

May 11, 1931. 29.

Votes to approve Austrian credit.
May 15, 1931. 31.

Votes for Reichsbank credit.
June 23, 1931. 55.

Votes for Bank of Hungary credit.
June 26, 1931. 61.

Raises no objection to commission charged on Reichsbank credit.
June 26, 1931. 62.

Gov. Meyer said he would tell James of his motion in telling New York bank that Board would not consent to Burgess going to Chile.
June 30, 1931. 67.

Votes to order Mercantile Bank & Trust Co., St. Louis, to dispossess itself of stock owned in a national bank.
July 8, 1931. 73, 74.

Makes preliminary report with C.S.H. on Kincheloe case, and makes motions.
July 8, 1931. 74.

See — Kincheloe
James, George R. (Cont’d.)

Says Kincheloe went to White House and Sec. Newton gave him a letter to Gov. Meyer; that Kincheloe’s brother was a Republican Ex-Congressman and that political pressure would exerted.

July 6, 1931. 75, 86.

James said today that in 1923 after his appointment, when the Board was divided on the subject of California branch banks, he was called on by Baruch and Ex-Secretary McAdoo and they congratulated him; that later, McAdoo called again and pleaded earnestly for branch banks, especially for the Bank of Italy; that later Gianini called on him and said that McAdoo had told him that he could pull over James in the matter of branches but that it would cost Gianini $50,000; that he, Gianini, paid McAdoo $50,000, but that McAdoo accomplished nothing with James.

James also said that Gianini practically asked him what his price was.

July 16, 1931. 91

James said Gov. Meyer called him up from New York and said he would not be back on Saturday.

July 25, 1931. 101.

James would agree, as one of Executive Committee to approval Central Trust Company of Chicago merger, but agreed that the Board must find some way to approve it.

July 25, 1931. 103.

James told C.S.H. that Gov. Harrison gave Gov. Calkins a raw deal on his visit to New York as to Bank of America, and that Gov. Meyer knew it was a raw deal but was too shrewd to commit himself.

This was James’ first criticism of Gov. Meyer.

July 25, 1931. 103, 104.

Miller calls up James from New York as to purchase of sterling exchange and that he and Gov. Meyer approved it.

James told Miller the Federal Reserve Bank should give us full particulars and ask specifically for our approval, that otherwise Executive Committee could not act intelligently on it.

Later Gov. Harrison sent us a telegram.
James, George R. (Cont'd.)

The Executive Committee - C.S.H., James, and Magee unanimously approved.

July 24, 1931. 105, 106.

Executive Committee, including James, unanimously approved Central Trust Company merger.

July 24, 1931. 105.

Voted no objection to Gov. Harrison appointing an American Committee to consider German conditions, at request of B.I.S.

July 24, 1931. 109.

James suggested that the 10 millions be deposited in B.I.S. with instructions to buy prime 90 day bills to be guaranteed by the B.I.S.

July 28, 1931. 111.

Voted for the 125 million Bank of England credit.

July 30, 1931. 116.

James said the Governors were discourteous in not asking Board to sit with them in the first instance at the Conference.

Aug. 10, 1931. 126.

Voted to ratify action of Executive Committee in noting the Reichsbank credit; C.S.H. wanted Board to approve or at least offer no objection.

Aug. 10, 1931. 126.

James suggested that C.S.H. take Chief Examiner Drinnen with him to Boston in matter of subsidiary to Atlantic National Bank.

Sept. 3, 1931. 135.

James told C.S.H. he had been with Hoover twice within last 10 days; that he had a furtive look like a man with his back to the wall; that he was evidently more concerned about political than about economic troubles.

Sept. 9, 1931. 137.

Tells C.S.H. he was not invited by Hoover to dinner Hoover gave to Federal Advisory Council.

Sept. 15, 1931. 138.

James said the Kincheloe agreement as to salary was illegal and suggested getting opinion from Wyatt.

James finally withdrew his request.

Sept. 15, 1931. 140

See - Kincheloe.
the Executive Committee - C.P. James' near terms

James Geo

C.S.H.

Approvers

Votes

Attends

Japanese

We m
James, George R. (Cont'd.)

James voted to approve action of Directors in accepting Kincheloe resignation for October 15th and paying him full salary for balance of year. Sept. 15, 1931. 140.

C.S.H. feels James may later try to have Martin removed as Governor, but C.S.H. feels it would be grotesque to remove Martin, when Board had treated Kincheloe so differentially. Sept. 15, 1931. 140.


Votes, C.S.H. thinks, to approve Federal Reserve Bank of New York sending Kammerer to meeting of 8 or 6 So. A. republics. Oct. 5, 1931. 158.

Votes to approve increase in discount rates at New York to 3 1/2%. Oct. 6, 1931. 158.

James suggested that the Board guarantee the payment of 3 days salary by each employee to the Community Chest and Red Cross Drive. No vote taken. Nov. 18, 1931. 188.

Attended wedding in Boston of Mr. James' granddaughter, Marion Child, to Richard H. Sanger. Nov. 19, 1931. 188, 189.

James did not go to the wedding but left for the Southwest. Nov. 19, 1931. 188, 189.

James said, the Federal Reserve Bank of Atlanta, not long ago, to save a bank, took ineligible collateral for its note, - C.S.H. thinks it was Federal International credit debentures. Nov. 10, 1931. 190.

Japanese Ambassador, Debuchi invites us to a reception in honor of Prince Takahata, the younger brother of the Emperor of Japan, and the Princess, his wife. He regretted. April 16, 1931. 168.

We met, at dinner at Polish Embassy. June 3, 1931. 38.
Jay, Pierre

See - Fiduciary Trust Company, New York

Jessup, Rev. Dr. Buffalo

We meet, at dinner with Mr. Haughton.

Aug. 8, 1931. 122.

Dine with us.

Aug. 9, 1931. 122.

Joslin, Dr. E. P.

Examines C.S.H. at Deaconess Hospital, Boston.

Said C.S.H. was in very good condition. Heart strong, pulse regular - 80 - blood pressure 160, which he said was normal.

He then took me over to his eye clinic where I was also examined.

Blood sugar after breakfast was 1019, later 1017.

Nov. 9, 1931. 161

Dr. Joslin sends C.S.H. written report.

Same as supra. Sends a chart of heart beats. Said slightly anemic and recommended some pills.

Nov. 10, 1931. 184, 186

C.S.H. went again to eye clinic to have results checked up.

Nov. 18, 1931. 189

C.S.H. shows report to Dr. Ruffin who said it was excellent and gave me the pills which Dr. Joslin advised.

Nov. 24, 1931. 192

Dr. Joslin sends eye report.

It mentioned numerous defects but Dr. Joslin wrote it was not as formidable as it might appear to a layman.

Nov. 24, 1931. 192

Went to Dr. Morrison and gave him eye report sent by Dr. Joslin. Dr. Waites of the eye clinic said he saw faint signs of Glaucoma, but Dr. Morrison tested them and said there was no sign of this, in fact that my eyes were sub-normal instead of the reverse.

He also tested them for nicotine poison but found no trace.

Nov. 25, 1931. 192, 193

See - Morrison, Dr.
Joslin, Dr. L. P. (Cont'd.)

(C.S.H. wrote above to Dr. Joslin who replied that Dr. Waites had not examined thoroughly enough to ascertain cause of my dullness of vision but that Dr. Morrison should study it carefully.)

April 4, 1911.

Joslin, Judge Patric H.

C.S.H., Judge Patric H., visits his classmate at Peter Bent Brigham Hospital. He was recovering from a prostate operation.

Nov. 16, 1911. 228.

Leavitt, Justice. World peace

C.S.H. asked about for opinion or, in contra-bellum treaty agreement case:

"We think the government does not have a right to the United States in any case.

Nov. 6, 1911. 324. 181.

Leverett, Prof.

Gov. Robinson refers to the administrative or authorizing powers of the United States in the gold transactions, to which China paid so little attention.

April 15, 1911. 48.

Back voted to approve Federal Reserve Bank of New York resolution to a meeting of 6 or 7 South American Republics.

Nov. 8, 1911. 102.

Kling, Mrs. Stephen

Visit to his secretary.

George S. Waldo, Jr. took a tour to Hawaii to discuss with his brother, Mr. R. W. Waldo, with implications.

July 21, 1911. 119, 118.

Kimbrough, Federal Reserve Bank, St. Louis

Board asked to investigate a loan to the Bank of the Louisville and the President of the Federal Reserve Bank of Kentucky, the $50,000 loan increased to about $70,000.

June 23, 1911. 47, 44.

Mother's last case as a preliminary report of Jones and C.S.H.

May 15, 1911.

1. The same thing.

2. To notify the President.

3. To examine Mr. Martin to his knowledge of Kimbrough matter.
Kearney, Life of Wilson
Justified Wilson's application for a pension for Carnegie Foundation.
April 4, 1931. 6.

Keating, Judge Patrick M.
C.S.H. visits his classmate at Peter Bent Brigham Hospital.
He was recovering from a prostate operation.
Nov. 19, 1931. 169.

Kellogg, Justice. World Court
C.S.H. asked Scott for opinion of, in Austro-German tariff agreement case.
He said the Carnegie did not have it and that the State Department
had no copy.
Nov. 5, 1931. 180, 181.

Kemmerer, Prof.
Gov. Norman refers to the exhaustive and exhausting report of,
on China advising her to go onto the gold exchange standard, - to which China paid no attention.
April 6, 1931. 7, 8.

Board voted to approve Federal Reserve Bank of New York sending,
to a meeting of 5 or 6 South American Republics.
Oct. 5, 1931. 150.

King, Mrs. Rupert
Visits us with Dorothy.
George Hamlin, Jr. took Dorothy to dinner at Mrs. Hoyts,
Marion, with unpleasant results.
July 31, 1931. 117, 118.

Kincheloe, Federal Reserve Bank, St. Louis
Board asked Wyatt to investigate a loan made to, the Manager
of the Louisville branch, by the President of National
Bank of Kentucky, of $16,000 later increased to about
$50,000.
June 12, 1931. 47, 48.

Board took up case on a preliminary report of James and C.S.H.
James move:
1. To expel Kincheloe
2. To examine Gov. Martin as to his knowledge of
Kincheloe matter.
James said Kincheloe had borrowed over $50,000 from National Bank of Kentucky for a speculative investment in the stock of Standard Oil Company of Kentucky; that Martin knew of this and did not object.

C.S.H. offered amendments to James motion:

1. To call on Kincheloe to show cause why he should not be removed, and to give him a hearing.
2. To ask Gov. Martin and Chairman Wood to report to Board on the matter.

Board agreed to let matter go over until next week when Chairman Wood was to appear in the Mercantile Bank & Trust Company letter.

Long debate took place.

Gov. Meyer evidently favored allowing the Directors to drop Kincheloe at end of year, altho he did not directly say so.

Miller favored an examination of Kincheloe covering the whole policy of the branch.

The Committee pointed out that this would necessitate a long drawn out inquiry.

James said he and Wyatt had a long interview with Kincheloe who came to Washington; that it was reduced to writing and signed by Kincheloe; that it admitted all the essential facts.

Afterwards Wyatt told C.S.H. that James said that Kincheloe, who was going to New York to try for other work, agreed on his return to see James, and that instead, he went to the White House and Sec. Newton gave him a letter to Gov. Meyer.

Gov. Meyer told Board that Kincheloe came to see him, and C.S.H. thinks he mentioned Sec. Newton's letter.

James told C.S.H. some time ago that Kincheloe's brother was a Republican Ex-Congressman and that political pressure would be brought to save Kincheloe.

C.S.H. told Board that if it believed, as he did, that the loan was a sufficient reason for removal, it would be foolish to enter into a long drawn out investigation as to Kincheloe's general fitness or unfitness as Manager.
Miller insisted on a full examination.

C.S.H. feels Miller does not want to vote to remove Kincheloe simply because of the loan.

C.S.H. said the Board should first determine whether the loan itself was justification for removal.

C.S.H. said it would not be improper for an employee or officer of a Federal Reserve Bank to borrow, e.g., for necessary living expenses from a member bank provided he informed the Federal reserve bank officials.

C.S.H. said he could speak dispassionately as neither he nor his wife had ever borrowed a dollar from any bank, excepting real estate house mortgages from a savings bank.

C.S.H. fears pressure on Gov. Meyer and Miller to squelch this.

July 8, 1931.

74, 75, 76.

Board took up Kincheloe case again.

Mr. James G. McConkey, Counsel of the Federal Reserve Bank of St. Louis, asked to be heard before Board took action.

Wyatt told C.S.H. that McConkey had telephoned that if Kincheloe were removed, it might incite suits against Federal Reserve Bank for negligence as to the National Bank of Kentucky, although he believed there was no ground for any such suits.

Board decided to hear McConkey.

C.S.H. fears there may be politics in the attempt to prevent Kincheloe's removal, for as before stated, when Kincheloe returned from New York, instead of going to James as he agreed, he went to White House and got a letter to Gov. Meyer from Secretary Newton.

July 13, 1931. 85, 86.

Chairman Wood came before Board in Kincheloe case. He said he discovered the loan while he was Chief National Bank Examiner; that it was then fully collateralized; that he reported it to Martin who was then Federal Reserve Agent; that Martin said he knew of it and did not like it; that Martin said it was not illegal nor contrary to any regulation; that Martin asked him not to report it to Comptroller; that Kincheloe told Martin...
Kincheloe, Federal Reserve Bank of St. Louis (Cont'd.)
he would pay off the loan; that Martin said he supposed
he had paid it off; that when the National Bank of Kentucky
closed in Nov. 1930 - the loan was not well collateral ed;
that Martin did not report it to his Directors until May, 1931.

Wood said he believed the loan should not have been made even
with ample collateral, but that some of his Directors differed
with him as to this.

Wood said also that but for present abnormal critical conditions,
he felt Kincheloe should be given leave without pay and
ordered to resign.

July 14, 1931. 87.

(See scrap book)

Board took up McConkey's request for a hearing.

While McConkey thought Kincheloe should be removed, yet in view of
possibility of meeting suits against Federal Reserve Bank of
negligence as to National Bank of Kentucky, he felt such action
might injure the Federal Reserve Bank. Voted to hear McConkey.

July 14, 1931. 87. 88.

McConkey came before Board.

His points were:

1. The Board of directors reappointed Kincheloe on Jan. 1, 1931,
   knowing of his borrowing and speculation, and therefore
   condoned it.

2. Assuming Kincheloe should be removed, it would not be wise,
   but very impolitic, to remove him.

McConkey said he feared that if Kincheloe were removed and any
suits in future were brought against Federal Reserve Bank for
negligence in handling National Bank of Kentucky matters,
Kincheloe might be a witness against the Federal Reserve Bank,
although he knew nothing injurious to which Kincheloe could
testify, and he believed that there was no cause of action against
the Federal Reserve Bank.

C.S.H. asked whether it would embarrass the Federal Reserve Bank to
give Kincheloe an immediate leave of absence?

McConkey said No.

C.S.H. feels that Kincheloe should at once cease to represent the
Branch bank.

July 21, 1931. 97, 98, 99.
Kincheloe, Federal Reserve Bank, St. Louis (Cont’d.)

Last week Kincheloe resigned to take effect Oct. 15th, and the Federal Reserve directors accepted his resignation and voted to pay him his full salary up to the end of the present year.

James said this was illegal and suggested asking Wyatt’s opinion.

Gov. Meyer strongly objected, saying that Kincheloe was in office when the agreement was made, and it was more or less like an increase of salary.

James later withdrew his request.

Board unanimously approved action of the Directors.

C.S.H. felt Kincheloe ought to have been removed, and was in grave doubt what to do, but finally decided not to overrule the unanimous judgment of the Board of Directors of the Federal Reserve bank, especially in view of present critical conditions in that District.

Sept. 15, 1931. 139, 140.

James later may try to have Gov. Martin removed for his action in Kincheloe case, but C.S.H. feels this would be grotesque in view of Directors action as to Kincheloe which Board approved.

Sept. 15, 1931. 140.
Lansing, Mrs.
Luncheon with Gertrude Meyer.
April 23, 1931. 18.

Latin America
See - Burgess
Central banks, South America
Lamont, Sec.
Fed. reserve credits
Kemmerer
April 1, 1931. 1.

Laval
Hoover and Stimson gave dinners to.
Gov. Meyer, Ogden Mills, and Gov. Harrison were at Hoover's
dinner.
See - Hoover

Lawrence, Bishop
C.S.H. calls on, in Boston.
Gives C.S.H. particulars of divorce of Mrs. Hemenway's
daughter.
Nov. 19, 1931. 169

Lawrence, Joseph Stagg
C.S.H. gave Gov. Meyer a copy of his review of books of, -
Wall Street and Washington, - Gov. Meyer simply said it
was "interesting."
April 27, 1931. 20.

Lawrence, Madelaine
Spends Sunday with us.
July 12, 1931. 80.

League of Nations
C.S.H. favors cooperation with the B.I.S. just as we are
cooperating with League of Nations.
April 11, 1931. 13.

Lloyd George told Sec. Daniels at Paris Conference that he
would not support the League of Nations unless Wilson gave
assurance that Great Britain should always have a preponderant
Hurry.
League of Nations (Cont'd.)

Sec. Daniels told Wilson who told Lloyd George that while he believed the American people did not care much as to size of British Navy he could give no assurances to Lloyd George.
JUne 16, 1931. 52, 53.

C.S.H. believes Hoover should join League of Nations with the Hitchcock reservations accepted by Wilson.
July 10, 1931. 60

Lee, Lucy
Calls on us with Miss Wells.
April 1, 1931. 1.

C.S.H. writes, in sympathy for death of Miss Wells.
June 6, 1931. 46.

(Miss Lee wrote in reply.)

Leonard, Ellen
C.S.H. calls on.
June 26, 1931. 62.

C.S.H. dines with.
June 30, 1931. 67.

C.S.H. calls on.

Rachel Hale could not see C.S.H. as she had an engagement with Mrs. Beale and.
Nov. 11, 1931. 182, 183, 184

Lincoln, A.
Wife tells C.S.H. writes as to value of letters of.
C.S.H. gives her list of experts given him by Cong. Library.
June 10, 1931. 46.

Liquidation
Burgess tells French they must go through a period of, just as U.S. has done in past two years.

Lippman, Walter
C.S.H. sends Mrs. Wilson an article of, - "The Wickersham Mystery."

Lloyd George. 52, 53.

See supra: League of Nations

Loans "for others."
C.S.H. tells Gov. Harrison that McGarrah said his Board were to issue a statement attacking, and intimating that the collateral might not prove liquid. Gov. Harrison had never heard of this.
April 6, 1931. 10
Longmans Green & Co.
See - Hamlin, H. P.

Lonsdale. 128
See - Mercantile Bank & Trust Co.

Lord, Miss. Winsor School
Mrs. Young said, was very discourteous to her about her daughter.

Oct. 18, 1931. 164.

Louisville Branch
See - Kincheloe

Lowell, A. Lawrence
C.S.H. quotes to Dr. Pritchett what said to him about Wilson.

April 4, 1931. 6.

Lunches (See dinners, suppers, teas)
James Hamlin and Miss Reed lunch with us.

April 5, 1931. 7.

With Miss Hegeman.
April 12, 1931. 14.

Bertie lunches with Gertrude Myer to meet Evelyn Sturgis.
April 29, 1931. 21.

May 25, 1931. 34.

Mr. and Mrs. Houghton lunch with us.
July 5, 1931. 60.

C.S.H. precedes a lunch given by Carnegie Endowment to Pan American Conference.

Mr. and Mrs. Curtiss, Gov. Young, Martha Young, Mrs. Lunch, lunch with us to meet Magee.
Oct. 18, 1931. 164.

Ray Stannard Baker lunches with C.S.H. at Cosmos Club.
Nov. 5, 1931. 176

Catherine Grant and children lunch with us.
Oct. 24, 1931. 167
Nov. 14, 1931. 186
Magee, W. W. Federal Reserve Board

As the vacancy occurred while Congress was in session, Magee can receive no salary until and unless he is confirmed by Senate.

May 11, 1931. 29.

Votes for Austrian credit.

June 16, 1931. 49.

Voted for 10 million deposit in B.I.S.

June 16, 1931. 50.

Voted for 100 million Reichsbank credit.

June 23, 1931. 56.

Voted to approve purchase of 25 millions of sterling.

July 24, 1931. 105.

Voted to approve Central Trust Co. of Chicago merger.

July 24, 1931. 106.

Wrote C.S.H. a very charming birthday letter.

Aug. 30, 1931. 134.

Told C.S.H. he was not invited to Hoover dinner to Federal Advisory Council.

Sept. 15, 1931. 138.

Told C.S.H. that while visiting Gov. Meyer he went into Federal Reserve Bank of New York and met Gov. Harrison and Federal Reserve Agent Curtiss of Boston; that he favored putting up discount rates; that Gov. Harrison gave him a lecture showing the injury to the bond market such increase would cause.

Sept. 16, 1931. 140, 141.

Tells C.S.H. over telephone that Gov. Meyer had telephoned that Great Britain is going off gold standard.

Sept. 19, 1931. 143.

Approves decision of C.S.H. to postpone examination of Atlantic National Bank subsidiary until the parent bank is examined in November.

Sept. 21, 1931. 144.

Votes to approve New York increase in discount rates to 2½%.

Oct. 8, 1931. 156.

C.S.H. visits Federal Reserve Bank of Boston with Magee.

Oct. 15, 1931. 165, 166.

Magee goes with C.S.H. to Mattapoisett.

Oct. 16, 1931. 164.
Mann, Mr.
Curator of zoo reptile house gives supper to Harvard Club.
April 15, 1931. 15.

Martin, Gov. Federal Reserve Bank, St. Louis
See - Kincheloe
James

Martin, William
C.S.H. sends Rachel Hale a copy of article by, on European
economic conditions.
May 19, 1931. 29, 36.

Marvin, Langdon
We call on, in New York. Mrs. Marvin received us but said Langdon
was busy working on a brief and did not tell him we were
calling.
May 7, 1931. 24, 25.

Mattapoisett
June 15, 1931. Saturday. 48.

C.S.H. goes to.
June 19, 1931. Friday. 54.


C.S.H. goes to.
July 1, 1931. Wednesday. 67.

C.S.H. leaves.
July 6, 1931. Tuesday. 69.

C.S.H. goes to.
July 9, 1931. Thursday. 79

C.S.H. leaves
July 12, 1931. Sunday. 81.

C.S.H. goes to.
July 16, 1931. Thursday. 90

C.S.H. leaves
July 19, 1931. Sunday. 92

Spent this week end in Washington.
July 25, 1931. Saturday. 106.

C.S.H. goes to.
July 30, 1931. Thursday. 117.

C.S.H. leaves

C.S.H. goes to.
Aug. 7, 1931. Friday. 121.

C.S.H. leaves

C.S.H. goes to.
Aug. 12, 1931. Thursday. 123.

C.S.H. leaves
<table>
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<tr>
<td>Aug. 20, 1931</td>
<td>C.S.H. goes to. Mattapoisett (Cont'd.)</td>
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<tr>
<td>Aug. 31, 1931</td>
<td>C.S.H. leaves.</td>
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<tr>
<td>Sept. 9, 1931</td>
<td>C.S.H. goes to. Mattapoisett. Used Govt. transportation.</td>
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<tr>
<td>Oct. 11, 1931</td>
<td>C.S.H. leaves.</td>
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<tr>
<td>Nov. 2, 1931</td>
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<tr>
<td>Nov. 5, 1931</td>
<td>C.S.H. goes to. Manchester.</td>
</tr>
<tr>
<td>Nov. 8, 1931</td>
<td>C.S.H. leaves.</td>
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</table>
The above list shows, excluding official trips on Government business, C.S.H. was away from Washington, counting Saturday as a half day, 39 days.

We had the first killing frost at Mattapoisett on Nov. 7, 1931.

We had fresh strawberries and raspberries as late as Sunday, November 1. An unprecedented season.

McAdoo, W. G.

James says, pleads with him as to Bank of Italy branches but to no avail.

Later Gianini told James McAdoo told him that he could pull over James but that it would cost $50,000; that he, Gianini, paid McAdoo $50,000.

July 16, 1931. 91.

McCarl, 29

See - James.

McClelland, E. H.

Gov. Meyer tells Board that, can not be promoted from Asst. Secretary to Secretary of Board, and that he had picked out a "cracker jack" for the place.

Miller said he thought McClelland should be made Secretary.

Gov. Meyer said McClelland was only 31 years old, and that his choice, Chester Morrill, would be a better man, although he did not deny that McClelland was a very able man.
McClelland, E. W. (Cont'd.)

C.S.H. took no part in the discussion as he had discussed this with Gov. Mayor same time ago.

C.S.H. said he felt McClelland should at least have his salary increased, and no objection was offered.

C.S.H. fears this treatment of McClelland will injure the System.

C.S.H. agrees that the Governor should have a Secretary in whom he has confidence, but he feels that passing over McClelland and his faithful work will tend to dampen enthusiasm in the personnel of the System.

Sept. 29, 1931, 146, 147.

If McClelland had been made Secretary by promotion, all under him would have gone up one peg, and only a lower employee need have been taken on.

This "reform" will cost the System a good deal of money: $15,000 for Floyd Harrison, $12,000 for Morrill, and $5,100 for his clerk.

Nov. 5, 1931, 190.

McConkey

85, 86, 87, 88, 97, 98.

See - Kincheloe

McComb, Nannie

Miss Hegeman takes us and, to Bliss house and later to Olney Inn.

May 16, 1931, 32.

McGarrah

C.S.H. tells Gov. Harrison how, told our Board his directors were to publish a statement intimating that the collateral behind brokers loans might prove not to be liquid.

April 6, 1931, 10.

See - B.I.S.

Burgess

McKinney, Gov. Federal Reserve Bank, Dallas,

Told C.S.H. when President of Federal Advisory Council, that some of Council felt that the System should cease easing the market.

May 18, 1931, 33.
McNaigara, Capt. and Mrs.
Mrs. dines with us. Aug. 27, 1931. 133.
We dine with. Sept. 6, 1931. 136.
Dine with us. Sept. 30, 1931. 143.
C.S.H. meets Mrs. at Rachel Hale's.
Sept. 29, 1931. 170
Mellon, Sec.
Gov. Meyer said to Board half jestingly and half sneeringly that the only people who ever got anything out of Pittsburgh were, and family.
July 12, 1931. 85.
Member bank 15-day collateral notes.
Federal Advisory Council favored making intermediate credit bank debentures, running not over 6 months, eligible as collateral for.
Nov. 17, 1931. 187.
James said that not long ago the Federal Reserve Bank of Atlanta, to save a bank, took international credit debentures as collateral for.
Nov. 16, 1931. 190.
Wyatt said above debentures were not now eligible for, but should be made so.
Nov. 23, 1931. 190
Mercantile Bank & Trust Co., St. Louis
C.S.H. gave Gov. Meyer a memorandum to prove that Board had no power to order, to dispossess itself of stock in national bank Board ordered, to dispossess itself of the stock.
July 8, 1931. 72, 73, 74.
Chairman Wood was directed to tell the bank of the decision.
July 14, 1931. 88.
Wood told C.S.H. that holding of the national bank stock did not injure the condition of the parent bank.
July 14, 1931. 88.
Lonsdale, President, came before Board and explained he thought Gov. Young and Comptroller gave him permission to change location and open the national bank.
Aug. 11, 1931. 128.
Mercantile Bank & Trust Co., St. Louis (Cont'd.)

Board voted that in view of critical conditions in St. Louis, it would give, a reasonable time within which to dispose of the stock.

Aug. 11, 1931. 128

See - Condition of admission.

Merchants National Bank, Boston

See - Bipley

Merger. 102

See - Central Trust Company, Chicago.

Government securities

assistant to governor

See - Brehm, Floyd


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Meyer, Eugene, Governor

   April 3, 1931.

2. Does not agree with Miller that our great problem is to increase our holdings of foreign securities so as to build up purchasing power of Europe.
   April 3, 1931.

3. Says domestic conditions are very slowly improving and will lift us up without encouraging foreign borrowing.
   April 3, 1931.

4. Tells C.S.H. he does not agree that the tariff bill was injuring the U.S.
   April 3, 1931.

5. C.S.H. fears he is a pure isolationist.
   April 3, 1931.

6. Says bank management of affiliates has been reckless and bad; headed usually by second class men; that they have on almost every kind of bond, good, bad or indifferent; that they did not dare refuse securities offered them by affiliates of other banks lest their own placements might be discriminated against.
   April 3, 1931.

7. Nancy Warren said she dined at the Eugene Meyer's the other night and that they gave precedence to Dolly Gunn over a wife of a Supreme Court Justice.
   April 4, 1931.
Meyer, Eugene, Governor (Cont'd.)


11. Says Hoover and Stimson are not opposed to consultation or cooperation with the B.I.S., as one might believe from the earlier statement. April 11, 1931. 12.

12. Says C.S.H. is correct in his assumption that Hoover and Stimson will not regard as derogation of their earlier statement whatever action the Board may take as to the B.I.S. April 11, 1931. 12.

13. Sees no objection to Gov. Harrison coming over to consult with B.I.S. and stated that Dr. Walter Stewart was also going. April 11, 1931. 12.

14. Says he did not approve of Gov. Harrison's last trip abroad at the time and that he warned Gov. Harrison not to go to Basel, the seat of the B.I.S. April 11, 1931. 13.

15. Says Federal Reserve Bank, New York, needs strengthening by addition of an outstanding banker with practical knowledge of banking; that Case is pretty good, that Burgess has good qualities, but that something more is needed. April 11, 1931. 15, 14.


Meyer, Eugene, Governor (Cont'd.)


He returned it with, "Many thanks. Very interesting."

April 27, 1931. 20.

21. Gov. Norris said Gov. Meyer worked with Gov. Harrison in Governor Conference to secure endorsement of purchase of Government securities to bring about easy money; that he alone of all the Board sat with the Governors, but was unsuccessful.

April 29, 1931. 21.

22. Gov. Meyer by his frequent trips to New York has evidently got into a close working arrangement with Gov. Harrison and his directors.

He gives the Board little information.

Is he dominating the New York bank or being dominated by it?

C.S.H. sometimes almost suspects the latter.

April 1931. 22.

23. New York at conference wanted to lower minimum acceptance rate to 1% but Chicago objected.

Gov. Meyer wants to Chicago on Thursday and on Saturday Chicago wired acceptance of the 1% minimum rate.

C.S.H. feels the firm of Meyer and Harrison worked well.

April 29, 1931. 21, 22.

24. Rather favored C.S.H. and Wyatt's opinion that as a compromise the Board could permit a bank to hold stock in another bank up to 20% of capital of bank whose stock is bought. Board did not accept this.

May 6, 1931. 23.

25. Governor and Mrs. Meyer invite us to Mt. Kisco for Sunday.

May 7, 1931. 27.


May 11, 1931. 28.

27. Reads statutes forbidding payment of salary to Magee because the vacancy existed while Congress was in session.

May 11, 1931. 26, 29.


May 12, 1931. 29.
Meyer, Eugene, Governor (Cont'd.)

29. Votes for Austrian credit.
   May 15, 1931, 31.

30. C.S.H. meets Governor Harrison in office of Gov. Meyer, who never told us that he was in town or expected.
   May 15, 1931, 32.

31. We go to New York to visit Gov. and Mrs. Meyer at Mt. Kisco. Polish Ambassador also a guest.
   Fri., evening we drove to White Plains to hear Paderewski play. Mr. Stoessel led the choir and orchestra.
   We left on Monday at 10 a.m. and took the 4 p.m. B. & O. train to Washington.
   May 22, 23, 1931. 34.

32. Met Canon Stokes on train.
   He said the Meyers were socially ostracised at Mt. Kisco because of being a Jew; that very few people called on them; that they could not even join the country club.
   Canon Stokes praised Gov. Meyer and said his treatment was outrageous.
   May 26, 1931, 35.

   May 26, 1931, 35.

34. Mr. Bright told Bertie that Gov. Meyer's brother once told him that Gov. Meyer had an income of one million dollars a year.
   May 26, 1931, 37.

35. Returns to Washington.
   June 2, 1931, 37.

36. Gov. Meyer and C.S.H. at first were inclined to admit the Fiduciary Trust Company into the Federal Reserve System.
   May 29, 1931, 40.

37. On motion of Gov. Meyer, the matter of expulsion of C.S.H. Mitchell was ordered filed, thus disposing of it.
   June 4, 1931, 44.

38. Goes to New York.
   June 5, Friday, 44.

   June 9, Tuesday, 46.

40. Goes to New York.
   June 12, 1931, Friday, 48.
Meyer, Eugene, Governor (Cont'd.)

41. C.S.R. asked Gov. Meyer if the proposed merger of Central Trust Company, Chicago, meant that it was in a weak condition.

Gov. Meyer said he knew nothing about it except what he had read in the papers; that Federal Reserve Agent Stevens had not mentioned it.

June 16, 1931. 40.

42. Returns to Washington. June 16, 1931. 49.

43. Brings up Austrian credit. Votes to approve it. June 16, 1931. 49.

44. Tells Board that on Friday he attended a conference in New York with Ogden Mills and Gov. Harrison as to Federal Reserve relief to Germany.

Said he told them he would not agree except on sound banking principles.

June 16, 1931. 49.

45. Tells Board that State Department favored the Austrian credit and the 10 million deposit in the B.I.S. June 16, 1931. 50.

46. Voted to approve B.I.S. deposit. June 16, 1931. 50.

47. Said that the collapse of Europe would injure U.S.; that we ought to do all we can to help Europe; that a crisis in Germany might precipitate its fall.

June 16, 1931. 50.

48. Told Board the second Austrian credit was contingent on raising 150 million shillings from outside sources, and that Bank of England assumed responsibility for raising this amount.

49. Points out that 189 millions of gold has been imported in last 6 months, and 84 millions released from ear marking; that part of this lay idle in Federal Reserve Bank of New York, and that about 300 million had been hoarded.

He suggested buying about 100 millions of Government securities to relieve this situation and to offset hoarding.

June 16, 1931. 51
Meyer, Eugene, Governor (Cont'd.)

50. Says his conferences with State Department show that it is much troubled over conditions in Germany and feels that something must be done. June 17, 1931. 53.

51. Says Castle talks too glibly and that Ogden Mills denied his statements in order to keep facts from the public. June 17, 1931. 53.

52. Says he personally favors remission of reparations and Allied debts for 5 years. June 17, 1931. 53.

53. Says Federal reserve banks have 168 millions of capital and 274 of surplus, a total of 442 millions; that their reserve deposits are liabilities; that any plan for relief of foreign central banks must be limited or considered in relation to their capital. June 17, 1931. 53.

54. Said that while he would be glad to help any U.S. banks in trouble because of Germany investments, he felt we should not go farther except some comprehensive plan which would give Germany real relief; that buying bills of or investing in German bonds would be no real relief. June 17, 1931. 54.

55. Said that any one who had invested in German bonds was a "sucker." June 17, 1931. 54.

56. Said that Germany can not continue paying five or six hundred millions annually outside of her country. June 17, 1931. 54.


59. Said Hoover had no objection to Reichsbank credit, provided Board approved it. June 23, 1931. 56.

60. Said next step was to work out a specific plan of relief along line of proposed moratorium, but that Federal Reserve System should participate in along sound banking lines. June 23, 1931. 57.
Meyer, Eugene, Governor (Cont'd.)

61. Said he so stated at a conference at house of Sec. Stimson alluded to above.
June 23, 1931. 57.

62. C.S.H. does not like having Gov. Meyer confer with Ogden Mills and Sec. Stimson without the knowledge and consent of the Board.
June 23, 1931. 57, 58.

63. Gov. Meyer is acting as if he were a cabinet officer uncontrolled by the Board.
June 23, 1931. 58.

64. C.S.H. is beginning to feel that the Board should elect its Governor and perhaps transfer its headquarters to some other place than Washington.
June 23, 1931. 58.

65. Gov. Meyer, in talking with Board seems to regard his Members as subordinates.
June 23, 1931. 58.

66. Gov. Meyer, at present, at least seems to be dividing his time between Ogden Mills, the Federal Reserve Bank of New York, and the State Department.
June 23, 1931. 58.

67. C.S.H. asked Gov. Meyer whether the Board or the Federal Reserve Bank of New York should announce the Reichsbank credit.

He replied very brusquely that the Reichsbank should announce it; that perhaps, the terms, after all might not be agreed upon.

Yesterday, however, he said that the Board, and not the Federal Reserve Bank of New York should announce it.

Later, this p.m., the Federal Reserve Bank of New York announced it.

C.S.H. fears Gov. Meyer knew the Federal Reserve Bank would announce it, but did not care to discuss it with C.S.H.

The Wall Street Journal referred to it this a.m.
June 28, 1931. 59.
Meyer, Eugene, Governor (Cont'd.)

68. Said that Hoover had reversed his position and had eaten 
his own words as to relation between reparations and 
Allied debts, and that the Board should not "queue" 
the moratorium by turning down the Hungarian credit, 
especially as the New York directors believed this 
a safe credit; that the collapse of Hungary might cause 
serious trouble, - bad enough now, in Europe.

Votes for Hungarian credit. 
June 26, 1931. 61.

69. Goes to New York. 
June 26, 1931. Friday. 62.

70. New York Times says as a result of the conference between 
Federal Reserve and Treasury officials, a decision has 
been reached, that Federal Reserve System should cooperate 
with New York bank to extend assistance to South American 
countries by way of loans; that before the Federal reserve 
and Treasury officials had completed their conference, 
the State Department announced that the Federal Reserve 
Board was studying the whole situation; that Gov. Harrison 
took part in a series of conferences with Ogden Mills, 
Gov. Meyer, et al.; that the announcement following the 
last conference was that the New York bankers would have 
the cooperation of the Federal Reserve System in an 
investigation of Latin-American conditions as to the 
possible granting of loans or credits; that the report 
was current that Burgess would go to South America to 
study conditions there; that the New York bankers suggested 
Burgess.

Gov. Meyer has never spoken of above to the Board.

The spectacle of Gov. Harrison, Ogden Mills, the State Dept. 
and Gov. Meyer fixing policies for the Board, behind its 
back, is certainly disturbing. (See scrap book for 
W. Y. Times article.) 
June 28, 1931. 63, 64.

71. Just before the Board meeting, Miller, who had just returned 
from New York where he had been with Gov. Meyer, told 
C.S.H. there was some trouble in New York which Gov. Meyer 
would explain at the meeting.

Gov. Meyer said nothing at the meeting, and C.S.H. finally 
asked him how conditions were in New York.

Gov. Meyer said there was no change to speak of.
The Board adjourned.
Meyer, Eugene, Governor (Cont'd.)

Miller walked along with Gov. Meyer towards his office, talking with him earnestly.

Gov. Meyer as going into his office called out to C.S.H.

Miller then asked C.S.H. if he asked Gov. Meyer as to New York conditions because of the press statement that the Board had agreed to buy Chilean bills and to send Burgess to Chile.

C.S.H. said he had read the statements but knew the Board had never even had the matter before it.

C.S.H. said he asked the question of Gov. Meyer because of what Miller had told him just before the meeting, but did not know to what it referred.

Miller said what he had in mind was the alleged Chilean credit and the sending of Burgess to Chile.

C.S.H. agreed with Miller this would be very unwise.

Miller said Gov. Meyer felt the same way.

C.S.H. then went into Gov. Meyer's office.

Gov. Meyer said C.S.H. Mitchell had persuaded the New York directors to pass a resolution favoring buying of Chilean bills and of sending Burgess; that he told Gov. Harrison the Board would never approve this; that it was most foolish and might involve the Federal Reserve System in South American affairs.

Gov. Meyer agreed with C.S.H. that if Burgess went to Chile he ought to go to other South American countries also.

Gov. Meyer said Burgess would have to advise higher taxes which would seriously affect our nitrate and copper interests in Chile; that if we helped Chile, Uruguay, and other nations we would surely not want to help, would demand assistance.

Gov. Meyer said he was familiar with Chile and had placed millions of bonds involving American interests there.

Gov. Meyer said he would tell James about this at lunch.

June 30, 1931. 65, 66, 67.
177.

Meyer, Eugene, Gov. (Cont'd.)

72. C.S.H. can not resist the conclusion that at one time there must have been some understanding between Gov. Meyer, Ogden Mills, State Department, and Governor Harrison, reached behind the backs of the Board, of which the Board was never told.

June 30, 1931. 66, 67.

73. Gov. Meyer said that for we wanted to send Burgess, he could not have been spared in Gov. Case's illness.

June 30, 1931. 67.

74. New York Times has articles referring to a conference between Hoover, State Department, Ogden Mills and Gov. Meyer as to reparations. It referred to the claim of France that she must retain 25 million dollars out of the money remitted to Germany for loans to Jugoslavia, and Czechoslovakia, and stated that the Federal Reserve System might buy bills from the central banks of these countries up to that amount to satisfy France. (See scrap book).

July 3, 1931. 67, 68.


July 7, 1931. 69.

76. Gov. Harrison wired Board.

The telegram referred to a conference between Ogden Mills, Governor Meyer and himself, and stated his directors voted to authorize the officers, with the consent of 2 of the directors to deposit 10 millions in the B.I.S. etc.

July 7, 1931. 69, 70.

77. C.S.H. asked Gov. Meyer if it was intended to have any of this deposit used for loans to Jugoslavia or Czechoslovakia; Gov. Meyer said he did not know.

Gov. Meyer said there was no need of settling this today and it went over.

Gov. Meyer never mentioned above conference to Board.

July 7, 1931. 70.

78. Miller told C.S.H. that Gov. Meyer, at the N. Y. directors meeting which they both attended emphasized the necessity of sound banking methods.

July 7, 1931. 70, 71.

79. C.S.H. believes Gov. Meyer and Ogden Mills must have given Hoover
Meyer, Eugene, Gov. (Cont’d.)

79. (Cont’d.)

some assurance of Federal reserve cooperation in helping the weak European central banks, the subject of Hoover’s communication to Miller and Stimson at the London Conference.

Gov. Meyer never mentioned this to Board.

July 7, 1931. 71.

80. C.S.H. is beginning to feel that a super-Board exists consisting of Hoover, Federal Reserve Bank of New York, Ogden Mills, and Gov. Meyer.

July 7, 1931. 71.

81. Gov. Meyer almost contemptuously replied to C.S.H.’s request to consider summer leave, “I think there won’t be any!” Then he added, “Yes, Miller is to take one!”

This did not please Miller.

July 7, 1931. 71.

82. The papers publish the Hoover-French accord which pledges concerted action by the respective central banks for benefit of European countries which are particularly affected by proposed moratorium.

July 7, 1931. 72.

83. C.S.H. gave Gov. Meyer, at his request, a memorandum to show that System has no right to order Mercantile Bank and Trust Co. to dispossess itself of the national bank stock owned by it.

Gov. Meyer never referred to it, and C.S.H. doubts whether he even read it.

July 8, 1931. 72, 73.

84. Gov. Meyer and Board members insisted that the bank must dispossess itself.

Gov. Meyer so voted.

July 8, 1931. 72, 74.

85. Gov. Meyer favored allowing the directors to drop Kincheloe.

Gov. Meyer said Kincheloe came to see him.

July 8, 1931. 75.
Meyer, Eugene, Gov. (Cont'd.)

86. Gov. Meyer, C.S.H. fears, will try to squelch the Kincheloe matter.
July 8, 1931. 76.

87. Gov. Meyer brings up again the suggested 10 million deposit in the B.I.S.
July 8, 1931. 76.

C.S.H. asked if the B.I.S. would guarantee all bills bought.
July 9, 1931. 77.

Gov. Meyer said brusquely that it would not; that it was an entirely different question but did not say how.
July 9, 1931. 77.

88. Votes for 10 million deposit in B.I.S.
July 9, 1931. 78.

89. Reads Gov. Harrison's cable to Niman that Germany must ration before expecting any further Federal reserve credits.
July 9, 1931. 79.

Gov. Meyer said Gov. Harrison clearly understood that even if she rationed the Board was not bound to extend further Federal reserve credits; that no answer was called for from Board; that he read it merely for information of Board.
July 9, 1931. 79.

90. Goes to New York by airplane.
July 9, 1931. Friday. 79.

91. Gov. Meyer wires C.S.H. from Mt. Kisco that he had better be in Washington today.
He said he would be on "The Senator."
July 10, 1931. 80.

92. C.S.H. called up Gov. Harrison who said Gov. Meyer was at Mt. Kisco.
July 11, 1931. 80.

93. C.S.H. wires Gov. Meyer he will meet him on The Senator.
Gov. Meyer was not on the Senator and had not answered C.S.H.'s telegram.
July 12, 1931. 80, 81.

94. Gov. Meyer said he was held at a conference in New York and could not take The Senator and wired C.S.H. on train at Phila. C.S.H. never received it.
July 12, 1931. 82.
Meyer, Eugene, Gov. (Cont'd.)

95. Gov. Meyer reads Board a letter from German Consul General at New York setting forth need of Reichsbank for further credits.

July 12, 1931. 83, 84.

96. Said there was a conference yesterday, Sunday, at Federal Reserve Bank of New York; that Gov. Harrison, Ogden Mills, Parker Gilbert, Owen D. Young, et al, were present; that the chief discussion was whether the Federal reserve bank should give out a reassuring statement; that it was decided in the negative; that Ogden Mills gave out a personal statement.

Gov. Meyer also said the conclusion was reached that the German situation was more a Governmental than a banking problem; that the Federal reserve should go slowly as to further credits until a definite plan of permanent relief could be worked out; that Parker Gilbert said Germany had not managed the banking and financial problems well — that she could have avoided the crash by credit rationing.

July 12, 1931. 83, 84.

97. Gov. Meyer said Herbert Hess, of the State Department, wanted the Board to get behind a long term credit for Germany; that he told him that was a matter for the Board, and not the State Department, and that the latter should keep its hands off.

July 12, 1931. 84.

98. Hoover called up Gov. Meyer during Board meeting.

Gov. Meyer told him that things were going along fairly well. Hoover, he said, asked him to do all he could to help the situation.

July 12, 1931. 84, 85.

99. Voted to extend Reichsbank credit to Aug. 15, 1931.

July 12, 1931. 85.

100. Gov. Meyer said at Board meeting, half jestingly and half seriously, that the only ones who had ever got anything out of Pittsburgh were the Mellon family.

July 12, 1931. 85.
181.

Meyer, Eugene, Gov. (Cont'd.)


102. Votes to hear Mr. Conkey, in Kincheloe case. July 14, 1931. 88.


105. Pahy said that when Gov. Meyer wanted to go to New York by airplane, he notified Secretary of War and he furnished it. C.S.H. does not know but assumes the Govt. paid the cost of the airplane. July 14, 1931. 89.


107. C.S.H. asks Gov. Harrison's office to tell Gov. Meyer he - C.S.H. - was going to Mattapoisett tonight unless he - Gov. Meyer - had some business on Saturday when he was to be in Washington which would make it better for C.S.H. to stay over. Later Gov. Meyer sent word there was nothing requiring C.S.H.'s presence on Saturday. July 16, 1931. 90.

108. Miller told C.S.H. that Hoover had asked Gov. Meyer to go with him to his camp for over Sunday, and that this was why Gov. Meyer would be in Washington on Saturday. July 16, 1931. 90.

109. C.S.H. telephones Gov. Meyer he will be back on Monday, and asked if he read Glass's statement in yesterday's New York Times. He said Yes. C.S.H. asked if anything special was coming up on Monday and he No.
Meyer, Eugene, Gov. (Cont’d.)

110. Gov. Meyer’s talk over telephone while not positively discourteous, was cold and unresponsive, just as if C.S.H. were a not overly friendly newspaper reporter. July 16, 1931. 92.

111. New York Times says Governor Meyer is to go with Hoover to his camp today prepared to tell him just how far the Federal Reserve System could enter into an international banking arrangement for a private loan to Germany, if the French demands can be compromised. July 19, 1931. 92.

112. C.S.H. said opinion of Wyatt or Attorney General should be asked as to power of Federal Reserve System in extending foreign credits.

Gov. Meyer said the question would not arise in near future.

C.S.H. said that before voting he should like legal advice, and Gov. Meyer thought this reasonable. July 20, 1931. 93, 94.

113. Gov. Meyer told Board there was nothing new to report.

He never mentioned his talk with Hoover at his camp Sunday.

His attitude of secrecy as regards the Board is really unexplainable to C.S.H.

July 20, 1931. 94.

114. Takes sharp issue with Miller’s contention that System has no right to buy sterling to stabilize exchange.

July 20, 1931. 94.

115. Gov. Meyer not present at hearing given to Mr. Yohe of Agricultural Department at 4 p.m., as he was at the White House. He came in at 5 p.m., remained 15 minutes, and then left to go back to White House.

He never told Board what was going on at White House.

Miller said new short term credits to Germany were being considered.

July 21, 1931. 94, 96.

116. Miller said Gov. Meyer was opposing any move toward further commitments by Federal Reserve System.
Meyer, Eugene, Gov. (Cont'd.)

116. (Cont'd.)

Miller said Gov. Meyer had already told the Board this.

C.S.H. denied this.

Miller said it may have been at some meeting at which C.S.H. was not present.

C.S.H. has been at every meeting of Board at which Gov. Meyer was present for past two months.

Gov. Meyer may have taken Miller into his confidence but not C.S.H.

C.S.H. can not understand such secrecy.

July 21, 1931. 95.


It states desire to perpetuate the short term credits now owed by Germany and pledges the leadership and cooperation of Federal Reserve System to induce American banks not to withdraw their short term credits. (Later known as the "stand still" agreement)

Whether this will involve rediscounts at Federal reserve banks is not clear.

C.S.H. believes Gov. Meyer must have given some assurances to Hoover, but not a word has been said of it to Board.

July 21, 1931. 95, 96.

118. Hoover's suggestion and assurances to Mellon and Stimson is an effort to freeze all short term credits, - a kind of moratorium.

C.S.H. believes this can't succeed any more than if Cleveland had tried to solve the greenback problem in 1893-1897 by asking that greenbacks should no longer be presented for redemption in gold.

July 21, 1931. 96, 97.

119. Gov. Meyer said he wanted to go to New York this p.m. for a couple of days to have a quiet talk with Gov. Harrison.

July 21, 1931. 96.
Meyer, Eugene, Governor (Cont'd.)

120. Gov. Meyer did not mention the conference yesterday at the White House, at which he was present, at which matters were considered which affected or might affect the Federal Reserve System.

    July 21, 1931. 98

121. C.S.H. waited until it was evident that Gov. Meyer intended not to mention what took place at the conference and then quietly asked him what took place at the proceedings of the conference.

    Gov. Meyer looked blank and said "what proceedings. I don't know what you mean!"

    C.S.H. said he referred to the statement of Hoover to Mellon and Stimson at the London Conference, in which Hoover pledged the Federal Reserve System to "cooperation etc." that he wished to know what "cooperation" meant as regards the Federal Reserve System; whether it meant, directly or indirectly, a pledge for future Federal reserve credits.

    Gov. Meyer then admitted there was a conference yesterday in which he took part, at the White House; that the subject of a short term loan to Germany was revived, but that he said there was "nothing doing"; that the proposal did not contemplate further Federal reserve credits; that it was settled in the negative.

    Miller said this morning's Wall Street Journal emphasized this negative.

    July 21, 1931. 98, 99.

122. C.S.H. told Board Glass had asked an interview with him on Thursday or Friday, and as Gov. Meyer had said he was going to New York, he asked him if he could see Glass with him on either of these days.

    Gov. Meyer almost snapped out Yes and then said almost with a snarl, - "I am in touch with Glass!" evidently thinking it was none of C.S.H.'s business.

    Later Glass telephoned he had changed the date for the interview until next week.

    Evidently Gov. Meyer had arranged this postponement so he could go to New York to see Gov. Harrison, but did not give C.S.H. any notice, - an act of grave discourtesy to C.S.H.
Meyer, Eugene, Gov. (Cont'd.)

Gov. Meyer plays a lone hand with scant courtesy to his fellow members.

July 21, 1931. 100.

123. C.S.H. found that Gov. Meyer had gone to New York and Miller said he was leaving at noon for the balance of the week.

C.S.H. suspects they are both going up to confer with Gov. Harrison and the New York directors.

July 22, 1931. 101.

124. During the a.m. Governor Meyer called up Miller from New York and asked if there was any necessity for his return on Saturday.

Miller said No.

James said Gov. Meyer also called him up and asked the same question. July 23, 1931. 101, 102.

125. Miller telephoned from New York that Gov. Meyer approved the Central Trust Company merger.

July 23, 1931. 102.

126. C.S.H. feels that Gov. Meyer and Miller should have been present to vote on Central Trust Co. merger, as their absence threw the burden of decision on the Executive Committee, which required a unanimous vote, and at one time James refused to concur.

July 23, 1931. 103.

127. Gov. Meyer once sneered at any leave for other Board members but takes it for himself almost every week-end.

July 23, 1931. 103.


C.S.H. told James who said that Gov. Meyer knew it was a raw deal but was too shrewd to commit himself.

This was the first criticism of Gov. Meyer which C.S.H. has heard James ever express.

July 23, 1931. 103, 104.
129. New York Times eulogizes Gov. Harrison for his splendid work in persuading the New York banks to accept the "stand still" agreement.


July 24, 1931. 104.

130. (John Foster Dulles told us the New York bankers were "suckers" in signing this agreement.

See Dulles, Vol. 20, Diaries.)

131. Miller said Gov. Meyer and he favored approving the Central Trust Co. merger.

July 24, 1931. 105.


July 24, 1931. 106.

133. Mary Patten told C.S.H. that Hoover returned from Indianapolis feeling that all was well, but that Gov. Meyer and Ogden Mills met him and almost at the pistol point, forced him to suggest the moratorium, which at first he flatly defined to do.

July 26, 1931. 106.

134. C.S.H. fears Gov. Meyer considers himself on the Federal Reserve Board as a political servant of Hoover, and fears that the Board is really dominated by a super-board consisting of Ogden Mills, State Department, Federal Reserve Bank of New York, and Gov. Meyer.


135. C.S.H. feels Gov. Meyer is playing a lone hand as regards all members of Board except possibly Miller, with whom apparently he does at times talk in confidence.

July 26, 1931. 107.


137. New York Commercial and Financial Chronicle says that the New York banks have agreed not to draw down their German balances without notifying in advance the Federal Reserve Bank of New York ("stand still agreement.") (See Dulles, in Volume 20 Diaries)
137. (Cont'd.)

Not a word of this has been mentioned to the Board.

July 27, 1931. 107

138. Voted to approve action of Executive Committee in "noting" the sterling purchases by Federal Reserve Bank of New York.

C.S.H. calimed Board by "noting" really delegated its power to New York Bank; that Board should either approve or disapprove.

July 28, 1931. 108.

139. Voted "no objection" to Gov. Harrison appointing - a member of Committee to examine into conditions in Germany.


140. C.S.H. said if any one questioned legality of B.I.S. deposit, he should insist on opinion of Counsel; but if no one raised question of lawful power, he would not ask for opinion of Counsel, as he believed Board had the power.

Gov. Meyer said C.S.H.'s position was well taken.

July 28, 1931. 110

141. On question of B.I.S. guaranteeing all bills purchased, it was pointed out that the obligation to repay a deposit was as great as a guaranty of a bill.

Gov. Meyer said the B.I.S. could give us any prime bills in their possession which they were willing to guarantee and then buy other bills with the money.

Gov. Meyer called up Gov. Harrison who said he would take this up with B.I.S.

July 28, 1931. 111.

142. Gov. Meyer said he would vote for the B.I.S. deposit when put in lawful form, to end forever purchases of foreign bills.

July 28, 1931. 111.

143. Told C.S.H. that at the conference of Sec. Stimson's house - on June 13, C.S.H. thinks - every effort was made to dump all assistance to Germany on the Federal Reserve System, but that he fought this to the end.

July 28, 1931. 111.
Lieyer, Eugene, Governor (Cont'd.)

144. During the Board meeting Gov. Meyer called up Ogden Mills to tell him the Board had authorized the B.I.S. deposit. He addressed him as "Ogden" in the sweetest voice, saying "This is Eugene."
July 28, 1931. 112.

145. C.S.H. called up Glass who said Gov. Meyer was to meet him at 2:30 and asked C.S.H. to come at 5 p.m.
Gov. Meyer never told C.S.H. of this appointment.

146. C.S.H. starting out to meet Senator Glass, met Gov. Meyer in the hall returning after his interview with Glass, and asked him how he got along with Glass.

 Gov. Meyer said laconically, "All right."

C.S.H. asked if there was much division of opinion and Gov. Meyer said, "None at all!"

Gov. Meyer addressed above to C.S.H. as if he were an inquisitive newspaper correspondent.

July 29, 1931. 112, 113.

147. Glass said he had had a very satisfactory talk with Gov. Meyer and that he thought he would be a very useful member of the Board; that Gov. Meyer relied on Wyatt's opinion as to the Board power to buy foreign bills; that he was glad that Gov. Meyer had held the amount down.

C.S.H. drew the inference from Glass's manner that Gov. Meyer had been very critical of both Hoover and Stimson, representing that they were desirous of dumping all German relief on the Federal Reserve System, but that he, Gov. Meyer, had thwarted their efforts.

Gov. Meyer some time ago intimated this to C.S.H. or to the Board.
July 29, 1931. 113.

148. Votes to approve Bank of England 125 million credit.
July 30, 1931. 116.

149. C.S.H. at first wanted to have the Bank of England credit a private bank credit, but Gov. Meyer said Gov. Harrison said it would have taken too long to arrange and the New York banks were heavily involved in the "stand still" agreement.
July 30, 1931. 117.
Meyer, Eugene, Gov. (Cont'd.)

150. Gov. Meyer wired that one of his daughters had been taken ill and could not sail with Mrs. Meyer; that she had badly infected teeth and was in a hospital; that he could not return before Thursday or Friday.
   Aug. 4, 1931. 118.

151. Gov. Meyer was away last week end.
   Aug. 4, 1931. Thursday. 119.

152. Miller said he felt the Federal Reserve Bank of New York was not very strong at the top and that Gov. Meyer felt the same way, but had not mentioned this to our Board.
   Aug. 5, 1931. 120.

153. At open market Policy Conference meeting with the Governors, Gov. Meyer was closeted with them from 3:30 to 5:30 p.m., no other member being invited to be present.
   Gov. Meyer followed the precedent made by him at the last meeting, in sitting alone with the Governor.

C.S.H. feels indignant at this.

Gov. Meyer told them that the Board would consider sympathetically, if the Governor so suggested, a proposition to buy in near future 2 or 300 million of Government securities so as to force banks to invest in railroad and other bonds now greatly depressed.

At 5:30 Board met with the Governors and Gov. Harrison reported that the suggestion of 300 millions which he advocated was cut down to 120 millions.

Miller was very indignant at the compromise which was really a refusal to adopt Gov. Meyer's and Gov. Harrison's suggestion.
   Aug. 10, 1931. 122, 123, 124.

See - Governors Conference.

154. Gov. Meyer himself suggested that the rules of procedure should be changed and that the Board, in the first instance, should sit with the Governors; that the Governors should then meet by themselves and make their recommendations.

Gov. Meyer also complained that many of the Governors came to the conferences specifically instructed by their directors.
   Aug. 10, 1931. 124, 125, 126.
155. C.S.H. believes Gov. Meyer was perfectly satisfied with the former procedure, when, sitting alone with the Governors, he could persuade them to accept his views, but now, defeated, he wanted the rules changed. 
Aug. 10, 1931. 126.

156. Gov. Meyer denies C.S.H.'s claim that the Board in fact voted to approve the 10 million deposit in B.I.S. 
Aug. 10, 1931. 126.

157. Gov. Meyer objected to Miller's claim that a regulation should be issued covering purchases of foreign bills, saying that the matter had been pending for years and could safely go over. 
Aug. 10, 1931. 127.

158. C.S.H. thinks Gov. Meyer believes the Federal Reserve Bank of New York has the power to buy foreign bills without having to ask the consent of the Board. 
Aug. 10, 1931. 127.

159. C.S.H. begins to feel that Gov. Meyer almost regards himself as a Director of Federal Reserve Bank of New York rather than a member and Governor of the Board. 
Aug. 10, 1931. 128.

160. Board approved recommendation of Governors Conference for purchase or sale of Executive Committee up to 120 millions after consultation with Governor of Board. 
Aug. 11, 1931. 128.

161. Gov. Meyer joined C.S.H., at dinner at Metropolitan Club. He was very much disturbed at action of Governors Conference in voting down Gov. Harrison's request to buy 500 millions of Govt. securities. 
Aug. 11, 1931. 129.

162. Gov. Meyer told C.S.H. that Gov. Harrison could present a matter very gracefully but was not successful in "selling it"; that if the Board could have taken part in the deliberations with the conference, the Governors would probably have followed the Board, - which C.S.H. gravely doubts. 
Aug. 11, 1931. 129.

163. Gov. Meyer said there were 3 or 4 key members which definitely he wanted failed by one of the Governor's actions, this was one of them.
163. The idea seems to be creeping into Gov. Meyer's mind that the supremacy of the Board over the Federal reserve banks must be maintained.

Aug. 11, 1931. 129.

164. Gov. Meyer - C.S.H. absent - again opposed Miller's demand for a regulation governing purchase of Govt. securities and bills, but said he would take it up with Gov. Harrison.

Went over.

Aug. 14, 1931. 130.


Aug. 18, 1931. Tuesday. 131.

167. Board agreed on letter to Chairman of Governors Conference approving purchase or sale of 120 millions of Government securities.

Letter provided that purchase could be made only after consultation with Governor of Board, and the Governor was authorized to approve specific purchases on behalf of the Board. The power to approve sales was not delegated to the Governor, but reserved for the Board in each instance.

Aug. 18, 1931. 131.


Aug. 20, 1931. Thursday. 133


Aug. 22, 1931. 133.


Aug. 24, 1931. 133.

171. Gov. Meyer pleaded with Board to appoint Floyd Harrison as his assistant, and Executive Committee appointed him.

Long discussion as to his salary.

Gov. Meyer said he was easily worthy of $50,000 and that the Board should not be limited by the low salaries they were receiving.

Gov. Meyer said there were 5 or 4 key positions which ultimately he wanted filled by men of the highest caliber, and that this was one of them.
Meyer, Eugene, Gov. (Cont'd.)

172. (Cont'd.)

Gov. Meyer finally suggested a salary of $15,000, which was finally, somewhat reluctantly, C.S.H. believes, voted.

His salary as a member of the Farm Loan Board was $10,000, so this is an increase of 50%.

C.S.H. believes Gov. Meyer will throw on to Harrison all details leaving him free to consider only the larger questions.

Sept. 15, 1931. 136.

See - Harrison, Floyd

173. The Federal Advisory Council met today.

The Council invited Gov. Meyer to lunch yesterday and asked no other members of Board.

Sept. 15, 1931. 138.


No other Board members were invited.

C.S.H. feels this was very discourteous to the Board.

Sept. 15, 1931. 139.

175. C.S.H. feels at times from Gov. Meyer's manner that he is trying indirectly to make him realize that his influence on the Board is waning or ended.

Sept. 15, 1931. 139.

176. Gov. Meyer seems to be intent on dominating the Board by ignoring it, and is running it with the help of Ogden Mills and Hoover.

So far as Hoover and Gov. Meyer are concerned, C.S.H. feels we now practically have a central bank at New York operated in Washington by the above Trinity.

Sept. 15, 1931. 139.

177. Gov. Meyer strongly objected to James' request for an opinion of Wyatt as to whether the St. Louis director could lawfully accept Kincheloe's resignation to take effect Oct. 15th and pay him full salary for balance of the calendar year.
Meyer, Eugene, Gov. (Cont'd.)

176. (Cont'd.)

James finally withdrew his request.

Board, including Gov. Meyer, approved action of Directors.
Sept. 16, 1931. 140.

177. Gov. Meyer said Gov. Norman had given great offense by his lack of tact and arbitrary action.

He said the Bank of France one day called Gov. Norman over the telephone and the reply was made that he was out at lunch, when in reality he was on ship board en route to U.S.
Sept. 16, 1931. 140.

178. Magee said that after visiting Gov. Meyer at Mt. Kisco, they had an interview with Gov. Harrison as to discount rates.
Sept. 16, 1931. 141.

See - Magee

179. Magee told C.S.H. over the telephone that Gov. Meyer had telephoned him from New York that England was going off the gold standard.

C.S.H. called up Gov. Meyer at Federal Reserve Bank of New York and he said there was no reason why C.S.H. should hurry back to Washington.
Sept. 19, 1931. 145.

180. Gov. Meyer, over telephone, agreed with C.S.H. that examination of the affiliate of Atlantic National Bank should be postponed by Drinnen until he could make it simultaneously with the National Bank Examination of the parent bank.

Sept. 19, 1931. 145.

181. McClelland telephoned that Gov. Meyer and Executive Committee had formally approved above.
Sept. 21, 1931. 144.

182. McClelland said Gov. Meyer asked him to telephone C.S.H. that there was no need of his coming to Washington this week.
Sept. 21, 1931. 144.

183. Gov. Meyer said Gov. Calkins asked him over the telephone whether, in the event of a grave, sudden crisis, it would be proper for a Federal Reserve bank to accept paper not strictly eligible, in order to save a bank; that he told him, speaking personally, it would be all right.
Sept. 29, 1931. 146.
Meyer, Eugene, Gov. (Cont'd.)

184. Gov. Meyer told the Board in a very autocratic manner, that Acting Secretary McClelland could not be appointed Secretary of the Board; that he had picked out a cracker jack for the position, Chester Morrill - at present Secretary and General Counsel of the Federal Farm Loan Board.

Miller said McClelland should be appointed but Gov. Meyer said he was too young, only 31 years of age; that Morrill, with his great experience, would be much better, although he did not deny McClelland's ability. (C.S.H. was Asst. Secretary of Treasury when only 31 years of age.)

C.S.H. took no part in the discussion as he had some time ago expressed his opinion to Gov. Meyer.

C.S.H. said that he agreed that by reason of the close relation between the Secretary and the Governor, the latter had a right to have a secretary congenial to him.

C.S.H. said that at least McClelland's salary should be increased, to which Gov. Meyer expressed no objection.

C.S.H. admits Morrill's probable ability but feels that his appointment will injure the spirit of the personnel of the employees of the System, from the realization that faithful work and great ability will be ignored. Sept. 29, 1931. 146, 147.

185. Gov. Meyer said that conditions in the country are very bad. He probably won't go home this week. Oct. 1, 1931. 149.


188. Yesterday C.S.H. went into Gov. Meyer's office and heard him tell Gov. Harrison over the telephone, that Hoover, at the dinner given to Federal Advisory Council, said he wanted each bank to contribute an amount equal to 5% of its deposits to a new National Credit Corporation to help weak banks.

Gov. Meyer added "unfortunately you were not able to be at that dinner!"

Gov. Meyer never mentioned this suggestion of Hoover to the Board.
Oct. 2, 1931, 149.

189. Gov. Meyer sends word by telephone to C.S.H. that there is to be a special meeting of Board on Monday and he hoped C.S.H. could attend.
Oct. 3, 1931, 150.

190. Board authorized Gov. Meyer to approve Federal Reserve Bank of New York sending Kemmerer to attend a meeting of 4 or 5 South American Republics.
Oct. 5, 1931, 150.

191. Miller objected because Burgess without consent of Board had gone over to B.I.S.
Governor Meyer seemed to know all about it, but had never mentioned it to Board.
Oct. 5, 1931, 150, 151.

192. Gov. Meyer and all except Miller were against proposed general reduction of salaries at Federal Reserve Bank of Kansas City.
Oct. 5, 1931, 151.

193. Gov. Meyer was at conference at White House called by Hoover to discuss relief plans.
Oct. 5, 1931, 151.

194. Gov. Meyer spoke very briefly to Board this morning giving the decided impression that he was opposed to broadening of eligibility.
Oct. 7, 1931, 152.
196. Glass told C.S.H. that at the Hoover conference of leading members of Congress, Gov. Meyer offered no objection to the suggested broadening of eligibility, but that he told Glass privately he was as much opposed to this as Glass was.


197. Miller told C.S.H. that Gov. Meyer came around to his house this morning; that he seemed very tired and depressed; that he said he did not feel well and should go home to Westchester this evening or the week.

Miller said Gov. Meyer's frequent trips to New York attending directors meetings had unnerved him - that the New York directors were obsessed with pessimism.

Oct. 8, 1931. 157.

198. Board approved New York increase to 2½%.

Gov. Meyer was absent at the White House but left word that he favored it.

Oct. 8, 1931. 157, 158.

199. Told C.S.H. no reason why he should not go to Mattapoisett, - that he was going to New York.

Oct. 8, 1931. 158

200. Gov. Meyer told C.S.H. he had talked over the telephone with Glass this a.m. and that he - Glass - seemed not very much opposed to broadening eligibility to include Lombard loans, but feared dangerous suggestions might follow.

Oct. 8, 1931. 158.

201. Miller complained bitterly of Burgess' alleged statement at B.I.S.: saying the Board knew nothing about it until Gov. Meyer told it that Burgess had smiled, and that the Board's approval should have been asked.

Gov. Meyer mildly defended New York Bank for sending Burgess to B.I.S.

Miller said Gov. Meyer must have had knowledge of Burgess's trip which he had kept from the Board.
Gov. Meyer resented this statement.

Later, Miller and Gov. Meyer were in C.S.H.'s office, and Miller repeated his statement and Gov. Meyer hotly resented his "impressions."

Miller apparently felt that Gov. Meyer knew all about proposed trip of Burgess, and consented to it without informing the Board.

Oct. 12, 1931. 159, 160.

202. C.S.H. asked Gov. Meyer whether he did not believe that France was at the bottom of the foreign distrust of the Federal Reserve System, and he said unqualifiedly, Yes.

Oct. 12, 1931. 160.

203. Gov. Meyer wired Gov. Harrison that Board was disturbed at Burgess's alleged statements and that he should cable Burgess to give out no further statements.


204. Miller said he heard, but not from Gov. Meyer, the real reason for Burgess's trip.

See - Burgess.

Miller.


205. Goes to New York to return next week.

Oct. 12, 1931. Tuesday. 159, 162.

206. Gov. Meyer and all of Board except Miller favored a rate increase to 5% at New York.

C.S.H. opposed increasing 1½ at a time and Gov. Meyer agreed with C.S.H.

Oct. 13, 1931. 163.

207. Gov. Meyer and all members agreed that before passing on New York request for renewal of Reichsbank credit the Federal reserve bank should state its reasons specifically for favoring renewal.

Oct. 20, 1931. 165.
In discussing report of Reserve Committee, Gov. Meyer said that exemption of Government deposits from necessity of keeping a reserve was really a concession to member banks for placing Treasury certificates, to which Ogden Mills agreed.

Gov. Meyer said the Treasury could meet this by lowering rates member banks have to pay on Govt. deposits. Oct. 21, 1931. 166

Gov. Meyer told C.S.H. he was tired of the constant "yapping" against Federal Reserve Bank of New York.

He evidently had in mind Miller's off-repeated statement that the New York directors were inflationists. Oct. 22, 1931. 166.

Hoover and Stimson gave dinners to Laval. At the Hoover dinner, Ogden Mills, Gov. Harrison, and Gov. Meyer were present, and the latter was also at Stimson dinner. Oct. 22, 1931. 167. 168.


Gov. Meyer told Board that Gov. Harrison told the visiting officials of the Bank of France that it could hold the proceeds of acceptances which had run off, indefinitely in the Federal Reserve bank; that it must either reinvest, earmark, or export the proceeds. Oct. 28, 1931. 169.

Gov. Meyer said that ear-marked gold was included as part of Bank of France's reserves, but that a mere deposit in the Federal reserve bank was counted as holdings of foreign exchange and not counted as part of its reserves. Oct. 28, 1931. 169

Gov. Meyer has adopted a new procedure for Board. All papers, even Clayton Act and trust powers, are checked by Morrill and Harrison before going to C.S.H.

Gov. Meyer will sign nothing except when checked by Morrill and Harrison.
Meyer, Eugene, Gov. (Cont'd.)

215. (Cont'd.)
Gov. Meyer has thus delegated his work to these two men leaving him free to attend conferences, dinners, White House conferences, etc. etc.

These two men are practically Under Secretaries of the Governor.

Gov. Meyer's reform in procedure has been very expensive, for if M'cLellan had been appointed Secretary, as he should have been, every employee under him could have been advanced one grade and only expense would have been one new employee at the bottom.

Gov. Meyer, however, insisted on bringing in Morrill as Secretary on a salary of $12,000 - his former salary on Federal Farm Loan Board being $10,000, - and insisted on an appointment of Harrison as his assistant at a salary of $15,000 per year, - his former salary as member of Federal Farm Loan Board being $10,000.

Nov. 8, 1931. 179, 180.

216. C.S.H. feels it is extraordinary that the Federal Reserve System is now practically dominated by Gov. Meyer and two former members of Federal Farm Loan Board, who seem to be acting almost as Receivers of the System.

C.S.H. does not doubt their ability, however.

Nov. 8, 1931. 180.

217. Gov. Meyer told Board that Morrill, the Secretary, needed a stenographer clerk, and wanted to appoint a woman formerly under him then on Federal Farm Loan Board at a salary of $21,000; that she had been receiving $2000 from Federal Farm Loan Board.

The Board voted to appoint her.

This makes three people taken from the Federal Farm Loan Board:

Harrison, at $15,000
Morrill, at $12,000
Stenographer 2,100
$29,100.

Nov. 10, 1931. 182, 183.

218. Gov. Meyer went to New York last night.

Nov. 10, 1931. Tuesday. 183.
219. The Federal Advisory Council had Gov. Meyer at lunch yesterday but no other Board member.

In the discussion with the Board, Gov. Meyer frequently referred to the proceedings at the lunch yesterday; he evidently felt that all important matters had been settled there, of which the Board members were, however, ignorant.

Nov. 17, 1931. 187.

220. Last week Gov. Meyer and the Board members approved Gov. Harrison's suggestion of appointing Walter Stewart to attend B.I.S. at its request as one of the Advisory Committee to consider conditions in Germany.

Nov. 23, 1931. 190.

221. E.S.H. wrote Gov. Meyer asking him to ask Gov. Moret of the Bank of France to one of our Paris Embassy Staff, coupled with a clipping from a French paper, all giving implication that Federal Reserve Bank of New York had promised Bank of France to be conservative and oppose inflation as a condition of Bank of France not withdrawing its deposits from American banks and from Federal Reserve Bank of New York.

Nov. 24, 1931. 191.

222. At Governors open market policy conference, Gov. Meyer felt there was no need of buying more Government securities now, but that we should be ready to meet any emergency.

Nov. 30, 1931. 195.

223. Gov. Meyer gave a dinner to Board and Governors at his house.

Nov. 30, 1931. 195

224. Gov. Meyer and Board voted to approve a purchase of Govt. securities in any emergency - none at present- same to be resold in January 1932.

Nov. 31, 1931. 196.

(End of Meyer, Gov.)
Miller, Adolph. Mrs. Miller

Said greatest problem is to increase foreign securities placed in U.S., thus increasing foreign purchasing power and helping our exports.

April 3, 1931. 2.

Gov. Harrison says he is much surprised at testimony of Miller and C.S.H. before Senate Committee that they would have voted to approve a 6% rate, had the Federal Reserve Bank of New York put in such a rate in 1926 after July 15 (when rate was fixed at 5%).

April 6, 1931. 9.

C.S.H. told Gov. Harrison that Miller and he said they would or might have voted for such a rate, but did not say the Board would have approved it.

April 8, 1931. 9.

Strongly objected to Gov. Harrison's going over to B.I.S.; said it would be far better for Gov. Harrison to remain at home and familiarize himself with the task of running the Federal Reserve bank, - at which Miller implied he had not been very successful.

April 11, 1931. 12, 13.

Mrs. Delano told C.S.H. that Mrs. Miller invited her and Mrs. Roosevelt to lunch on a Sunday but the day after called her up and said she had forgotten that she had an engagement to lunch with the British Ambassador on that day, and withdrew her invitation.

Mrs. Delano felt that the invitation to British Ambassador's lunch came after the invitation to her and that Mrs. Miller wanted to accept it and consequently withdrew her invitation.

April 21, 1931. 17.

Gov. Talley told C.S.H. that Miller favored buying of Govt. securities and reduction of discount rates to make the spread between Federal reserve and Bank of England rates, (then 3%) greater.

April 29, 1931. 20.

Miller said that he would forget the past as to the Penn. etc. corporations purchase of stock of other banks, but would insist on enforcing the condition on admission, - that no such stock would be bought except with consent of the Board, for the future.

May 6, 1931. 23.
Miller, Adolph, Mrs. Miller (Cont'd.)

Mrs. Miller told Bertie she wondered if Hoover would be renominated, he was so universally unpopular.
May 13, 1931. 30.

Mrs. Miller told Mrs. Delano that Mr. Hoover generally invited them to dinner alone and complained that she had to sit next "that stupid man!"
May 13, 1931. 30.

Votes against Austrian credit, on ground that we should keep free from foreign banking complexities.
May 15, 1931. 31, 32.

C.S.H. feels that Miller is an isolationist.
May 15, 1931. 32.

Says that our examination of the Federal Reserve Bank of New York showed that Gov. Case and wife were invited by Hoover to dinner and that Gov. Case charged the expense of his and Mrs. Case's journey to Washington to the Federal Reserve Bank of New York.
June 4, 1931. 40.

"Not voting" to give further credits to Austrian National Bank.
June 16, 1931. 49.

Votes to approve Reichsbank credit.
June 23, 1931. 55.

Asks Gov. Miller whether Hoover favors above credit.

Gov. Meyer said he had no objection provided Board in its discretion granted it.
June 23, 1931. 56.

C.S.H. rather favored not making credit conditional upon Bank of France joining, but Miller said it would take on a political aspect if we did that.
June 23, 1931. 97.

Discussing the second Hungarian credit, Miller said he had deep sympathy for Hungary and had he not voted against the former credit he would vote for this one.

He voted, therefore, against it, and said that he believed Europe should and could easily settle her own problems.
June 26, 1931. 60, 61.

C.S.H. raised question of the commission charged on the Reichsbank credit, although he approved of it.

Miller said that was settled by the Board's vote.
June 26, 1931. 61, 62.
Miller, Adolph. Mrs. Miller. (Cont'd.)

Goes to New York.
June 26, 1931. 60.

Miller, just returned from New York, told C.S.H. that trouble had arisen at the Federal Reserve Bank of New York and that Gov. Meyer would explain it.

Gov. Meyer said nothing had happened in New York in response to C.S.H.'s question based on what Miller had said.

Later Miller asked C.S.H. if his question to Gov. Meyer was because of the press statement that Board had agreed to approve purchase of Chilean bills and to sending Burgess to Chile.

C.S.H. said Board he knew had never considered this, and his question to Gov. Meyer was based on what Miller had said to him, C.S.H. not knowing to what Miller referred.

Miller said he had in mind the question of Burgess and Chilean bills.

Miller agreed with C.S.H. that above would be very unwise.

Later Gov. Meyer explained above.

See — Meyer, Gov.
June 30, 1931. 65, 66.

Agrees with C.S.H. in objecting to have proposed $10 million deposit with the B.I.S. conditional on approval of action of the Federal reserve bank officials by two of the directors.
July 7, 1931. 70.

Miller told C.S.H. he was at the directors meeting at New York and that Gov. Meyer emphasized the necessity for sound banking methods.
July 7, 1931. 70, 71.

Gov. Meyer sarcastically refers to Miller's proposed vacation.
July 7, 1931. 71.

Votes to order Mercantile Bank & Trust Co. to dispossess itself of stock in national bank acquired by it.
July 8, 1931. 73.

Moves and votes to direct Federal Reserve Agent Wood to come to Washington to work out method by which above stock is to disposed of.
July 8, 1931. 73, 74.
Miller, Adolph, Mrs. Miller (Cont'd.)

Insists that Kincheloe be fully examined as to all operations of the Louisville branch.

C.S.H. feels Miller does not want to remove him solely because of his speculative loan, and that he rather hopes whole matter will be dropped.

July 8, 1931. 76.

Votes with rest of Board that Board agrees in principle with the B.I.S. 10 million deposit and that he -- Miller -- prepare a statement to that effect.

July 9, 1931. 77.

Votes to authorize the Governor, in the absence of a quorum, to approve a resolution of the Federal reserve bank as to above deposit, specifically stating its plan.

July 9, 1931. 78.

Miller prepared a draft of approval of the 10 million B.I.S. deposit, in which he referred, presumably as justification, to the accord reached between Hoover and France as to "cooperation" between Federal Reserve System and European central banks.

C.S.H. objected on ground that this accord did not add any power to the Board, and said it was our duty to cooperate to prevent injury to us from collapse of Europe, wholly apart from the Hoover understanding.

Miller said the Hoover understanding was a treaty.

C.S.H. denied this but said that in any event we must be governed by the Federal Reserve Act.

Miller then struck out this reference.

July 9, 1931. 77, 78.

Miller expressed doubt whether Board had right to approve purchase of sterling exchange to stabilize British exchange.

Gov. Meyer took sharp issue with Miller.

July 23, 1931. 94.

C.S.H. asked Miller what was going on at the White House Conference at which Gov. Meyer had been present, and he said Hoover was considering further short time credits to Germany, but that Gov. Meyer was opposing any further commitments by the Federal Reserve System.
Miller, Adolph. Mrs. Miller (Cont'd.)

Miller said Gov. Meyer had already told this to Board.

C.S.H. denied this.

Miller said it might have been at some meeting at which C.S.H. was not present.

C.S.H. has attended every meeting for last two months at which Gov. Meyer was present.

C.S.H. feels that Gov. Meyer has taken Miller into his confidence but no other member.  July 21, 1931, 36.

Gov. Meyer said that at the White House Conference yesterday, he had negatived all suggestions of further Federal reserve credits to Germany and that the matter was settled in the negative.

Miller said the Wall Street Journal of this a.m. spoke of the conference.  July 21, 1931, 36.

Miller said he was leaving today for balance of week.

Gov. Meyer has already gone to New York.

C.S.H. feels that they are both going to have a conference with the New York directors.  July 23, 1931, 101.

This morning Gov. Meyer called up Miller to ask if there was any necessity for his being at Board on Saturday, and Miller replied No.

This looks as if there was no understanding between them as to visiting the New York directors.  July 23, 1931, 101.

Insists on further questions as to merger of Central Trust Co., Chicago, as to whether a certain guaranty was worth anything.  July 23, 1931, 101.

The matter had to be decided on Saturday, and C.S.H. cancelled his Mattapoisett trip, although Miller did not offer to cancel his New York trip.
Miller, Adolph. Mrs. Miller (Cont'd.)

The time came when Miller had to leave and he left saying he was ready to vote for the merger, although for an hour he had been suggesting further questions to Federal Reserve Agent Stevens as to it.

Miller said Gov. Meyer favored approval.
July 22, 1931. 102.

The Executive Committee approved the merger, but C.S.H. feels Miller should have remained in Washington as he - C.S.H. - did, as action of Executive Committee must be unanimous, and James had intimated he might not vote to approve.
July 23, 1931. 103.

Miller calls up from New York and says Federal Reserve bank has voted to buy 25 millions of sterling to help Bank of England and that he and Gov. Meyer favored approval.
July 21, 1931. 104, 105.

C.S.H. is now inclined to believe that Miller and Gov. Meyer planned the meeting with the New York directors unknown to Board.
July 22, 1931. 105

Gov. Meyer seems to confide occasionally in Miller, as a supposed close friend of Hoover.
July 26, 1931. 107.

From what Mrs. Miller has lately said to C.S.H. as to Hoover (see Miller, supra p. 30) and from intimations from Miller himself, C.S.H. believes they are not as close friends as formerly.
July 26, 1931. 107.


C.S.H. said Board in fact had approved sterling purchases and not merely "ind ed" them.

Miller said New York had not asked approval.
C.S.H. disagreed.
July 28, 1931. 108.

Miller urged a regulation as to purchase of foreign bills. Went over.
Miller, Adolph. Mrs. Miller (Cont'd.)

Votes to offer no objection to Gov. Harrison appointing member of a Committee to consider Germany relief, at request of B.I.S. July 28, 1931. 109.

Miller raises question of legal authority of Board to make the 10 million B.I.S. deposit.

C.S.H. said he believed Board had the power but if Miller raises question he must demand an opinion from Wyatt.

Miller became very angry at C.S.H.'s demand, and said he would vote No even if it were legal.

C.S.H. replied he would vote No if Counsel said it was not legal.

Wyatt explained a form in which it would be legal. July 28, 1931. 110

Voted against the 10 million deposit in the B.I.S. July 30, 1931. 115.

In discussing the proposed Bank of England credit for 125 millions, Miller and C.S.H. suggested that the clause under which the Federal reserve bank agreed to act favorably on any request for renewal be changed so that any such request should be transmitted to the Board for its approval.

The New York directors, especially Owen D. Young, wished to make the credit 200 millions, but Miller and C.S.H. insisted on 125 millions, the same amount as the Bank of France was to take.

The New York directors wanted the credit to run for 6 months instead of 90 days.

The Bank of France could not give such a credit for more than 3 months but had entered into a gentleman's agreement for an extension.

Millar and C.S.H. insisted on 90 days leaving to Board the question of a renewal.

Miller and all the Board voted to approve as amended. July 30, 1931. 115, 116.

Was away last week-end. Aug. 4, 1931. 119.
Miller, Adolph. Mrs. Miller (Cont'd.)

Miller agrees to 10% commission charged for renewal for 90 days of Reichsbank 20 million credit.
Aug. 5, 1931. 120.

Miller said the Federal Reserve Bank of New York was not very strong at the top, and that Gov. Meyer felt the same way, but had not spoken of this to the Board.
Aug. 5, 1931. 120.

Miller said Gov. Harrison was improving as Governor of Federal Reserve Bank of New York.
Aug. 5, 1931. 120.

Miller said the report of the Governors Open Market Committee was very disappointing to him.

The Governors had declined to agree to Gov. Harrison's request for authority to buy up to 300 millions of Govt. securities but had compromised on 150 millions.

Miller said that while he was distrustful of open market operations, present critical conditions offered an opportunity for a bold stroke which he hoped the Governors would grasp, but they had sidestepped and compromised.

Aug. 10, 1931. 134.

Miller agrees with G.W.H. that from now on the Federal Reserve Bank of New York must specifically ask for approval of Govt. securities and foreign bill purchases and again asks for a regulation covering this.

Gov. Meyer objected to present consideration and it went over.
Aug. 10, 1931. 127.

Miller offers draft tentatively approving Governors recommendations.
Aug. 12, 1931. 129.

Miller's draft taken up but no action taken.
Aug. 14, 1931. 130.

Miller again pressed for a regulation as to foreign bills and Government securities.

Gov. Meyer objected but said he would take it up with Gov. Harrison.
Aug. 16, 1931. 131.

Miller leaves for California tomorrow.
Miller, Adolph. Mrs. Miller (Cont’d.)

He said he wished to record his opposition to any further credits to Great Britain.

Aug. 19, 1931. Wednesday. 132.

Miller arrives back in Washington.

Sept. 25, 1931. 148.

Miller said McClelland should be promoted to be Secretary of Board.

Sept. 29, 1931. 147.

Miller and G.S.H. favor increase of New York discount rates to 2%, and say that the fact that such increase might depress the bond market was no reason for not increasing rates.


Miller raised question of the trip to Burgess to B.I.S., saying he had read in papers that he was going to B.I.S. directors meeting; that he had learned from other sources that McGarrah wanted a guarantee that all gold deposit by B.I.S. in Federal reserve banks should be payable in gold; that Burgess went over to satisfy McGarrah that this was not practicable.

Oct. 5, 1931. 150, 151.

All, except Miller, were opposed to a general reduction of salaries at Federal Reserve Bank of Kansas City or at other Federal reserve banks.

Oct. 5, 1931. 151.

Miller told G.S.H. that Gov. Meyer came around to his house this morning; that he seemed tired and depressed; that he said he did not feel well and should go to Westchester County this evening for the week.

Oct. 8, 1931. 157.

Miller said Gov. Meyer’s frequent visits to New York and consultations with the New York directors who were in the extreme of pessimism, had unnerved him.

Oct. 8, 1931. 157.

Votes in favor of New York increase to 2%.

Oct. 8, 1931. 157, 158.

Telephones G.S.H. he will not object to an increase in rates by Federal Reserve Bank of Cleveland.

Oct. 8, 1931. 158.

He said he wanted an official inquiry as to why Burgess was sent over to B.I.S.

He said the Board knew nothing of it until Gov. Meyer told it that Burgess had sailed; that the Board's consent should have been asked.


Miller said Gov. Meyer must have had knowledge as to this which he had never told the Board.

Gov. Meyer resented this statement.

Later, Gov. Meyer and Miller were in G.S.H.'s office, when Miller repeated above statement.

Gov. Meyer again resented Miller's insinuating statements.

G.S.H. believes Miller is right and that Gov. Meyer must have known and perhaps even gave his assent to Burgess going over.

Miller, some time ago, said he had heard, not from Gov. Meyer—that Burgess was sent over to convince McGarrah that it was not practicable for Federal Reserve System to agree that all deposits by B.I.S. were guaranteed as payable in gold.

See supra, 150, 151.

All except Miller favored an increase in New York rates to 3%.

Miller feared it might cause fear in depositors and increase hoarding, although he agreed present rates were too low.

Miller objected to approving the proposed renewal of the Reichsbank credit, unless and until the Federal Reserve Bank of New York gave specific reasons therefor. Went over.

Oct. 20, 1931.
Miller, Adolph. Mrs. Miller (Cont'd.)

Gov. Meyer told O.S.H. he was tired of the constant yap against Federal Reserve Bank of New York. He clearly had Miller in mind, who several times had said the New York directors were inflationists.

Oct. 28, 1931. 166.

Miller said the effect of the Hoover-Laval understanding was a recognition by Hoover of the political and economic ascendancy of France in Europe; that Germany must look to France for relief; that Hoover, in effect, had agreed to back up France.


Miller also said the effect of above agreement was that Hoover would go hand-in-hand with France; that this was a general understanding rather than any specific undertaking; that France has agreed to be "good" and to clean up the German and European situation; that there was a complete accord.

Oct. 29, 1931. 170.

Miller said he was satisfied, as stated by some of the Governors, that there existed a credit blockade, which must be met with courage by somebody; that if the banks are unwilling to loan freely he would favor buying almost any amount of Government securities; that if the banks would loan courageously he would not be averse to a general lowering of reserve requirements.

Nov. 30, 1931. 195.

Miller, David Hunter

Told O.S.H. that Edmund Roberts treaty with Muscat was still in force but that the treaty with Siam had been replaced by a new treaty not very long ago.

April 22, 1931. 18.

Miller, Mrs. C. S.

Mrs. Kiplinger told Bertie that the publishers had given Bertie's reminiscences to, to read; that she knew personally many of the characters described by Bertie; that she was a critic of rare ability.

April 1, 1931. 1.

See - Haulin, H. P.

Mills, Ogden, Under Secretary of Treasury

Gov. Meyer has a conference as to relief to Germany, with Gov. Harrison and.

June 10, 1931. 42.
Mills, Ogden, (Cont'd.)

Gov. Meyer said Ogden Mills denied Castle's statements as to possible Federal reserve credits to Germany, - to prevent the public getting at the facts.

June 17, 1931. 53.

Gov. Meyer reads a statement of Ogden Mills that the Bank of France was willing to participate in the Reichsbank 100 million credit, provided it had nothing to do with Hoover's proposed moratorium.

June 22, 1931. 56.

C.S.H. does not like the way in which Gov. Meyer confers with Ogden Mills behind the backs of the Board.

June 23, 1931. 57, 58.

C.S.H. feels Gov. Meyer seems to prefer to consult Ogden Mills, Gov. Harrison and State Dept. rather than his associates on the Board.

June 23, 1931. 56.

New York Times says the Federal Reserve System, after a conference between Gov. Meyer and Treasury officials, has decided to cooperate with New York banks in credits to Latin American countries; that before the Federal reserve and Treasury officials had completed their discussion, the State Department announced that the Federal Reserve Board was studying the whole question; that Gov. Harrison and Ogden Mills took part in the conferences and discussed the situation with Gov. Meyer, etc. etc.

See - Meyer, Gov.

June 28, 1931. 63.

C.S.H. feels that the spectacle of Ogden Mills, the State Dept. and Govs. Harrison and Meyer setting Federal reserve policies behind the backs of the Board is certainly a strange one.

June 28, 1931. 64.

C.S.H. believes there was some understanding as to Burgess going to Chile, between Gov. Meyer, Ogden Mills and the State Dept. - reached without the knowledge of the Board.

June 30, 1931. 66, 67.

New York Times refers to a conference on Reparations between Hoover, the State Dept. Ogden Mills, and Gov. Meyer.

July 3, 1931. 67.

Gov. Harrison telegraphs Board.
Mille, Ogden (Cont'd.)

Gov. Harrison's telegram first referred to a conference between Gov. Meyer, Ogden Hills, and himself, and said his Board had voted to deposit 10 millions in B.I.S. etc.

See - B.I.S.
July 7, 1931. 69.

Gov. Meyer never told Board of above conference.
July 7, 1931. 70.

C.S.H. feels satisfied that Gov. Meyer, Ogden Mills, and Gov. Harrison gave Hoover some assurances as to Federal Reserve System cooperation in helping weak European banks, on strength of which Hoover pledged such cooperation in his Hoover-Laval accord.

July 7, 1931. 71.

C.S.H. feels that the Board has been submerged in a super-board, consisting of Hoover, Ogden Mills, State Dept., Federal Reserve Bank of New York, and Gov. Meyer.

July 7, 1931. 71

Gov. Meyer said there was a conference yesterday - Sunday - at Federal Reserve Bank of New York, at which were present, Ogden Mills, Gov. Harrison, Owen D. Young, J. Parker Gilbert and Gov. Meyer; that the question of having the Federal Reserve Bank issue a reassuring statement was discussed and negated; that Ogden Mills gave out a personal statement.

July 12, 1931. 83, 84.

Mary Patten told C.S.H. that Hoover returned from his Indianapolis speech feeling that all was well, but that Ogden Miles and Gov. Meyer, almost at the point of the pistol, forced an unwilling Hoover to put out his moratorium suggestion.

July 26, 1931. 106.

C.S.H. feels the Board is controlled by a super-board, consisting of Ogden Miles, State Dept., Federal Reserve Bank of New York and Gov. Meyer.

July 26, 1931. 107.

During afternoon meeting of Board, Gov. Meyer called up Ogden Miles to tell him the Board had authorized Gov. Harrison to appoint a banker on an International Committee to discuss German relief at B.I.S.

Gov. Meyer addressed him most sweetly as "Ogden" saying, "Ogden, this is Eugene."

July 28, 1931. 112.
Mills, Ogden (Cont'd.)

It seems to C.S.H. that Gov. Meyer is seeking to dominate the Board with the assistance of Ogden Mills and Hoover, and that we have, in effect, a central bank at New York operated by the above Trinity.

Sept. 15, 1931. 159.

New York Times says Hoover gathered together Ogden Mills, Gov. Meyer and Sec. Lamont to discuss some matters not revealed.

Oct. 2, 1931. 149.

Ogden Mills came before Board and strongly opposed Reserve Committee report for suggesting that member banks must carry reserves against Govt. deposits.

Mills agreed that present exemption in effect was a commission to member banks for placing Govt. securities.

Miller said member banks do not as a rule buy Treasury securities as an investment but merely to sell them to Public, using the deposit credit to the Government for their own profit.

Oct. 21, 1931. 166.

Hoover gives a dinner to Laval, at which Ogden Mills, Gov. Harrison and Gov. Meyer were present.


Goldenweiser told C.S.H. that Ogden Mills prepared the basis for the Hoover-Laval agreement, being assisted by Gov. Harrison, S. Parker Gilbert, et al.; that they all advised Mills that the reparation question should be settled under the Young agreement.

Oct. 29, 1931. 171.

Minutes of Federal Reserve Board meeting, Correction of.

108

See -"Noted."

Mitchell, C.l. National City Bank, New York

Gov. Harrison told C.S.H. that at the time Mitchell relieved the market in 1929, the rumor was abroad that the Federal Reserve bank had refused to give his bank any further discounts.

May 22, 1931. 34, 35.
Mitchell, C.L. (Cont'd.)

On motion of Gov. Meyer, the papers on a matter of expulsion of, were sent to the files, thus disposing of the matter.

The vote was unanimous.

June 4, 1931. 44

Gov. Meyer said, had persuaded the Federal Reserve Bank of New York directors to pass a resolution in favor of buying Chilean bills and of sending Burgess to Chile.

June 30, 1931. 66

Money in circulation

Since last November, has increased 375 millions; since last April 150 to 175 millions, largely in Chicago. Evidently much money has been hoarded.

June 16, 1931. 61.

Montague, Gov.

Addresses Woman's National Democratic Club on Jefferson.

April 13, 1931. 14.

Montagu, Mrs.

We have Mr. and Mrs. Montague at dinner.


Moore, John

C.S.H. visits, at Corey Hill Hospital.

Nov. 19, 1931. 189

Moratorium

Hoover issues a statement favoring a, on Reparations and Allied debts, for one year.

Very favorably received.

Boom in stock market.

June 20, 1931. 56.

Bank of France agreed to participate in Reichsbank credit provided it had no connection with Hoover's proposed moratorium.

June 26, 1931. 56.

Gov. Meyer said the next step would be for the administration to work out a definite plan for German relief along the lines of Hoover's proposed moratorium.

June 25, 1931. 56, 57.

Gov. Meyer said Hoover, by his moratorium suggestion, had reversed himself and eaten his own words and that the Board should not queer the moratorium situation by turning down the Hungarian credit.

June 25, 1931. 61.
Moratorium (Cont'd.)

Ambassador Houghton said the Hoover moratorium, as agreed to by France, would not improve conditions in Germany or in U.S. for more than a few weeks.

He agreed with C.S.H. that a 5 year moratorium would be the least that could accomplish anything. 

July 6, 1931. 68.

The Hoover-Laval agreement provided for concerted action by the principal central banks should be organized through the intermediary of the B.I.S. for the benefit of European countries which find themselves particularly affected by the proposed moratorium.

July 7, 1931. 72

Hoover's letter to Mellon and Stimson in London favoring a stand still agreement, pending some plan for long term financing, was in effect a moratorium.

July 21, 1931. 96.

Miss Mary Patten told C.S.H. that Gov. Meyer and Ogden Mills forced an unwilling Hoover, almost at the point of the pistol, to suggest the moratorium.

July 26, 1931. 106.

Morrill, Chester, Sec. of Board. 146, 147, 148, 179, 190, 182, 183

See - Meyer, Gov.

Morrison, Dr. See - C.S.H. eyes to check up Dr. Joslin's report.

The report suggested faint signs of glaucoma, but Dr. Morrison could find no trace, and said my eyes were subnormal rather than super-normal, and he said that with reasonable care he saw no reason why my eyes should not pull through all right.

He said he could find no evidence, after a test, that smoking was injuring my eyes. Nov. 25, 1931. 192, 193.

Mt. Kisco 27, 34, 35, 62, 63, 81.
Fraulein. 54

See - Hale, Rachel

Mumford. 164

See - Atlantic National Bank

Murray, Mrs.

We meet, at dinner at Dr. Richmond's.

April 4, 1931. 5

Muschat. 18

See - Miller, David Hunter

Meyer, Gertrude

Bertie called up, pretending to be a society reporter asking for particulars as to her recent trip to New York. She fooled the maid completely, but she said the first time that Gertrude was resting, suggesting that Bertie call her up later, and at the second time she said she was entertaining guests.

Bertie left a fictitious telephone number begging Gertrude to call her up as it was of greatest importance to the 75 papers Bertie represented. Bertie gave her name as Miss "Johnson".

April 1, 1931. 1, 2.

Gertrude called us up at 3 p.m. saying that two guests - Bishop and Mrs. Rhinelander - had given out for dinner tonight.

Bertie thought she intended to invite us, but she did not.

April 5, 1931. 7.

C.S.H. called up Gertrude.

While she talked very pleasantly she did not seem particularly pleased to hear C.S.H.'s voice.

She evidently has some grudge.

April 7, 1931. 11

We call on Gertrude, but she was out.

April 11, 1931. 14.

Bertie called on Gertrude and asked her to lunch at the Woman's National Democratic Club to meet Annie Nourse.

She said she could not, as Mrs. Lansing was to lunch with her.
She then said she supposed this invitation was to make up for Bertie's rudeness to her.

Bertie asked what she meant and she replied, that Bertie had not invited her to dinner at the Woman's Democratic Club when Bertie invited Rachel Hale and Bishop and Mrs. Rhinelander.

She also said that, at the dinner, at Mr. and Mrs. Van Ness Philips, Bertie kept saying that her nose was red, which embarrassed her very much.

Bertie had no recollection of having ever said her nose was red.

After that, Gertrude became more agreeable.

April 25, 1931. 18.

Bertie lunches with Gertrude to meet Evelyn Sturgis.

April 30, 1931. 21.

Gertrude called on Bertie.

May 26, 1931. 37.

Bertie called on Gertrude but she was out.

June 3, 1931. 44.

Bertie telephoned Gertrude but she was out.

June 4, 1931. 44.

Bertie telephoned Gertrude to ask if we could come over in the evening but she said she was going to a woman's dinner.

June 5, 1931. 44.

C.S.H. then took the telephone and asked if she would be at home tomorrow afternoon.

She said Mrs. Rhinelander had said she might call her up tomorrow to do something together.

June 5, 1931. 44.

C.S.H. then asked her to call him up any time she was free, and she would go over to see her.

She then said, "Let Bertie call me up. She is the busiest!"
Myer, Gertrude (Cont'd.)

C.S.H. feels she did not want to see him alone - for what reason he can not imagine.

C.S.H. will now give her a good long rest - until she calls him up.

June 5, 1931. 44, 45

Bertie told Rachel Hale this morning that she believed Gertrude was jealous because C.S.H. called on her. - Rachel; that Gertrude seemed to think she had invented C.S.H.

Rachel said she thought this was very likely true.

June 10, 1931. 47.

Bertie called up Gertrude to say Good-bye but she was out.

Bertie left a message for her.

June 11, 1931. 47.

Gertrude called up Bertie and had a pleasant talk with her. She did not mention C.S.H.

June 12, 1931. 47.

Bertie told C.S.H. she had written Gertrude a nice letter telling her that while she did not know her summer plans, she would always be glad to see her at Mattapoisett.

July 10, 1931. 79, 80.

Rachel Hale told C.S.H. that Gertrude had bought a new auto and had hired as chauffeur the husband of her maid; that she was very angry at General Bowley, who went with her to pick out the machine because he had not beaten the price down.

C.S.H. fears Gertrude suspects he got a commission.

She said Gertrude was going to Hot Springs in August, probably with Mr. Dangerfield.

July 21, 1931. 101.

Bertie writes C.S.H. that Mrs. Larz Anderson told her that she dined with Gertrude last winter and sat beside Gen. Bowley; that Gertrude fired her went up and down the table; that Gen. Bowley told her he had tried to help her straighten out her affairs, but that nothing was ever right.

July 24, 1931. 105, 106.
Myer, Gertrude (Cont'd.)

Rachel Hale told C.S.H. that Gertrude said she would spend Sunday with her and start for Hot Springs Tuesday, but that she had not heard from her.

She also said Gertrude was somewhat hesitating to go to Hot Springs because "it would look so strange to enter the dining room alone."

July 30, 1931. 117.

Rachel Hale told C.S.H. that Gertrude left for West Point today at 3 p.m. for 10 days.

Aug. 5, 1931. 121

Rachel Hale said that Gertrude brought over Col. Hedges, a military aide of President Hoover, to dinner the other evening.

Aug. 5, 1931. 121

Gertrude writes Bertie from West Point, sending love to us both.

Aug. 18, 1931. 133.

C.S.H. writes Rachel Hale sending a copy of Gertrude's letter to Bertie dated Aug. 18, 1931, in which she sent her love to us both.

Aug. 20, 1931. 133.

C.S.H. writes Rachel Hale telling her that Edith Helm told him that Gertrude's friend, Gen. Bowley, had recently been married.

Oct. 14, 1931. 163.

Rachel Hale told C.S.H. that Gertrude had gone to New York saying she would "address herself" to Mary.

Nov. 11, 1931. 184.

(The last time C.S.H. saw Gertrude was on April 7, 1931, when he called on her. The last time he talked with her over the telephone was June 8, 1931.)
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National Bank Examiner
See White

National Bank of Austria
31, 32, 49, 50, 51.
See — Federal reserve credits

National Bank of Belgium
Takes part in Austrian credit.
May 16, 1931. 31.

National Bank of Hungary
46, 50, 60, 71, 74, 75.

National Bank of Kentucky
Gov. Harrison fears that removal of Kincheloe might result in suits against the Federal Reserve Bank of St. Louis for negligence as to National Bank of Kentucky, although he believes no cause of action existed.
July 21, 1931. 97, 98.

National Bank of Republic, Chicago
102, 103, 104, 105.
See — Central Trust Co., Chicago

National Bank of Roumania
Gov. Harrison said the, was honeycombed with politics, and that his directors would never favor granting it a credit, if asked for.
June 28, 1931. 60.

National Bank of Switzerland
Burgess said that, issued a regulation that it would buy no collar exchange unless the offering bank guaranteed payment in gold, but on Burgess's representations, revoked it.

National City Bank, New York
Gov. Harrison told C.S.H. that when C.E. Mitchell came to the relief of the market in 1929 a rumor was abroad that the Federal reserve bank had refused it further rediscounts.
May 29, 1931. 34, 35.
National Shawmut Bank, Boston
See - Adams

Navy, Great Britain, 53
See - Daniels, Josephus

Netherlands
See - Bank of

Nevins, Prof.
Wrote C.S.H. that first draft of his life of Cleveland will be completed next Fall and he hopes C.S.H. will be willing to go over it carefully before publication.
April 1, 1931, 1.

New Bedford Institution for Savings
28, 30, 32, 47, 193, 194.

New Bedford Times
Publishes a long interview with H.P.H.

C.S.H. sends Rachel Hale a copy.
Oct. 30, 1931, 172

New Era Philosophers of 1929.
C.S.H. told Prof. Sprague that if Board had entered in an affirmative rate policy, as New York wanted, in April 1929, it would have simply precipitated the crash of October, 1929, and that the New Era Philosophers would now be writing articles to prove that there would have been no crash at all but for the stupidity of the Federal Reserve Board.
April 4, 1931, 45.

New Era Philosophers of 1928.

New York bankers
New York Times says they have asked Federal Reserve Board for services of an expert to examine into South American conditions.
June 28, 1931, 64.

Board approves appointment by General Harrison of one, to examine into conditions in Germany, at request of B.I.S.
July 28, 1931, 109
New York bankers (Cont'd.)

C.S.H. at first wanted the Bank of England credit to be a private bankers credit, but Gov. Meyer said Gov. Harrison said it would take too long and that the New York bankers were heavily involved in the standstill agreement.

July 30, 1931. 117.

Gov. Harrison said the NY City banks had few rediscounts and wanted to keep liquid; that their disinclination to rediscount kept them from loaning liberally; that he felt they ought to rediscount.

Nov. 30, 1931. 194, 195.

See infm: N. Y. Times

New York Commercial and Financial Chronicle. 107
July 27, 1931.

See Financial and Commercial Chronicle.

New York Journal of Commerce Has an account of the Reichsbank credit before release by Board.
June 23, 1931. 59

New York Stock Exchange A boom in following Hoover's suggestion of a Moratorium.
June 30, 1931. 56.

New York Times

Speaks of conference between Gov. Meyer, Ogden Mills and Gov. Harrison at which it was arranged for cooperation between Federal reserve and New York bankers as to examination of conditions in South America, and possible granting of Federal reserve credits and sending Burgess to investigate.
June 28, 1931. Sunday.
55, 56.

Speaks of a conference between Hoover, State Dept., Ogden Mills and Gov. Meyer as to reparations.
July 3, 1931. 57.

Gives full text of Hoover-Laval accord.
July 7, 1931. 71

Speaks of danger of immediate collapse of Germany. Says it is "up to" Federal Reserve Board to prevent it.
July 12, 1931. Sunday 81.
New York Times (Cont'd.)

Contains statement of Under Secretary Castle that administration has no control over Federal Reserve system.

July 12, 1931. 86.

Publishes letter from Senator Glass bitterly opposing further Federal Reserve credits to European central banks.

July 17, 1931. 91.

Says Gov. Meyer is to spend Sunday with Hoover at his camp prepared to state how far the Federal Reserve System will go in entering an international agreement for a private loan to Germany, provided the French demands are compromised.

July 19, 1931. 92.

Speaks of Gov. Harrison's splendid work in inducing New York banks to join the "stand still" agreement.

July 24, 1931. 104.

Says Hoover gathered together Ogden Mills, Gov. Meyer, and Sec. Lamont to discuss some plan not revealed.

Oct. 2, 1931. 149.

Publishes statement of Burgess to N. I. S. defending Federal Reserve system.

Oct. 19, 1931. 159.

Newlands, Mrs.

C. S. H. calls on.

June 26, 1931. 62.

Nitrates. 66

See - Meyer, Gov.

Non-eligible paper

Gov. Meyer told Gov. Calkins that in case of an emergency, to save a bank he could take.

Sept. 29, 1931. 146.

See - Eligibility

Eligible paper

Non-member banks

Prof. Sprague told C. S. H. he almost felt that depositors in, were better protected than in member banks.

April 4, 1931. 4.
Gov. Moyer said Gov. Harrison said that, come over with nothing special in mind.

April 3, 1931. 2.

Is staying in Washington with Admiral Grayson.

April 4, 1931. 3

Gov. Norman told Board he found little or no interest in the silver problem in India or in China; that Kammerer had made an exhaustive and exhausting report advising China to take up the gold exchange standard, but that China had paid no attention to it; that the decline in silver had apparently not affected the exports from China, but had cut down her imports, - which may not have been bad for her; that our exports to China, however, have not fallen off.

April 6, 1931. 7.

Calls on C.S.H.

C.S.H. asked him whether in England a good customer offering acceptable collateral would be allowed to borrow all he wanted in times of speculative activity.

Gov. Norman said he believed it was the practice of English banks to grant loans freely under such circumstances, relying solely upon the discount rate charged to control speculative activity.

April 6, 1931. 8

Gov. Norman said that England's great problem was reorganization of her industries and lowering of costs to help her export trade; that wages were too high and must be reduced.

April 6, 1931. 8.

He said it would be very helpful if the U.S. should increase its purchases of good foreign securities.

April 6, 1931. 8.

He said that Belgium and France had stabilized on too low a basis; that they had acquired a great temporary advantage over England thereby, but that their prices had to risen that the advantage had ceased.

April 6, 1931. 8

He said he hoped discount rates in U.S. would remain low.

April 6, 1931. 8


April 11, 1931. 12
Norman, Governor, Bank of England (Cont'd.)

Gov. Meyer reads a cable from Gov. Harrison to Gov. Norman to effect that Germany must ration credit before any further Federal reserve credits to her could be considered.

July 9, 1931. 79.

Gov. Meyer said Gov. Norman had offended many people by his lack of tact and arbitrary action; that the Bank of France once called up Gov. Norman and the reply was that he was out at lunch, when he really was on the ocean en route to U.S.

Sept. 16, 1931. 140.

Dr. Willis bitterly attacked Gov. Norman, saying he had made a terrible mistake in going on to gold standard so precipitately in 1925 as it meant deflation of prices which England could not stand.

He blamed Gov. Norman and Gov. Strong for this.

Oct. 7, 1931. 156.

Norris, Gov. Federal Reserve Bank, Philadelphia
Called on C.S.H. in evening and said a large majority of the Governors was opposed to making money easier.

April 29, 1931. 21.

See - Governors Conference

Had left the meeting before the Board conferred with the Governors.

Aug. 10, 1931. 134.

Told C.S.H. that the Governors believed the New York City banks should rediscount freely and that the Governors would not help them in their attitude by buying Government securities; that the 200 millions authorized were purely for emergencies.

Nov. 31, 1931. 196

Norton, Sec. White House
Gave Kincheloe a letter to Gov. Meyer.

July 8, 1931. 75

See - Kincheloe

"Not voting."

Miller on 2nd Austrian credit.

June 16, 1931. 49.

Miller on B.I.S. deposit.

June 16, 1931. 50.

(Later Miller voted against it.)

"Voted." 107.10.10.
Nourse, Annie
H. P. H. gives, a lunch at Woman's National Democratic Club.
April 23, 1931. 18.

C.S.H. calls on.
Nov 9, 1931. 182.

C.S.H. calls on.
May 16, 1931. 162.

Open market policy announcements
See Governors' statements

Open market operations
See - Acceptances
Recent acceptance
Federal Reserve Council
Foreign limits
Governor's statements
Goverment securities settlements
Olney Inn

Miss Hagerman drives to tea at.
May 16, 1931. 32.

Olney, Richard

U.S. tells Dr. Richmond how, examined and sustained
Wilson's troubles at Princeton University.
April 4, 1931. 6.

Open Market Policy Conference
See - Governors Conference

Open market operations
See - Acceptances
Bankers acceptances
Federal Advisory Council
Foreign bills
Governors Conference
Government securities
Regulations

Pennsylvania Division

End fought upon in other parts in violation of will of master, with one not originally bound on
form, & with another court which form Co. took over finding a new company.

Prentice Hall now manages the subject's business.
May 6, 1931. 23.

See - Prentice

Prentice, (arm. loc.)

May 22, 1931. A check for $145 in favor of Benjamin
Fisk, for services done from Jan. 1, 1930 to Jan. 4, 1931.

May 25, 1931. A check for $50 for services done from
Nov. 1, 1931 to Nov. 30, 1931.

Pension, Gov't's (Reform)

Ex officio counsel Kistler secures to obtain
May 30, 1931. 5.
Paddock, Deputy Governor, Federal Reserve Bank, Boston
C.S.H. meets, at bankers lunch given by Curtiss, Boston.

Paderewski
We hear, play when visiting Gov. and Mrs. Meyer at Mt. Kisco.
May 22, 1931. 27, 34, 36.

Panic of 1929
4
See - Sprague, Prof. C.W.

Patten, Mary
Tells C.S.H. that Hoover came back from Indianapolis thinking
all was well, but that Gov. Meyer and Ogden Mills, almost
at the pistol point, made him, against his will, put out
the moratorium suggestion.
July 26, 1931. 106.

Payne, John Barton
We meet, at dinner to Mrs. Wilson given by Polish Ambassador.
June 3, 1931. 38

Pennsylvania Company
Had bought stock in other banks in violation of condition
of membership, which was not originally imposed on
Penn. Co. But on another company which Penn Co. took
over forming a new company.

Board held new company was subject to the condition.
May 6, 1931. 26.

See - Condition

Pennington, Mrs. Louis
Sends C.S.H. a check for $1.14 being 1/2 of royalties on
Wilson Chronology from Jan. 1, 1930 to Jan. 1, 1931.
C.S.H. endorsed and sent it to Woman's National Democratic
Club.
April 9, 1931. 11

Pension, Carnegie Foundation
Dr. Richmond attacks Wilson for trying to obtain.
April 4, 1931. 6.

See - Wilson, 25, 26, 27.
Peters, Andrew J.
Mrs. Lars Anderson tells H.P.H. about
July 21, 1931. 101.

Philip, Van Ness. 18
See — Myer, Gertrude

Platt, Almund
We invite Mr. & Mrs., to spend Sunday with us.
They regretted.
Sept. 24, 1931. 145.

Polio
See — Comptroller of Currency

Policy, Federal reserve
See — Easy money

Polish Ambassador
We meet, and wife while visiting Gov. & Mrs. Meyer at Mt. Kisco.
May 22, 1931. 34.

We dined with, to meet Mrs. Wilson.
June 3, 1931. 38.

The financial counsellor of Policy Embassy, whom we met at Gov. Meyer's, called.
June 26, 1931. 62.

Politics
Miller said to participate a Reichsbank credit without France joining would savor of politics.
C.S.H. said it would be the French who were playing politics.
June 26, 1931. 87.

Gov. Harrison said that Romania - even the central bank, was
honeycombed with politics.
June 26, 1931. 86.

Kincheloe came to Gov. Meyer with a letter from Newton, Sec. to Hoover. C.S.H. almost fears politics.
July 15, 1931 85, 86.

C.S.H. fears Gov. Meyer is playing politics in his efforts to help Hoover.
July 26, 1931. 107.

C.S.H. fears the Federal Reserve Board is being turned into a
dependence of Hoover.
See — Kincheloe
Sept. 15, 1931. 128
Potter, Federal Advisory Council
Told Gov. Harrison who was ill that Federal Reserve Bank of New York had not refused to discount for National City Bank, as was rumored.
May 29, 1931. 36.

Power of Federal Reserve Board
72, 110, 127, 131, 157.
See — Condition, Admission
Mercantile Trust Co.
Regulation
Precedence
At Dr. Richmond's dinner, Mrs. Richmond took out C.S.H. and she made Chief Justice Hughes take out H.P.H. Their seats, however, were arranged properly.
Dr. Richmond put Mrs. Hughes at his right and Mrs. Taft on his left.
C.S.H. feels by courtesy, at least, Mrs. Taft should have been given the seat of honor, as her husband had been Chief Justice, and originally appointed Hughes to Supreme Court.
April 4, 1931. 5, 6.
Gov. Meyer at a dinner gave precedence to Dolly Gann over a wife of a Justice of Supreme Court.
April 5, 1931. 7

Prices
While C.S.H. spoke to Prof. Sprague as to the claim of the New Era men that security prices were not too high, Sprague said "I never was actuated by any such fallacy, forgetting that in 1929 (July) he stated in the Annalist that security prices were not too high.
April 4, 1931. 5.
Gov. Norman said that high prices had taken away the advantage of Belgium and France over England by devaluing the Franc.
April 6, 1931. 8.

Prince, Mr. Federal Advisory Council
In the Board conference, started to tell of business conditions in his District but suddenly stopped, saying that he went all over that at the Hoover dinner last evening. Unfortunately the Board members, except Gov. Meyer, were not invited to the Hoover dinner.
Sept. 15, 1931. 128, 139
Prince Takamatsus.
The Japanese Ambassador invited us to a reception in honor of, younger brother of the Emperor, following a dinner. We regretted.

April 16, 1931.

We left cards on.

Princeton University
See - Wilson

Pritchett, Jr.
6, 25, 26, 27.

See - Wilson

Frym, Erving
We called on, in New York, but his wife said he was taking a nap and would not disturb him.

May 7, 1931.

Public Works Commission, Mass.
See - Cow pasture.

Purchasing power 2

See - Miller
Raspberries
We had fresh, at Mattapoissett, up through Nov. 1, 1931. 179.

Rationing of credit. 79
See - Credit rationing
Harrison, Gov.
Norman, Gov.

Reception
15, 17.
See - Prince Takamatsu

Recess appointments 28
See - Magee
James

Recognition of Russia
C.S.H. has come to believe in.
July 1, 1931. 83.

Rediscouts
Gov. Harrison believes New York City banks should increase,
but no way to force them.
Nov. 30, 1931. 194.

Reduction of armaments. 69
See - Houghton

Reduction of salaries
See - Salaries

Reed, Emily
Jane Hanlin arrives at Carlton Hotel with.
April 4, 1931. 6

Lunch with us.
April 5, 1931. 7.

Arrive back from Virginia.
May 3, 1931. 23.

Reforms in Federal Reserve Board procedure
179, 180.

See - Harrison, Floyd
Meyer, Gov.
Morris, Chester

Refusal of discounts.157
See - Mitchell, C.E.
Regulations
127, 130, 131.

See - Miller

C.S.H. points out that one of the first regulations of the Board gave powers to Federal reserve banks to buy Govt. securities as they saw fit.

Aug. 16, 1931. 131, 132.

Reichsbank
55, 56, 61, 84, 119, 121, 165

See - Federal reserve credits

Reinhart, Mary Roberts
We meet Dr. and Mrs. at dinner with Mr. Houghton.
Aug. 8, 1931. 122.

They dine with us, to meet Mayor Ashley.
Aug. 27, 1931. 133.

H.P.H. arranges to have Mrs. Cecil Barnes call on.
Aug. 30, 1931. 137.

Reminiscences of H.P.H.
See - Hamlin, H.P.

Relation of rates
22

See - Miller

Renewal credits
Board insisted that question of any future renewal of Bank of England 125 million credit must be referred to Board for its approval.

July 30, 1931. 118.

Bank of France entered into Gentleman's agreement to renew above credit.

July 30, 1931. 116.

Gov. Harrison wired that his directors voted to extend the Reichsbank credit for another 30 days. It already had been extended from July 16th to August 6. The renewal rate was fixed at 120.

Aug. 5, 1931. 119.
Renewal credits (Cont'd.)

Gov. Harrison wired that his directors voted to extend the Reichsbank credit for another 90 days. It already had been extended from July 15 to August 6. The renewal rate was fixed at 10%.

Aug. 5, 1931. 119

Board tried to reduce the 10% commission charged on renewal of Reichsbank credit but Gov. Harrison telephoned that Bank of England and Bank of France declined.

Aug. 6, 1931. 121

Board refused to approve another extension of Reichsbank credit until Federal Reserve Bank of New York formally gave its reasons for requesting it.

Oct. 20, 1931. 165.

Reparations

Gov. Meyer said he personally favored remission of, and of Allied debts for 5 years.

June 17, 1931. 53.

Gov. Meyer said Germany could not go on paying 500 to 600 million a year outside of the country.

June 17, 1931. 54.

New York Times says Hoover had a conference with State Department, Ogden Malle, and Gov. Meyer as to reparations. It referred to claim of France to deduct 25 millions from amount remitted to Germany by the Moratorium for loans to Jugoslovia and Czechoslovakia, and stated that the Federal Reserve System might agree to buy bills from the central banks of those countries up to that amount to satisfy France.

July 6, 1931. 67, 68.

William Hard said over radio that the Hoover-Laval agreement settled that there was no connection between revision of reparations and reduction of armaments.

Oct. 28, 1931. 166.

Ogden Malle prepared basis for Hoover-Laval agreement assisted by Gov. Harrison, Parker Gilbert, et al., who all advised him that revision of reparations must be settled under the Young plan.

Oct. 29, 1931. 171.

See - Moratorium
Reptile House, Zoo.
Mr. Linn, Curator, has Harvard Club at supper at.
We saw the serpents eat live rabbits and guinea pigs, - a disgusting spectacle.
April 15, 1931. 15.

Reserve Committee Report
Makes a preliminary report.
Aug. 18, 1931. 132
Committee discusses with Board its final report.
Ogden Hills objected to having banks carry reserves against Government deposits.
See - Hills, Ogden.
Oct. 21, 1931. 166.
Governors Conference considers report. Wants more time.
Nov. 30, 1931. 195.

Reserve requirements
Miller says if banks will loan courageously he would not object to lowering.
Nov. 30, 1931. 195
See - Federal Reserve Board
See - Reserve Committee report

Resignation of Kincheloe. 139
See - Kincheloe

Rhinelander, Bishop and Mrs.
Gertrude Myer called up and said that, had given out at her dinner, but she did not invite us, apparently Bertie gave her little encouragement.
April 4, 1931. 7.

Gertrude Myer told Bertie she was very rude to her in not inviting her to dinner at Woman's Democratic Club, also she invited Bishop and Mrs. Rhinelander and Rachel Hale.
April 23, 1931. 18.

Tell C.C.H. she will not be at home tomorrow as Mrs. Rhinelander is to call her up to do something together.
June 5, 1931. 44
Rhinelander, Bishop and Mrs. (Cont'd.)

Mrs. Rhinelander, sister-in-law of Bishop Rhinelander came over from Newport with Miss Satterlee to call.
Nov. 14, 1931. 186

Richmond, Dr. and Mrs.
We dine with.

Dr. Richmond bitterly attacked Wilson's administration of Princeton University.

Also criticised Wilson for asking for a pension from Carnegie Foundation, quoting Dr. Pritchett.
April 4, 1931. 5, 6, 25.

See also: Precedence

Wilson
We dine with.
May 27, 1931. 37.

Richmond, Federal Reserve Bank of
See - Federal Reserve Bank of Richmond

Ripley, Merchants National Bank, Boston
O.S.H. meets, at bankers lunch, Boston, given by Mr. Curtiss.
Oct. 16, 1931. 164

Roberts, Edmund. 18
See - Miller, David Hunter

Rodgers, Mrs. Alexander
We call on. Out.
June 6, 1931. 44

O.S.H. calls on. Out.
Sept. 30, 1931. 148

Roosevelt, Gov.
Mrs. Grant said Mrs. Miller told her it would be so nice to have, in the White House, a man they knew so well.
May 19, 1931. 30.

Josephus Daniels told O.S.H. that South would accept, as a candidate if he would stress tariff reform and other issues saying little or nothing about repealing the 18th amendment.
June 16, 1931. 52.
Roosevelt, Mrs.

Mr. Delano told C.S.H. that Mrs. Miller invited C.S.H. to lunch but later withdrew it as she claimed to have overlooked it. She had accepted a lunch at the British Embassy which she had accepted.

April 21, 1931. 17

Dines with us.

Aug. 9, 1931. 129

Rumania

Gov. Harrison told Board that even the central bank was honeycombed with politicians, and that his directors would never approve any credit to her.

June 26, 1931. 60.

Ruffin, Dr.

Found C.S.H.'s blood pressure 160 at 3:30 p.m. Said C.S.H.'s lungs were clear, heart and pulse good, the skipping of beats having ceased.

April 26, 1931. 20.

checked up Dr. Joslin's report.

Found blood pressure 160; heart in good condition.

Nov. 24, 1931. 192

See - Dunn, Dr.

Russia

C.S.H. begins to believe we should recognize.

July 10, 1931. 80
Salary

None can be paid to a member receiving a recent appointment, if the vacancy occurred during session of Congress, unless and until he is confirmed.


James wanted to order our disbursing officer to pay Magee's salary at once, saving the disbursing officer harmless.

All objected.

May 11, 1931. 29.

Board disapproved desire of Federal Reserve Bank of Kansas City for a general reduction.

Oct. 8, 1931. 101.

Board notified that each employee to be asked to give 3 days salary to Community Chest.

James suggested that Board members make up any deficit, but no vote.

Nov. 18, 1931. 188.

See = Harrison, Floyd

Morrill, Chester

Sanger, Richard H.
C.S.H. attends wedding of, and Marion Child, Boston.

Nov. 19, 1931. 189.

Satterlee, Mrs.
Drives over from Newport.

Nov. 14, 1931. 186.

Schuman, Jacob, Cornell University
Justified Wilson's application for a Carnegie pension.

April 4, 1931. 6.

See = Wilson

Scott, James Brown
Tells C.S.H. Dr. Butler wants him to preside at Amistice meeting. C.S.H. suggests Delano.

Oct. 8, 1931. 161, 182.
Scott, James Brown (Cont'd.)

Tells C.S.H. he has no copy of dissenting opinion in World Court advisory opinion upon Austro-German tariff agreement, and said later he called up State Dept. but it had none.

Nov. 5, 1931, 180, 181.

Seabury, Samuel

Josephus Daniels said Al Smith wanted Gov. Roosevelt to protect Dist. Attorney Crane even though Seabury reported in favor of his removal - which Gov. Roosevelt refused to do.

June 16, 1931, 52.

Second National Bank, Boston

See - Beal.

Secretary of Federal Reserve Board.

146, 147, 148.

See - McClelland

Morrill, Chester

Securities

See - Foreign securities

Securities company

See - Atlantic National Bank

Security loans, 8, 9.

See - Norman, Gov.

Security pact

William Hard, over radio, said that Hoover had definitely refused to take part in any, with Laval.

April 26, 1931, 166.

Security prices, 5.

See - Sprague, Prof. O. M. W.

Sheridan, Miss

C.S.H. meets, at Ellen Leonard's.

June 26, 1931, 62

Short term credits

Miller said Hoover is considering further, to Germany.

July 21, 1931, 96.

Hoover, in letter to Sec. Mellon and Sec. Stimson in London pledges leadership and cooperation of Federal Reserve System to bring about a stand still agreement as to.

July 21, 1931, 95, 96.
Short term credits (Cont'd.)

Gov. Meyer said there was a conference yesterday at White House which considered a 300 million mark to Germany but that he said there was nothing doing.

July 2, 1931. 99.

New York Times praises Gov. Harrison for work in inducing New York banks to sign the stand still agreement as to.

July 24, 1931. 104.

Gov. Harrison said New York banks were heavily involved in stand still agreement as to.

July 30, 1931. 117.

See - Stand still agreement

Shouse, Jouett

Charles Warren told C.S.H. that Mrs. Harriman told him that, had left his wife who was getting a divorce; that Shouse was madly in love with Mrs. Dodd.

July 20, 1931. 96.

Mrs. Harriman tells C.S.H. as above; she said she had signed a separation agreement for one year; that Mrs. Shouse still loved Mr. Shouse; that Mr. Shouse did not want her to live in Washington next winter but she insisted as she was to bring out her daughter; that she had given Mr. Shouse large sums of money since he left her.

July 26, 1931. 106.

See - Miller, David Hunter

Silver 7.

See - Norman, Gov.

Smith, Gov. Al.

Josephus Daniels said he thought, desired to be renominated; that he asked Gov. Roosevelt to protect Dist. Attorney Gruns even though Sembury demanded his removal - which Gov. Roosevelt declined to do.

June 16, 1931. 52.

South American central banks.

62, 63, 150

See - Burgess

Federal reserve credits.
Special deposit, 50
See - S.I.S.

Speculative loans
Daiger told C.S.H. that Glass agreed that a bank in good
condition and not loaning excessively in way of
speculative loans, could lawfully discount eligible
paper to build up its reserves.
May 22, 1931.

See also: Sprague, Prof. O.M.W. 3, 4, 8, 9.

Sprague, Prof. O.M.W.
Came to Washington with Gov. Norman.
April 4, 1931.

Said he would prefer to have only about 700 strong banks in
Federal Reserve System; that small banks imperil their
depositors, because of Federal reserve facilities for
borrowing; that in case of trouble the best assets
were found to be pledged with the Federal Reserve bank; that
he almost believed that depositors were better protected
in a non-member bank.
April 4, 1931.

Forgetful of past statements (See C.S.H. letter to Glass,
March 1931) he said discount rates in 1929 should have
been put up to 8 or 9% in order to break the stock market;
that this undoubtedly would have injured business, but
no more nor as much as did the crash of Oct. 1929.

He said he freely admitted the political difficulties in this
course.

C.S.H. said that if the Board, by rapid increase of rates as
New York desired, had broken the stock speculation,
May in April 1929, the New Era philosophers and the
economists would all be writing articles to prove that
there would never have been a crash had it not been for
the action of the Board in thus deliberately creating it.
Sprague said this was undoubtedly true, but would have furnished
a precedent, should speculation arise excessively again,
for breaking the stock market.
April 4, 1931.

He said both England and U.S. must reduce wages and he
criticised the U.S. Steel Corporation for advancing prices
of certain of its products.
April 4, 1931.
Sprague, Prof. O.U.W. (Cont'd.)

When C.S.H. spoke of the New Era claim that security prices were not too high in 1929, he said:

"I never was deluded by any such fallacy."

Here he forgot his statement in July, 1929, that security prices were not too high.

April 4, 1931. 4, 5.

Comes to Board with Gov. Norman.

April 6, 1931. 7.


April 6, 1931. 9.

C.S.H. explains to Gov. Harrison Sprague's advice to him in March, 1920, not to increase discount rates, and his subsequent criticism of the Board, in April, 1928, for not having increased them.

Gov. Harrison seemed greatly surprised at this.

April 6, 1931. 9

St. Agnes Church

We attend memorial services to Anna in. We held them on Saturday as Sunday - the real anniversary - could not be given by Father Anderson.

April 25, 1931. 19.

Stabilisation.

See - Norman, Gov. Miller. 94

State Department. Also Stimson, Sec.


April 11, 1931. 12.

Gov. Meyer said Hoover and Stimson were not opposed to consultation with or some cooperation with B.I.S., as the earlier announcement of the State Dept. might seem to indicate.

April 11, 1931. 12.

C.S.H. asked if Board had a right to assume that whatever action the Board took would not be in derogation of the previous announcement of the State Department?

Gov. Meyer answered Yes.

April 11, 1931. 12
C.S.H. feels that the Glass Senate resolution has had profound effect on Hoover and Stimson.

April 11, 1931. 14

C.S.H. asked if State Department favored the Austrian credit and the S.I.S. 10 millions deposit.

Gov. Meyer answered Yes.

June 16, 1931. 50.

Miller asked whether Hoover and Stimson favored the Reichsbank credit.

Gov. Meyer said they had no objection if the Board decided to grant it.

June 22, 1931. 56.

Gov. Meyer said he told Stimson at a conference at his house that the Federal Reserve System could participate in further relief to Germany only on sound banking lines.

C.S.H. thinks this conference was held on June 13, 1931.

June 23, 1931. 57.

C.S.H. does not like the way Gov. Meyer opposes with Ogden Mills and Stimson behind the backs of the Board.

June 23, 1931. 58.

Gov. Meyer seems to feel that the Federal Reserve Board consists of Gov. Harrison, Ogden Mills, and Stimson.

June 22, 1931. 59.

New York Times says that the Federal Reserve System would cooperate with New York bankers to give credits to Latin American countries and that Burgess would go to Chile, as a result of a conference between Gov. Meyer, Ogden Mills, and Gov. Harrison; and that the State Dept. announced that the Federal Reserve Board was studying the situation.

June 20, 1931. 63.

The spectacle of Gov. Meyer, Gov. Harrison, Ogden Mills and the State Dept. deciding on Federal reserve policy behind the backs of Board members, is strange indeed.

June 28, 1931. 64.

C.S.H. feels sure there was some understanding between Gov. Meyer, Ogden Mills and the State Dept. as to Burgess and South American credits, made behind the backs of the Board.

June 30, 1931. 66, 67.
July 6, 1931. 67.


C.S.H. believes that Gov. Meyer must have given Hoover and Stimson some assurances warranting this statement although Gov. Meyer never mentioned it to Board.
July 7, 1931. 71.

C.S.H. feels that the Federal Reserve Board in effect now consists of Hoover, State Dept., Federal Reserve Bank of New York, Ogden Mills, and Gov. Meyer.
July 7, 1931. 71.

Gov. Mayer said Herbert Ness of the State Department wanted the Board to get behind a long time credit for Germany, that he told him that was for the Board and not for the State Dept. to decide and that it should keep its hands off.
July 12, 1931. 84.

C.S.H. feels the Board is controlled by a superBoard consisting of Federal Reserve Bank, NY, State Dept., Ogden Mills, and Gov. Meyer.

July 26, 1931. 107

Gov. Mayer said that at the conference at Stimson's home on June 13, 1931, every effort was made to dump all German relief on the Federal Reserve System, but that he fought this to the end.
July 28, 1931. 111.

Glass made a furious attack on Stimson and Hoover.
July 29, 1931. 113.

C.S.H. believes from Glass's manner that Gov. Meyer must have been very critical of Hoover and Stimson.
July 29, 1931. 113.

Sends Board a despatch from Chargé in Paris stating that an assistant of Gov. Moret intimated that Federal Reserve Bank of New York begged Bank of France not to withdraw its deposits and that it consented, provided Federal reserve bank would be conservative and not deflate.
Nov. 24, 1931. 191
Sterling exchange

Miller doubted our right to approve purchases of, to stabilize exchange, but Gov. Meyer opposed this view.

July 20, 1931. 24.

Miller, from New York, called up James and said New York had voted to buy 55 millions of, because of loss of gold by Bank of England and consequent disturbances of British Exchange, on condition that the Bank of England should buy prime bills with it.

Crane telephoned from New York that the bills would be held by Bank of England from Federal Reserve Bank, New York.

Miller said Gov. Meyer and he approved or at least offered no objection.

Janes said New York should wire in particulars so the Board could act intelligently.

Later, Gov. Harrison wired further particulars.

Executive Committee - G.S.H., Magee and James, approved unanimously, rather, as it subsequently transpired, "Noted" it. July 24, 1931. 104, 105.

When the minutes of the above meeting came in to G.S.H. he refused to check them as it merely read "Noted" while G.S.H. was sure the Executive Committee "approved." July 29, 1931. 107, 108.

C.S.H. certainly voted for approval.

C.S.H. asked in Board meeting that the Executive Committee minutes be corrected as above, or that the Board should ratify action of Executive Committee and then affirmatively approve or offer no objection. C.S.H. motion did not prevail.

Miller claimed the New York Bank did not specifically ask for approval.

C.S.H. pointed out that James told Executive Committee that the New York Bank had asked for approval and that Miller said he and Gov. Meyer approved or at least raised no objection, and that Gov. Harrison telegram in reply to James message was tantamount to a request for approval.
Sterling exchange (Cont'd.)

Gov. Harrison's telegram incidentally showed that they had bought some sterling the day before without asking for our approval.

Miller urged a regulation covering such cases in future, but it went over.


See - Federal reserve credits

C.S.H. moved that the records of Board meeting as to purchase of sterling be amended so as to show the fact that the Board not only approved the action of the Executive Committee in "noting" such purchase, but also approved or at least offered "no objection" to the purchase.

Gov. Meyer denied that the Board so acted, and the Board so voted.

C.S.H. is positive he is correct.

Aug. 10, 1931. 126.

Stevens, Bessie (Oliver)

She and her daughter dine with us.

May 2, 1931. 22

Bertie meets her at tea with Helen Ernst.

May 3, 1931. 22

Stevens, Federal Reserve Agent, Chicago 103.

See - Central Trust Co., Chicago

Stewart, Walter

Gov. Meyer said, was going to B.I.S. to serve on Committee to consider German relief.

April 11, 1931. 12.

Board approved appointment of, by Gov. Harrison to serve on B.I.S. Advisory Committee.

Nov. 23, 1931. 190.

Stimson, Sec.

See supra: State Department

Stock in other banks, Holdings of.

23, 72, 129.

See - Atlantic National Bank, Boston

Condition of admission

Mercantile Trust Co.

Penn. Co.
Stockholders meeting
C.S.H. and Gov. Meyer speak at, of Federal Reserve Bank, Richmond.
April 10, 1931. 11

C.S.H. addresses, of Federal Reserve Bank, Boston.
Nov. 20, 1931. 189.

Stoessel, Albert
We meet, at Mt. Kisco at home of Gov. Mayer and hear his concert
at White Plains.
May 22, 1931. 27, 34.

Stokes, Canon
We meet, at dinner with Dr. Richmond.
April 4, 1931. 5.

C.S.H. meets, on train from New York to Washington.
He spoke very pleasantly of Gov. Meyer, and said he gave $1000
to Community Chest.

Also said the Meyers were socially ostracised at Mt. Kisco; that
very few people called on them and that they could not even
join the country club.

We both thought this an outrage.
May 22, 1931. 35.

Strawberries at Mattapoisett
We had ever-bearing, up to Nov. 7.
Nov. 7, 1931. 179

Strong, Gov.
Willis said Gov. Norman and, were responsible for putting
England back to gold standard in 1925.
Oct. 7, 1931. 156.

Sugar, Blood
Dr. Dunn .0016
April 26, 1931. 20
April 29, 1931. 21

Dr. Joslin .0019 just after breakfast
.0017 at 11:30 A.M.
Nov. 10, 1931. 185, 186.

Super-Board
C.S.H. feels Board is dominated by a, consisting of F.R. Bank
of New York, Ogden Mills, State Dept. and Gov. Meyer
July 26, 1931. 107
Sept. 15, 1931. 139
Superintendent of Banks, New York
Board asked Carter to find out just how, examines the trust
side of State member banks.
May 29, 1931. 40.

See - Broderick
Suppers (See dinners, lunches)
With Mrs. Harriman.
June 29, 1931. 64
With Catherine Grant.
Oct. 19, 1931. 165

Surrender of Power
G.S.H. claimed that merely "Noting" action of F.R. Bank, New York's
purchase of sterling was a, by Board to F.R. Bank, NY.
Aug. 10, 1931. 127.

Suspended banks
Hoover in conference with political leaders of both Parties
recommended cooperation of Federal reserve banks with
banks to make advances on sound assets of.
Oct. 7, 1931. 152

Suspension of gold standard
See - Gold standard
Great Britain

Tariff
See, Major said he did not agree with G.S.H.'s opinion that the
tariff bill was injurious to U.S.
April 8, 1931. A.

G.S.H. believes in horizontal reduction of 25%.
July 10, 1931. 55.
See - Anti-German tariff agreement
Taft, Mrs.

We meet, at dinner at Dr. Richmond's.

Dr. Richmond put her on his left and Mrs. Hughes on his right.

C.S.H. believes, by courtesy at least, that Mrs. Taft should have been on Dr. R's right, as her husband was an Ex-President and Ex-Chief Justice, and originally appointed Hughes to Supreme Court.

April 4, 1931. 5.

Miss Herman told Bertie that Mrs. Hughes told her that she called on Mrs. Taft, who never returned the call.

April 12, 1931. 14.

Takamatsu, Prince. 16, 17

See - Prince Takamatsu

Talley, Gov. Federal Reserve Bank, Dallas

Tells C.S.H. that Miller and James want to buy more Government securities and to lower discount rates in order to reduce the spread between Bank of England rate (3%) and Federal reserve rates.

April 29, 1931. 22.

Taplan, Robert

Calls on us. May 28, 1931. 37.

Tariff

Gov. Meyer said he did not agree with C.S.H.'s opinion that the tariff bill was injuring the U.S.

April 3, 1931. 3.

C.S.H. believes in horizontal reduction of 25%.

July 10, 1931. 83.

See - Austria-German tariff agreement

Taxation, Burden of. 69

See - Houghton

Temperature, C.S.H.

Dr. Dunn. 99.8

Normal would be 98.8

April 25, 1931. 20.

Thacher, Tom

Mr. and Mrs. call on us. April 29, 1931. 19.
Thanksgiving day, 1931.
C.S.H. took dinner alone at Metropolitan Club.
Took supper with Charles Warren.
Nov. 26, 1931. 193.

Thompson, Huston
Delivers address on Armistice Day at National Press Club hall.
Nov. 11, 1931. 185

Tighter money 21.
See - Easy money

Tobacco
Gov. Meyer gives C.S.H. a box of, for birthday
Aug. 22, 1931. 133.

Tea (See also lunches, dinners, suppers)
C.S.H. attends tea at Woman's National Democratic Club, in honor
of Mrs. Wilson;
H.P.H. receives with her.
April 17, 1931. 16.

Miss Hageman gives us tea at Olney Inn.
May 16, 1931. 32.

Trafford, Mr.
See - First National Bank, Boston

Treasury domination
Castle says administration has no power over Federal Reserve
System, - contrary to some earlier statements or intimations.
July 12, 1931. 85.

C.S.H. feels that Gov. Harrison's opposition to increase in
discount rates because of far of injury to the bond market
shows signs of.

Miller and C.S.H. wish discount rates raised to 2%, in spite
of the fear of Gov. Harrison that it might injure the bond
market; they said that such an argument should not prevail.
C.S.H. said the Treasury 3's were put out at too low a rate and
that by not increasing discount rates, Board policies
were being dominated by the Treasury.
Oct. 1, 1931. 148

See - Domination
Treasury notes

See - U.S. Treasury

Trevor, Emily
Rachel Hale visits, at Bar Harbor.
July 1, 1931. 67.

Trust powers

Castle told C.S.H. that the New York Superintendent of Banks did not examine thoroughly the trust side of N.Y. member banks.
May 29, 1931. 40.

Board asked Gov. Case to report as to how N.Y. superintendent of banks examines trust side of N.Y. state member banks.
May 29, 1931. 40.

Board feels that to admit Fiduciary Trust Co., New York - doing only trust business and no commercial business - might put on Board the responsibility of examining the trust side of all member state banks.

Wyatt said Board could impose a condition of admission that the banks to submit to examination of its trust business, but that such condition would put on the Board responsibility for such examination.

Wyatt said, however, that the Board would have no power to correct anything found subject to criticism.

C.S.H. claimed that where Board had no power to correct, it had no responsibility to examine.

Wyatt did not directly oppose C.S.H.'s view, but said he wanted to consider whether it was not the duty of the Board to impose such a condition in the future.

No such condition has been imposed hitherto.

C.S.H. took view that conditions can be imposed only in accordance with Federal Reserve Act, and that said Act was silent as to state member banks exercising trust powers.

Wyatt said he would consider this.

The Board felt averse to admitting a state bank doing only a trust business whatever its responsibility might be as to admitting a bank doing both a commercial and a trust business.

The Board is bound to examine national banks doing a trust business because they get this right solely by permit from the Board.
Trust powers (Contd.)

but state banks get their right from the state authorities.

May 30, 1931.

40, 41, 42, 43.
Under Secretaries of Governor of Board.
C.S.H. feels that Floyd Harrison and Morrill are practically.
Nov. 5, 1931. 179.

United States Steel Corporation
Sprague criticises, for putting up price of some of its products.
April 4, 1931. 4.

United States Treasury
C.S.H. claims Treasury 3's were put out at too low a rate.

Gov. Harrison feels that further purchases of Government securities
at this time might result in too low rates for future issues
of Treasury certificates.
Nov. 3, 1931. 185.

United States Trust Co.
Has been a member bank for many years and yet it does
only
trust business.
Explanation is that in early period President Wilson appealed to
all state banks to enter the Federal Reserve System.
May 29, 1931. 41.

Uruguay
C.S.H. and Gov. Mayer agree that if we gave Federal reserve credits
to Chile, other South American nations, e.g. Uruguay,
would demand credits.
June 30, 1931. 66.
Villard, Oswald
We meet Mr. and Mrs. at dinner at Mr. Houghton's Sept. 26, 1931. 145.

They call on us. Sept. 27, 1931. 15.

Votes, Federal Reserve Board

Austrian credit
Not: Miller
May 15, 1931. 31.

Austrian credit, Second
Aye: Gov. Meyer, C.S.H., Comptroller, Magee
Not: None
June 16, 1931. 49

B.I.S. special deposit of 50 millions.
Aye: Gov. Meyer, C.S.H., Comptroller, Magee
Not: Miller
June 16, 1931. 50

Reichsbank credit
Aye: Gov. Meyer, Miller, C.S.H., James, Magee
Not: None
June 23, 1931. 55.

Hungarian credit
Aye: Gov. Meyer, C.S.H., James, Comptroller
Not: Miller
June 26, 1931. 61.

(Miller said he had sympathy with Hungary and had he not voted against the original credit, he would have voted for this. 60.)

Mercantile Bank & Trust Co.
Dispossession of national bank stock bought by it.
Aye: All present
Not: C.S.H.
July 8, 1931. 73.
Votes, Federal Reserve Board (Cont'd.)

Reichsbank credit

Extension until Aug. 15.
Unanimous.

July 12, 1931. 85.

Central Trust Co., Chicago
Executive Committee
Aye: C.S.H., Magee, and James
Miller approved before leaving for N. Y.

July 24, 1931. 105

Purchase of sterling
Executive Committee: C.S.H., Magee, James
All Aye
Miller telephoned from N.Y. that Gov. Meyer and he approved.

July 24, 1931. 105

Appointment by Gov. Harrison of a banker to go on B.I.S. Comm.
Unanimous.

July 28, 1931. 109

B.I.S. demand deposit of 10 millions.
Aye: All except Miller
No: Miller

July 30, 1931. 115

British 125 millions credit
Aye: Gov. Meyer, C.S.H., James, Miller, Magee
No: None

July 30, 1931. 116

Reichsbank credit

50 day extension
Executive Committee unanimous
Miller present.

Aug. 4, 1931. 120

Approval of Governors recommendation to buy 120 millions of Government securities.

Unanimous.

Aug. 11, 1931. 128.
Votes, Federal Reserve Board (Cont'd.)

Board approved action of directors of Federal Reserve Bank of St. Louis in accepting resignation of Kinchloe on Oct. 15th, and giving him full salary for rest of calendar year. Unanimous.

James at first objected but withdrew his objection.

Sept. 15, 1931. 140.

Board approved action of N.Y. to send Kemmerer to South America. Unanimous.

Miller at first objected but withdrew his objection.

Oct. 5, 1931. 150.

Board disapproved action of Federal Reserve Bank of Kansas City in favoring general reduction of salaries Unanimous

Miller at first objected, but finally withdrew objection as the bank wanted a general reduction.

Oct. 5, 1931. 150, 151.

Board approved increase of New York to 2½.
Unanimous.

Miller, Magee, C.S.H, James, Comptroller

Oct. 8, 1931. 158
Wages

Must be reduced.

Sprague. April 4, 1931. 4

Norman, Gov. April 6, 1931. 6.

Waid, Jesse

Sends C.S.H. check for $378.17 as his share of Mrs. Tranconis's estate.

Nov. 13, 1931. 186

White, Dr.

192, 193

See - Joslin, Dr.

Morrison, Dr.

Wall Street Journal

Announces prematurely the Reichstag credit.

June 25, 1931. 59.

Confirms Gov. Meyer's statement that White House conference settled in negative further Federal reserve credits to Germany.

July 25, 1931. 99.

War Department

See - Cow pasture

War Finance Corporation

Sees favours new corporation like.

Harriman. Oct. 7, 1931. 128/3

Warehouse receipts, Acceptances against

Board years Mr. Yohe of Dept. of Agriculture as to.

July 21, 1931. 194

Warren, Charles

We called on Mr. and Mrs.

April 4, 1931. 7.

We dined with.

June 11, 1931. 46.

C.S.H. dines with.

Metropolitan Club.

July 13, 1931. 86.

C.S.H. dines with.

July 24, 1931. 96.

See - Harriman, Mrs.

Shouse, Jouett
Nancy and Margaret Warren wire congratulations on C.S.H.'s birthday.

Aug. 30, 1931. 134.

C.S.H. takes Thanksgiving supper with.

Nov. 26, 1931. 19.

Washington

Bertie leaves, for Mattapoisett, via Albany, N.Y.

June 13, 1931. Saturday. 48

See - Mattapoisett

Watson, Dr. and Mrs. Frank

Called on us.

April 13, 1931. 14

Dine with us at Woman's National Democratic Club to hear Gov. Montague on Jefferson.

April 13, 1931. 14.

C.S.H. dines with.

Nov. 10, 1931. 182

Waytkiewig, A.

Financial Counsellor of Polish Embassy called on C.S.H. at Treasury.

June 26, 1931. 62

Weddings

Margaret Rustis to David Finley.

June 10, 1931. 46

Marion Child to Richard H. Sanger

Nov. 19, 1931. 189.

Wendell, Mrs. Barrett

Dines with us at Mattapoisett.


Wells, Mrs.

Calls on us with Lucy Lee. April 1, 1931. 1

Death

June 6, 1931. 46.

West Point, 121

See - Myer, Gertrude
Wheat

C.S.H. believes the Farm Loan Board should announce it would not sell, bought by stabilization corporation, until a certain price is reached.

July 12, 1931. 82, 83.

White, National Bank Examiner. 164
See - Atlantic National Bank, Boston

Willis, H. P.
Calls on C.S.H. — Miller present

He said:

The German bills are not prime commercial bills.

The Federal reserve banks are buying them.

We must give further credits to Europe, but not Federal reserve credits.

C.S.H. asked where the relief funds could come from if not from F.R. banks.

Willis was evasive, hinting at bond issues.

C.S.H. said the money market furnished the funds, it would fall back ultimately on Federal reserve credit.

Willis denied this.

C.S.H. asked if discount rates should not be increased, at least to 3%.

Willis said, — theoretically yes, but that it was not very important.

Willis bitterly attacked Gov. Norman, — that it was a terrible mistake to resume gold payments in 1925; that it meant deflation which Great Britain could not stand.
Willis, H. P. (Cont'd.)

He held Gov. Norman and Gov. Strong responsible for this.
Oct. 7, 1931. 155, 156.

Glass told C.S.H. that Willis favored amending Federal Reserve Act so that more than one member of Board could be appointed from one Federal reserve district, to which Glass was unalterably opposed.

Wilson Chronology. II
See - Pennington, Mrs. Louis.

Wilson, Mrs. Clarence
C.S.H. meets, at Rachel Hale's.
June 24, 1931. 59.

Wilson, Woodrow
C.S.H. dined with Dr. Richmond, who, after dinner, attacked, although posing as his friend, especially for his application for a Carnegie pension.

Dean Stokes warmly defended Wilson as to this.

Dr. Richmond also criticized Wilson's administration of Princeton University.

C.S.H. in answer, quoted that President Lowell of Harvard said to him in 1912; also Richard Olney's investigation in 1912; also Richard Cleveland's statement to him on March 18, that while in Princeton he fought for Wilson's policies.

Dr. Richmond quoted Dr. Pritchett, one of the Carnegie trustees, in criticism of Wilson's application for a pension.

C.S.H. looked up Kearney's life of Wilson, in which, although not over friendly to Wilson, he absolutely defended him from criticism in the matter of the pension application.
April 4, 1931. 6

C.S.H. asked Dr. Pritchett, at a lunch following the Carnegie meeting, as to Wilson's application for a pension.

Dr. Pritchett said:

The Carnegie Endowment provided for a pension allowance for teachers, but not for Presidents of Colleges, who had reached the age of 65 years.
Wilson, Woodrow (Cont'd.)

Dr. Pritchett said (Cont'd.)

Later, Wilson, who was one of the trustees, introduced a resolution, which was passed, making it possible to pension College Presidents of distinguished record who had reached 65 years.

Wilson applied for a pension when only 50 years of age.

There was no existing regulation authorizing such a pension.

The trustees were all most friendly to Wilson and eager to do anything they lawfully could to help him.

The situation was explained to Wilson, with the assurance that the trustees would gladly vote him a pension when he reached 65 years, notwithstanding the fact that he was now giving up teaching as a profession.

Wilson then wrote a very foolish letter to the trustees to the effect that he knew that the Regulation as to College Professors covered his case, as he himself introduced the Resolution.

Dr. Pritchett went to see Wilson at Princeton and gave back to him his foolish letter, saying he had not kept even any copy of it, so that it would not be placed in the Carnegie files, and explained to him that the trustees felt they could not go further in the matter.

Wilson was bitterly enraged.

Later, on one occasion, he met Wilson, who cut him dead, looking through him.

He never saw Wilson again.

Dr. Pritchett said that later Owen Wister wrote him asking for particulars, saying that he intended to attack Wilson; that he at once wrote him that there was nothing in the episode affecting Wilson's character, and that it should not be mentioned in his book; that Wister did not mention it.

C.S.H. asked Dr. Pritchett if he would not write out the whole matter for C.S.H.'s use in his diary, and he half promised to do this.
Dr. Pritchett evidently felt that Wilson had been foolish and indiscreet in the whole matter.

May 7, 1931. 25, 26, 27.

We dined at the Polish Embassy in honor of Mrs. Wilson who was going over to be present at the unveiling of a statue of Wilson, presented to Poland by Paderewski.

June 3, 1931. 38.

See - Wilson, Mrs.

Wilson told Lloyd-George that while he did not care as to the size of the British Navy, nor did the American people, yet he would give no assurance to Lloyd-George that U.S. would not object to having the British Navy larger than any other Power.

June 16, 1931. 52, 53.

See - Daniels, Josephus

See - Baker, Bay Stannard

Wilson, Woodrow, Mrs.

C.S.H. goes to a tea in honor of, at Woman's National Democratic Club.

H.P.H. received with her.

She was very cordial.

C.S.H. believes she would give anything to have cordial relations reestablished.

April 17, 1931. 16.

She gave a reception to the Japanese Prince and Princess to which we were not invited.

April 18, 1931. 17.

Polish Ambassador, when we met at Mt. Kisco, telephones and asks us to dinner on June 3 in honor of Mrs. Wilson who goes abroad to attend unveiling of a statue of Wilson presented to Polish Nation by Paderewski.

We accepted.

May 26, 1931. 37.
Wilson, Woodrow, Mrs. (Cont'd.)

We attend above dinner.

Present:

Japanese Ambassador and wife
John Barton Payne
Miss Boardman,
et al.

June 3, 1931. 37, 38.

C.S.H. sat next to Mrs. Wilson who was very cordial.

C.S.H. asked if she had read Walter Lippman's article entitled "The Wickersham Mystery."

She said No, but she would very much like to have a copy.

C.S.H. offered to send her one and she said she would very much like to have it, and would be very grateful if he would send it.

June 3, 1931. 38.

C.S.H. sends Mrs. Wilson the following note:

Hay-Adams House,
June 4, 1931.

Dear Ethel:

Agreable to my promise, I am sending you a copy of Mr. Lippman's article, entitled "The Wickersham Mystery."

I am sure you will find it most interesting reading.

I enjoyed the dinner last evening immensely, but my joy was somewhat tempered, when, on the way home, Bertie sweetly pointed out that while one of my socks was black, the other was brown, and, worse still, that the brown sock had a quite perceptible hole in it!

Bertie said everyone must have noticed it, but I don't for a moment believe you did, as we were discussing higher things.

Sincerely yours,
Charles S. Hamlin.

June 4, 1931. 38, 39.
Wilson, Woodrow, Mrs. (Cont'd.)

C.S.H. sent above by special messenger.

We fully expected that the letter would be answered officially by Randolph Bolling, as secretary of Mrs. Wilson, or perhaps never acknowledged, - in which case C.S.H. would know just where he stands.

June 4, 1931. 39.

Mrs. Wilson answered above letter as follows:

Washington, D. C.,
2340 S Street,
June 5, 1931.

Dear Charlie:

Thank you so much for the Lippman article, which I hope to read later in the day.

Of course no one but Bertie saw that your socks were not pairs, so don't let that mar the pleasure of that very charming dinner party.

For myself, I can aver that my eves never left yours, or went below the collar.

With the hope that your summer will be a happy, restful one for you both, believe me

Sincerely yours,

Bdith Bolling Wilson.

June 5, 1931. 45.

The above letter is very satisfactory to C.S.H. as it establishes pleasant relations, at least outwardly, both in person and by letter.

June 5, 1931. 46.

We met Mrs. Wilson at wedding of Margaret Rustis to Mr. Finney. She was very cordial.

June 10, 1931. 47.

C.S.H. told Bay Stannard Baker, who lunched with him, in a very general way about his controversy with Mrs. Wilson.

He was amazed and shocked, and said Mrs. Wilson had never mentioned or even hinted at any trouble with C.S.H., nor had he ever suspected any such thing.
Wilson, Woodrow, Mrs. (Cont'd.)

He said he had often spoken to her about C.S.H. and had told her that very morning that he was to lunch with C.S.H.

C.S.H. told him that if Mrs. Wilson ever should speak to him about it, he could say that C.S.H. had referred very briefly to some controversy with her and had added that it had nearly broken his heart.

Nov. 5, 1931. 176.

Wissor School. 164
See - Young, Mrs.

Wister, Owen. 27
See - Wilson, Woodrow

Woman's National Democratic Club
C.S.H. sends check for royalties on Wilson Chronology to.
April 9, 1931. 11
See - Pennington, Mrs. Louis.

We dine at to hear Gov. Montague on Jefferson.
April 12, 1931. 14

Attended tea in honor of Mrs. Wilson at.
April 17, 1931. 16

Gertrude Myer angry because Bertie gave a dinner at which she invited Rachel Hale and Bishop and Mrs. Rhinelander but did not invite her.
April 23, 1931. 18

Wood, Federal Reserve Agent, Federal Reserve Bank, St. Louis
Come before Board in Kincheloe case.
July 14, 1931. 87.

Told C.S.H. that the condition of Mercantile Bank & Trust Co. was not adversely affected by its ownership of stock in a national bank.
July 14, 1931. 88

See - Kincheloe, 75

Mercantile Trust Co. 72

Wood, Mr. and Mrs. New Bedford
Dine with us.
Oct. 31, 1931. 173.
Woolley, Clarence, Federal Reserve Bank, N. Y.
Calls on us at Mt. Kisco.
May 24, 1931. 34.

World Court
G.S.H. believes Hoover should press our entrance into.
July 12, 1931. 83.

James Brown Scott says Carnegie Foundation has no copy in
English of advisory opinion of, on Austro-German
tariff agreement, nor has State Department.
Nov. 5, 1931. 180, 181.

Wyatt, Walter, General Counsel
Board asks Law Committee and, to report all facts as to

Tells G.S.H. that Kincheloe went to White House and that
Sec. Newton gave him a letter to Gov. Meyer.
July 8, 1931. 75.

G.S.H. tells Board his records show that Wyatt in 1925 gave
Board an informal opinion that the British credit was
within power of Federal Reserve System.

C.S.H. said that, in view of Senator Glass's opposition,
he should obtain opinion from Wyatt as to further Federal
reserve credits.
July 20, 1931. 93, 94.

Miller raised question as to power of Federal Reserve System
to deposit 10 millions in B.I.S.

C.S.H. said he believed we had the power and was willing so
to act, but that if any member questioned the power he
should insist on an opinion from Wyatt.
Miller refused to concede the power, so G.S.H. called for an
opinion from Wyatt.

Wyatt gave opinion:
1. A time deposit for 6 millions in B.I.S. would be
doubtful legality.
2. A deposit for 90 days in B.I.S. with which to
purchase prime bills would be lawful.
3. A deposit such as above for longer than 90 days would
be of doubtful legality.
July 28, 1931. 110, 111.
Glass told C.S.H. that Gov. Meyer relied on Wyatt's opinion as to power to give Federal reserve credits.  
July 29, 1931. 113.

Board approved, in accordance with Wyatt's opinion, a demand deposit in B.I.S. with which to buy 90-days prime bills.  
July 29, 1931. 115.

Wyatt told C.S.H. that the Board had a clear right to approve the 125 millions Bank of England credit, - a deposit with which to buy 90 days prime bills.  
July 30, 1931. 117.

Board refers matter of the subsidiary to Atlantic National Bank to C.S.H. and Wyatt.  
Aug. 11, 1931. 128.

Advised C.S.H. that as the order to examine Atlantic National Bank subsidiary had been issued, it would be better to bring up question of revocation before Board.  
Nov. 8, 1931. 178.

Board has adopted new procedure.

Advised C.S.H. that trust powers and Clayton Act, are checked first after being approved or written by Wyatt, before being submitted to C.S.H.  
Nov. 5, 1931. 179.

When Wyatt discussed with C.S.H. the Atlantic National Bank subsidiary, Floyd Harrison came in and took part in the discussion.  
Nov. 5, 1931. 179.

Wyatt told C.S.H. that Intermediate credit debentures were not now eligible as collateral for member bank collateral notes.  
Nov. 23, 1931. 190.

Wyatt said he believed that anything which Federal reserve banks can now purchase - even bills payable in foreign countries, should be eligible as collateral for member bank collateral notes.  
Nov. 23, 1931. 190.

See - Atlantic National Bank.
Ube, Mr. Dept. of Agriculture

Board hears as to purchase by Federal reserve banks of acceptances secured by warehouse receipts.

Necessity of such warehouses being independent of the borrower. July 21, 1931. 94.

Young, Gov. Federal Reserve Bank, Boston

Opposes proposed purchase of 300 millions of Government securities.

He believed lower acceptance rates would give all needed relief.

He said his directors were opposed to further purchases of Government securities, except in clear emergencies. Aug. 10, 1931. 124.

Tells Board as to subsidiary of Atlantic National Bank, Boston.

Board referred matter to C.S.H. and Wyatt. Aug. 11, 1931. 125.

Spends Sunday with Edward H. Hamlin.

Aug. 14, 1931. 133.


Gov. and Mrs. Young lunch with us at Mattapoisett. Oct. 18, 1931. 164

See Atlantic National Bank

Young, Mrs. Roy

Lunches with us at Mattapoisett, also Martha Young. Aug. 18, 1931. 164.

Mrs. Young said she called on Miss Lord, the Principal of the Winsor School with reference to her daughter joining the school; that she was very discourteous and almost rude to her. Oct. 18, 1931. 164.

Young, Owen D.

C.S.H. believes U.S. Government should guarantee all bond issues under Young plan, held in good faith by American citizens on Jan. 1, 1931. July 10, 1931. 82.
Yohe, Mr. Dept. of Agriculture

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Aug. 11, 1931. 128.

Spend Sunday with Edward Hamlin.
Aug. 24, 1931. 128.

C.S.H. meets, at bankers lunch in Boston given by Curtiss.
Oct. 16, 1931. 164.

Gov. and Mrs. Young lunch with us at Mattapoisett.
Oct. 18, 1931. 164

See - Atlantic National Bank

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Oct. 16, 1931. 164.

Young, Owen D.

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July 10, 1931. 82.
Young, Owen D. (Cont’d.)

Attends conference at Federal Reserve Bank, New York, reaching conclusion that Federal reserve bank should not give out a reassuring statement; that the German situation was a Governmental and not a banking question.
July 12, 1931. 84.

Urged strongly that British credit should be for 200 rather than 125 million.
July 30, 1931. 116.

Goldweiser says Owen Young, Gilbert, and others, advised Ogden Mills who prepared basis of Hoover-Laval agreement, that reparations should be worked out under the Young plan.
Oct. 29, 1931. 171.

Yugoslavia

New York Times said France claims right to deduct 25 millions from amount released to Germany under Moratorium for loans to Czechoslovakia and, and that Federal Reserve System might buy bills of their central banks, up to this amount, to satisfy France.
July 3, 1931. 67, 68.

C.S.H. asks Gov. Meyer whether any part of the 10 millions proposed deposit in B.I.S. were intended for Czechoslovakia and Yugoslavia, in which France was greatly interested.

Gov. Meyer said he did not know.
July 7, 1931. 70.