Mr. Leonard

Office Correspondence

Date March 21, 1949

To_____Mr. Myrick ✓_____

Subject: Federal Reserve Bank of Boston -

From_____E. J. Johnson_____

Grants for Outside Research.

In accordance with your oral request, I have reviewed the confidential memoranda of the examinations of the Federal Reserve Bank of Boston on September 16, 1946, December 2, 1947, and December 1, 1948. The 1946 memorandum contains no reference to grants for outside research. The 1947 and 1948 memoranda contain the following such references:

December 2, 1947

"Payment to President and Fellows of Harvard College $1,000.00

This expenditure was for the purpose of establishing the Reserve Bank as an Associate of the Harvard Business School. While it is in the nature of a grant, I understand that this was the only way in which the bank could receive the publications and other services and facilities of the school. These benefits are said to be particularly valuable to the bank's Research Department."

December 1, 1948

"Payment to New England Forestry Foundation $1,000.00
The memorandum from Vice President and General Counsel Schlaikjer authorizing this payment reads as follows:

'Will you please cause to be issued today before the closing of our books for the year a check for $1,000 payable to the New England Forestry Foundation, and charge it to the Research and Statistics Department for the account of outside cooperative research.

'You will remember that our approved budget for the current year provided for an amount to be used in procuring the doing of outside cooperative research to supplement the work in our own department in various fields. Mr. Whittemore wishes the New England Forestry Foundation to undertake an outside research project for us, the details of which are at present under negotiation with the Foundation. This item is comparable to similar disbursements to the New England Council, to the University of Vermont, and others for outside cooperative research in other areas.'"