

June 30, 1956

Dear Karl:

I am sure it will be no news to you that this Committee is transferring its case and its activities to the Brookings Institution. A letter to that effect has gone to Mr. Williams, and will undoubtedly come to you.

This move means that my own activities as Executive Director of the Committee will be handed over to someone else, not yet chosen. I have, as you know, found the work fascinating, and your own services as guide, tutor, and illuminator of dark corners have added no small bit to the intensity of that interest. Although I knew when I undertook the job that my work could not last the full term of the grant, I find the actual process of departure very sorrowful. Not the least of my regrets is the loss of reasons to come and seek your friendly counsel in Philadelphia.

Thanks a thousand for much cherished kindnesses. And very best greetings always.

Sincerely yours,

Mildred Adams

Mr. Karl R. Bopp
Vice President
Federal Reserve Bank of Philadelphia
Philadelphia
Pennsylvania

MA:km

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE I)

April 26, 1956

RECEIVED

APR 27 1956

**COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM**

Miss Mildred Adams
Executive Director
Committee on the History of the
Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Mildred:

Under separate cover I am sending you the three copies of our 1955 Report that you requested yesterday.

As usual, my contribution has been simply to drop a few hints, ask a few questions, and make a few minor suggestions. The lion's share of the credit for this product goes to David P. Eastburn, our Financial Economist.

Sincerely,



Karl R. Bopp
Vice President

KRB/b

April 25, 1956

Dear Karl:

I have just read with great interest your 1955 report which you call "Money on Good Behavior." It is a very interesting job, and you ought to get a good public response to it.

Could I have three copies? I've been carrying on arguments with some skeptical Wall Street friends as to whether or not the System knows what it is doing these days. Your report presents the Federal Reserve side of the case better than I can do it, and I think the boys may be less jaundiced in their views if I can persuade them to do a bit of homework. The bright red cover and the provocative title may help!

Gratitude in advance.

Cordially yours,

Mildred Adams

Dr. Karl Bopp, Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

January 10, 1956

Dear Karl: —

I am not sure that I gave you over the telephone the data you may want about the papers of Mr. Howard A. Loeb. You were going to find out whether or not the Wharton School would like them deposited there.

The collection is small, and pertinent file folders are entitled as follows:

1. Federal Advisory Council, 1929-1938
2. Federal Advisory Council, May 1937
Barkley Bill -- Trust Indenture Act of 1939
Cole Bill
3. Federal Advisory Council, 1937
February 15-16, Bank Survey Regulation Q
Chandler Bill, Bankruptcy Act
May 17-18, Barclay Bill
December 13-14, Patman Bill
4. Federal Advisory Council, 1940, 1941, 1942, 1951

They contain some interesting material and are worth saving, but the question is whether Wharton is equipped to handle this kind of thing.

As I told you when we talked about this, Mr. Large of the Tradesmens Bank is holding the papers until I get word from you about Wharton.

Thanks for undertaking this inquiry for us.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

January 6, 1956

TO: Messrs. Karl Bopp
Lester Chandler

We were wondering in Philadelphia about the progress of Elmer Wood's book. A letter which has just come in carries the news of it as follows:

"You asked about the book I am working on. I made some progress during the summer -- a chapter on "The Acceleration of Expenditure" and one on "The Quantity Theory of Money." Though I reject the Quantity Theory approach, I think there is real value in analyzing it in some detail and in stating why I reject it. This next semester I am getting a sabbatical with half pay and hope to do some more chapters. The Ford Foundation has asked our Department to make one application for a faculty research fellowship in economics for next year. Whether I can get in on that I don't know. There seem to be a number of difficulties."

Any way of applying pressure to the Ford Board?

Mildred Adams

December 8, 1955

Dear Miss Bowen:

Thanks so much for your note of the 6th. I will with great pleasure come to the Bank on Thursday, December 15th, at 12:30 for lunch with Dr. Bopp and Dr. Chandler. It is good of Dr. Bopp to make time for this in his very crowded schedule.

Cordially yours,

Mildred Adams

Miss Dorothy Bowen
Federal Reserve Bank
Philadelphia 1, Pennsylvania

RECEIVED

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE 1)

DEC 7 1955

December 6, 1955

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

Miss Mildred Adams
Executive Director
Committee on the History of the
Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Miss Adams:

Mr. Bopp asked me to let you know that it will be quite convenient to have you and Dr. Chandler come to the Bank on Thursday, December 15.

He suggested that you come in for lunch about 12:30 o'clock. As I mentioned, he will be free until 3:30 p.m. when he must leave for a class at the University.

Sincerely,



Secretary to Mr. Bopp

December 6, 1955

Dear Karl:

Miss Bowen will have told you that I called to ask whether or not it would be possible for you to discuss with Lester Chandler and me on the afternoon of Thursday, December 15th. She tells me that she thinks you would be free until about 3:30, which is very good news.

The problem stems from the fact that our Executive Committee thinks it would like to have compiled a book of readings in Federal Reserve history. Les made certain suggestions over the phone this morning, and we both agreed that further conversation on the subject would be fine, and that if we could draw you into it, both the process and the result would be even finer - hence my telephone call.

I have an errand in Philadelphia on Thursday morning and can come to the Bank at any time after noon that is convenient for you.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

RECEIVED

NOV 23 1955

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE 1)

November 22, 1955

Miss Mildred Adams
Executive Director
Committee on the History of the
Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Mildred:

I am passing along your compliments to
Doris Zimmermann, Evan Alderfer and Bill Boehner
who are responsible for the essays in the October
issue of The 3-C.

The issue reflects the notion that life
is more fun if one takes his work rather than him-
self seriously.

Sincerely,



Karl R. Bopp
Vice President

KRB/b

November 18, 1955

Dear Karl:

The October issue of the Philadelphia 3-C magazine came in the other day, and I have just finished reading it. Will you please extend my congratulations to its editor both for the history and the humor. It is a lively and interesting number, and Miss Zimmerman ought to have some kind of a laurel leaf for it.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

June 6, 1955

Dr. Karl Bopp
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

Dear Karl:

I tried to reach you by phone this morning but Miss Bowen reported you were in the wilds of Louisiana. My sympathy.

What I wanted was to make a date to come down and talk with you about this old problem of just what it is that we want the banks to save for our potential (and as yet unappointed) historians. Certain things like Minute Books are obvious, so is the presidential correspondence on policy matters. But when you get below that level, the defining becomes more difficult and it is there that we need help.

At one stage we got worried over the effect of the so-called Destruction Schedule promoted by the Presidents' Conference, and Mr. Earhart of San Francisco, the present chairman, will make any changes, or include any warning that we suggest.

The problem therefore returns to the old one - what is it specifically that we want?

If, out of your wide experience in these matters, you can help me formulate an answer that will be understandable in terms of historical needs and of operating departments, I'll be even further in your debt.

What I'd like to do is to come down to Philadelphia, and have a couple of hours to thrash this thing out. I've got to go to Kansas City and Minneapolis tomorrow, but I'll be back late next week. While I'm gone, Mrs. Singer will be discussing possible dates with Miss Bowen. I'm eager to catch you before you go on vacation.

My warm thanks in advance.

Cordially yours,

Mildred Adams

May 13, 1955

Miss Dorothy Bowen
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

Dear Miss Bowen:

Thank you very much for the information on Mr. Grosscup which you got from Mr. Hill. You were quite right that we shall wish to send a different letter to Dr. Grosscup. It is so difficult to track down these men who may be dead (but we don't know) that I am specially grateful to you for clearing this minor mystery up.

Very sincerely yours,

Mrs. Singer
Research Assistant

March 4, 1955

Dear Karl:

Since I last saw you, the exciting prospect has come up that I may go to Europe for a month, flying late in August. I have begun to wonder whether there was any possibility of seeing people at the Bank of England, the Bank of France, and possibly the Reichsbank in connection with Federal Reserve activities in the foreign field during the 1920's. That led me inevitably to consider the question of Mr. Schacht and to meditate as to whether an interview with him might be either feasible or fruitful.

He is, of course, the last one surviving of the famous quartette which, in addition to himself, included Strong, Rist and Montagu Norman. I have no idea whether he would talk or not, nor do I know if what he remembered on the basis of a carefully prepared questionnaire would or would not be either accurate or helpful.

All these considerations led me to the monograph which you wrote for the University of Missouri in 1939, and I got it out of the library. It is as good as a fine detective story, and better than most. I read it on the subway standing or sitting; it is only the sternest self-discipline which has made me keep it in my brief-case during office hours.

In view of this monograph and your obvious intimate knowledge of Schacht, I would greatly appreciate word from you as to whether you think this interview idea useful or not. First, is it feasible? Second, would it be fruitful? And, third perhaps, would it be politic?

I would be most grateful for advice from you on this.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE I)

February 24, 1955

Mrs. Ellen C. Singer
Committee on the History of the
Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Mrs. Singer:

I have been unable to "extract" an expense account from Mr. Bopp for his trip to Princeton. I mentioned the items you suggested should be included, but he refused to tell me how much he had spent at Princeton and, of course, the Bank had taken care of his train fare along with his other expenses during that week. I suppose under the circumstances we shall just have to forget about it.

Sincerely,

Dorothy Bowen

Dorothy Bowen
Secretary to Mr. Bopp

RECEIVED

FEB 25 1955

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

February 21, 1955

Miss Dorothy Bowen
The Federal Reserve Bank
of Philadelphia
Philadelphia 1, Pennsylvania

Dear Miss Bowen:

Will you please extract an expense account for the Princeton meeting from Dr. Bopp. Miss Adams tells me that he paid for a round of drinks so there is at least that to report. There also should be train fare to Princeton and back.

Thank you very much for taking care of this.

Sincerely,

Ellen C. Singer

Research Assistant

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE I)

February 11, 1955

RECEIVED

FEB 14 1955

Miss Mildred Adams, Research Director
Committee on the History of the
Federal Reserve System
33 Liberty Street
New York 45, New York

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

Dear Mildred:

The stenotype report came this morning at the worst possible time in terms of pressure of work. At the same time, I appreciate your desire for speed and have inserted comments as I went along.

I hope they may prove helpful and am looking forward to a copy of the final draft.

Sincerely,



Karl R. Bopp
Vice President

KRB/b

February 11, 1955

Dear Dr. Bopp:

The members of this Committee have asked me to thank you in their names for the care, the active thought, and the fine scholarship which you and your colleagues put into the memoranda you prepared for them and the discussions held with them. They recognize that the success of the two Princeton conferences held in November and January was solidly based on the work which you three did in advance and the contributions which you made in the course of the discussion.

As a small token of their appreciation, they hope you will accept the enclosed honorarium. This is by no means to be considered as an attempt at compensation, but rather as an earnest of their gratitude and their esteem.

May I add my personal regret that circumstances beyond my control prevented my sharing so interesting and rewarding a session as that of January 29th must have been.

With warm personal regards I am,

Very sincerely yours,

Donald Woodward

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

Enc. Check for \$100.00. Letter and check sent to DBW for signing and mailing.

February 10, 1955

Dear Karl:

The stenotype report of the Princeton meeting on January 29th has just come. I am hastening to send you a copy for your reading in the somewhat Simon Legreeish hope that you may be able to get at it over the weekend.

You will remember that because so much of this was talking while thinking, Mr. Varallo had more difficulty than with the earlier meeting. We will edit the transcript for textual errors here at the same time you are editing your copy in Philadelphia. When we get the editorial changes you think necessary, we will add them to ours and then have the mimeograph or multilith job done for distribution of the corrected copy to all members of that conference group.

We would, of course, like your copy back with your corrections just as quickly as possible. I am going to Atlanta and Washington for a week Monday afternoon. If we can have your changes here Monday morning, either in the form of the corrected copy or of telephoned corrections, we will save an entire week on the distribution process.

Gratefully yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

Enc. One copy of transcript of second Princeton conference.

MISC. 34.3-24M-7-54

TO: Dr. Karl Bopp
FEDERAL RESERVE BANK
OF NEW YORK
Federal Reserve Board
Washington 25, D. C.

COPY OF TELEGRAM Committee on History SEND TO FILES
Federal Reserve System

SENT BY

2

Princeton Inn fears delayed medical convention may cram them Friday night.
Have emergency reservations for your lodging and consultants dinner Friday
at Nassau Tavern in Princeton. STOP. Saturday conference 10:00 A.M. at
Inn as scheduled.

Mildred Adams

DEPT. OF NEW YORK
FEDERAL RESERVE BANK
MAY 11 11 11 AM '54
TELETYPE UNIT
MAY 11 11 11 AM '54
MAY 11 11 11 AM '54

from

KARL R. BOPP

January 19, 1955

Dear Mildred:

Your draft covers the
issue in fine fashion. I have
made only one minor suggestion,

Sincerely,

Karl

incorporated
in final copy

DRAFT

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

RECEIVED

January 21, 1955

JAN 20 1955

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

TO: Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert D. Calkins
F. Cyril James
William Mc^C. Martin, Jr.
Walter W. Stewart
Joseph H. Willits
Donald B. Woodward, Secretary

You will remember that after the meeting of Sunday, November 21, 1954 with the Committee, the three consultants (Dr. Bopp, Dr. Chandler, Dr. Wood) met on Monday, November 22 to discuss questions raised and suggestions made during the Sunday conference. At that time, they drafted a memorandum outline which, when revised after study, was to be presented to the Committee for discussion at the meeting on January 29th.

The original aim was a preliminary document which would serve both as a definition of what the Committee means by a comprehensive history of the Federal Reserve System and an outline for its writing. The enclosed memorandum-outline is presented as a rough attempt to serve those ends.

Were this intended as a finished product, the consultants might have cast what, in some sections, seem to be conclusions into the form of questions to be explored. They do not wish to impose their ideas on the ultimate historian, but they do feel that a basic focus of the comprehensive history should be the development of ideas. Within their limits of time and space, the best they could do was to illustrate what they had in mind. The historian at work may find that ideas (here noted ^{actually}) develop ^{ed} very differently from the way in which that development is here suggested.

The outline as presented is designed to provoke, not to end, discussion. The consultants hope that the Committee will so accept it, and proceed accordingly.

Mildred Adams
Research Director

January 18, 1955

Dear Karl:

Acting on your suggestion that a covering letter go with the outline to the Committee members, I have framed a draft which is enclosed. Would you read it and see whether this says what you had in mind. If you want changes made, just pencil them on the draft. We would like it back as quickly as possible so that it may go with the memorandum on Friday.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
of Philadelphia
Philadelphia 1, Pennsylvania

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE I)

January 14, 1955

Miss Mildred Adams, Research Director
Committee on the History of
The Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Mildred:

I am attaching the latest version of the tentative outline. It is enlarged substantially from the original draft primarily on the basis of the extensive suggestions from Elmer. Unfortunately, we have had to squeeze this project into rather tight schedules and although Les and I see each other often our contact with Elmer has been limited to corresponding.

I mention this to explain why the outline, as it now stands, contains many apparent "conclusions" rather than topics to be explored. We do not wish to impose anything on the ultimate historian but we do feel that a basic focus of the comprehensive history should be the development of ideas. Within the time we had the best we could do was to illustrate what we have in mind. The historian may find that ideas, in fact, develop very differently from what we suggest.

In short, the outline is designed to provoke - not to end discussion! I am sure that the members of the Committee understand this. It might, however, be well to mention it again in a covering letter to them.

As to time, Les and I agree on 4 p.m. Friday, January 28. That will be agreeable with Elmer, who plans to arrive in Princeton by noon. Of course, we want you to join us.

Each of us has some ideas about interviews, questionnaires, key incidents, and other matters that we might discuss.

It will be grand to see you again.

RECEIVED

JAN 17 1955

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

Sincerely yours,

Karl R. Bopp (per E.M.W.)
Karl R. Bopp
Vice President

(Dictated by Mr. Bopp
but signed in his absence)

Draft submit 4

SRT

Revised 1/5/55

Revised 2/17/55

SOME ASPECTS AND PURPOSES OF THE
COMPREHENSIVE HISTORY OF THE FEDERAL RESERVE SYSTEM

*20 copies
Committee*

I. General approach and purposes

A. Some of the major objectives of the Comprehensive History

1. To gather and preserve all relevant information about the Federal Reserve System that could possibly bear on the evolution of the structure and functioning of the System.
2. To present a comprehensive analysis from an evolutionary point of view, tracing the development of ideas and showing the interrelationships of social attitudes, social and economic events, pressure groups, and personalities on the structure and functioning of the System.
3. Some things to be given special attention
 - a. One of the central interests of the entire study should be the methods and terms on which money has been made available to the banking system and the economy as a whole. This would include, of course, all major changes in the methods used, such as discounting and open market operations. But it would also give adequate attention to changes of policy represented by changes in methods of administration even though there was no change in the broad method of providing or extracting funds. This would require adequate attention to the whole question of location of control, the methods of administration, and the development of ideas by those who make policy.
4. Things to be avoided
 - a. This should not in any sense be considered an official history and the writer should feel perfectly free to criticize, evaluate, and interpret.
 - b. It should not be financial history in the narrow sense but should be a social history, giving due emphasis to intellectual and political, as well as the narrower economic and financial, philosophies and events.

*on
History
FRB
Mississippi
X286*

B. Some of the specific topics and events that might be considered

1. The backgrounds of the Federal Reserve System
 - a. This should include a detailed analysis of all the conditions and thinking that led to the movement

for financial reform and that influenced the form of the legislation finally enacted. This would include not only the legislative history and the conflicts in the Government accompanying the consideration of the legislation but should also include a consideration of the existing international monetary and financial relationships, the nature and structure of our own economy, the conflicts over broad economic policies, the structure and functioning of our banking system, the economic theories underlying the various proposals, and the personalities that were involved in the whole movement.

- b. A similar study relating to the organization of the Federal Reserve Districts, of the Federal Reserve Board, and of the Federal Reserve Banks before the banks were actually opened for business.

2. Period of organization and growth - November 1914 to April 1917

- a. The whole process of determining the structure and organization of the Federal Reserve Banks, the selection of personnel for the Federal Reserve Banks, the division of control between the Federal Reserve Board and the Federal Reserve Banks, the location of control within the Federal Reserve Banks, the process of arriving at decisions as to the appropriate objectives of the Federal Reserve Banks for the longer run and for the existing situation, and the relationship between Federal Reserve operations and American foreign policy. Worthy of special consideration are not only longer term growth considerations, such as building of the prestige of the System, but the desirability of making earnings in order both to build prestige and to attract members.

3. War and inflation - 1917 to 1920

- a. A comprehensive analysis of the entire war financing program and of ideas relating to it and the relationship of the Federal Reserve to the whole process. The effect of the prevailing economic theory on the types of assistance given by the Federal Reserve to both public and private financing.
- b. In addition, adequate attention should be paid to such things as the effect of the war period on membership in the Federal Reserve System, the prestige of the Federal Reserve System, the relationship between the Treasury and the Federal Reserve, the tendency to concentrate power in the Federal Reserve Bank of New York, the subordination of the Federal Reserve Board in dealing with monetary problems, the growth of relations with foreign central banks and governments, the impact of this experience on the earlier philosophy of the Federal Reserve Act and of Federal Reserve policy, and contemporary ideas as to later developments.

4. The Federal Reserve and deflation - 1920 to 1921

Analysis of events during period and of Federal Reserve policies. A satisfactory treatment would include not only actual Federal Reserve actions but a close scrutiny of the changing role of Treasury financing, of basic philosophy and theory of the public at that time, and of the Federal Reserve officials. It would also include a detailed analysis of the process of decision-making and of the theories and objectives, explicit or implicit, of those who engage in the process.

5. The search for appropriate peacetime organizations and policies - 1921 to 1929

This period will have a number of themes and sub-themes which are sometimes woven together and sometimes not. Among the major problems were the following:

- a. The struggle toward a basic philosophy of central banking: the conflict between the old commercial loan theory which would have prescribed a passive approach and the theory of positive control which would often require actions directly in conflict with those appropriate to the commercial loan theory.
- b. Changes in the methods of business financing and their impact upon the character of commercial-bank earning assets and upon the volume of brokers' loans. The need for secondary reserve assets as a factor in the growth of loans from non-banking lenders to the market.
- c. The role of gold in the System: the continued allegiance to the international gold standard as an ultimate ideal, coupled with actions that were, at least in the short run, in direct violation of the rules of the gold standard game but sometimes with the intent to reestablish the gold standard internationally.
- d. The frequent conflict of more immediate guides or objectives: the objective of reestablishing an international gold standard and of promoting recovery abroad, the accommodation of commerce, industry and agriculture at reasonable interest rates, a positive policy of stabilizing business conditions, price stabilization, the development of New York as an international financial center, the control of speculation on the stock exchanges.

- e. The evolution of instruments of Federal Reserve policy: changes in both the techniques and relative importance of instruments such as the discount rate, moral suasion of various types, open market operations, international stabilization credits, development of the "factor analysis" of the money market - member bank reserves and related items. This investigation will necessarily involve the procedures for arriving at decisions and the location of control.
 - f. The process of decision-making and the location of control: this analysis will highlight the fact that the original theory of the Act - that there would be at least the possibility of separate credit policies for the various regions - came under closer scrutiny and was accompanied by many conflicts between the principles of centralized control and of regional autonomy. This involved not only the division of decision-making and control between the Federal Reserve Board and the regional Banks, but also the question as to whether and to what extent a centralized control should be exercised by the Federal Reserve Board or by centralized associations formed by the regional Banks. The weakening of the influence of the Federal Reserve Bank of New York and the increase of the influence of the Federal Reserve Board following the death of Strong.
6. Federal Reserve actions in a period of deflation and breakdown - 1929 to 1933

In analyzing this period the following important things should be stressed and interrelated:

- a. The prevailing philosophy of the public at large, the Government, and Federal Reserve officials as to the responsibility of the central bank and of the Government in dealing with conditions in such a period.
- b. "Sound money" beliefs carried over from pre-1914 days that "currency manipulation" should not be used in an attempt to bring about revival, overlooking the fact that a currency must necessarily be managed with respect to some criteria of stability when it is no longer managed with respect to the gold reserve.
- c. Lack of grasp of America's place in the world financial structure. Belief that the United States must adjust to world monetary conditions and could do little to determine them.

- d. The persistence of the belief that the United States could take no positive action to halt deflation even after the international gold standard had ceased to exist and most countries of the world had adopted national currency policies. International developments such as the cessation of foreign loans, international financial panics, breakdown of gold standards, wide changes in exchange rates, etc.
- e. Business cycle indoctrination which stressed the idea that the forces of depression were fundamentally non-monetary and that monetary measures could play little part in bringing about recovery.
- f. On the other hand, there was a latent tradition, sometimes referred to as Bryanism, that monetary action was vital in restoring prosperity. But the monetary procedure contemplated was not primarily central banking procedure.
- g. The tradition of business cycle theory that depression was healing and beneficent and not degenerative and leading to crack-up. This tradition regarded deliberate monetary expansion to shorten the "recuperative" period as harmful.
- h. But with the deepening of the depression, the growing popularity of the belief that there were inherent forces in a capitalistic society making for stagnation and blocking the technical possibilities for much higher living standards. This point of view looked toward fundamental changes in the rules in the economic organization for the most part rather than monetary procedures.
- i. The decline in availability of bankable assets as the depression deepened, indicating the vulnerability to contraction of a monetary system that issues money against debts. The vicious circle of monetary contraction and the decline in the safety of debts and the willingness to go into debt except by distress borrowers, proneness of American banking structure to failure, role of restrictive legislation, such as the collateral requirements behind Federal Reserve notes and restrictions of eligibility of paper for discount. The resulting lack of responsiveness of the economy to central banking measures for expansion.
- j. The diminishing tolerance of the economy for severe liquidation.

7. Federal Reserve policy from the banking crisis of 1933 to our entry into World War II - 1933 to 1941

The treatment of this period should trace the disillusion of the public and the despair that existing thinking and institutions could provide an adequate solution. It would combine a discussion of actual Federal Reserve policies with a description and analysis of the very important changes in the legislation relating to the Federal Reserve System. It would try to trace out all the lines of development that culminated in actual or proposed changes in the basic law and in the actual structure and operation of the System.

Early Recovery Period

center

- a. Belief that monetary measures must be mainly outside central banking procedures. (Preparation for the issue of script an extreme instance of blindness to central banking possibilities.) Due partly to lack of understanding of central banking; partly to the loss of prestige of the Federal Reserve during the crisis; and to the historical traditions regarding money of leading groups sponsoring monetary expansion. (For instance, looking back to bimetallism and to greenbacks in the Thomas Amendment.) Establishment of new institutions and procedures, such as deposit insurance, R.F.C., and so on.
- b. The loss of confidence in business leaders which came with the collapse resulted in greater receptiveness to reform legislation. The popular attitude that greed and dishonesty were in great part responsible for the collapse emphasized the necessity of "driving the money changers from the temples" and diverted attention from the monetary aspects of the collapse.
- c. Closely related was the idea that the failure to curb speculation by denying credit to speculators specifically was an important cause of the collapse. This belief led not only to reform legislation, but to the search for selective monetary controls; and it made central banking policy very sensitive to a rise of stock prices down to the present day.
- d. The continued misunderstanding of the place of the United States in the world financial structure was evidenced by some attempt at competitive devaluation. The problem of providing dollars was complicated by the protectionism of strong pressure groups.

Later Recovery Period

center

- a. Abandonment by the Administration of monetary action as an important means of increasing general demand, and greater emphasis upon fiscal policy, increase of farm income, and upon raising wages and other labor income by nonmonetary means.
- b. Foreign totalitarian influences on methods of maintaining prosperity. In such ideology central banks were mere agents through which governments exercised naked power. Liquidity as such was not viewed as an important means of regulating money outlay. The central core of their mechanism was power itself.
- c. Drop in interest rates to low level as the result of historical accident rather than deliberate action. The drop in long-term rates welcomed by the Federal Reserve. But the large excess reserves, which were mainly responsible for the drop, regarded as a potential danger of inflation. This fear of inflation in the midst of semi-depression characterized the attitude of the Federal Reserve until Pearl Harbor.
- d. The shift in influence over monetary policy toward the Treasury. In part this was due to the new powers of the Treasury over reserves directly, but mainly it was due to the influence acquired by the Administration during the crisis and to the loss of prestige by the Federal Reserve during the depression and crisis.
- e. The policy of maintaining "orderly markets" in government securities materialized during the restriction of 1937. Though this did not imply pegging of rates, it marked a definite change from the ideas of the twenties, when short rates were supposed to be varied with respect to business conditions. After 1937 the Federal Reserve realized they would allow rates to drift within wide limits and would intervene only to prevent sudden changes. The Federal Reserve seemed by many to have become merely a check collection agency. This policy of drift was partly the consequence of the unfortunate events following the experiment in tightening in 1936-37.
- f. Pegging the Market: The policy of maintaining "orderly markets", though not at all contemplating the pegging of rates, prepared the way psychologically and developed a procedure for pegging. (The market became accustomed to the Federal Reserve's interventions for the purpose of affecting security

prices as such.) The Treasury had decided on pegging many months before Pearl Harbor. The Federal Reserve did not object to the 2-1/2 per cent ceiling on the long-term rate, but objected to the rigidity of the pattern. The Federal Reserve Bank of New York would have preferred a higher long-term rate, but did not advocate raising the ceiling in the situation existing when the rate was pegged.

8. Federal Reserve policy during World War II - 1941 to 1945

- a. A thorough description and analysis of the role of the Federal Reserve in World War II finance should stress the contrast with World War I. The contrast should include differences in basic philosophies as to the function of the Federal Reserve, differing techniques of supplying necessary money, differing philosophies as to the proper behavior of interest rates, differing reliances on monetary policy, fiscal policy, and direct controls, and differing estimates as to the nature of the problems which would have to be faced after the culmination of war.
- b. Some important changes arising out of this period: the tremendous increase in the national debt, the practice of pegging the price of Government securities, the shift of policy-making to the Treasury, the proof that a central bank can control interest rates, changes in the law to facilitate Treasury financing.
- c. The Federal Reserve position was that credit expansion was inevitable during the War and that it was inflationary, but that raising rates would do little to prevent the expansion.

9. The search for appropriate peacetime organizations and policies - 1945 to 1954

This should include a contrast between the search which grew out of depression and the search which grew out of inflation. Very important background materials for a consideration of this period would include the continued fear of depression in the midst of inflation, the general demand that all the powers of Government be employed to prevent the recurrence of serious depression, the emerging popularity of fiscal policy as an instrument of economic stabilization, the widespread disillusionment as to the power of monetary policy to deal with unemployment and inflation, the greater tolerance of the public for direct controls as a means of obtaining

objectives and its equal willingness to see their abolition at the earliest possible moment, a search for extension of powers to reconcile expanding money supply with control of inflation, support of the securities market with control of inflation, development of the concepts of rigidly controlled markets, free markets, and flexibly controlled markets.

Karl R. Bopp
Lester V. Chandler
Elmer Wood

January 14, 1955

January 10, 1955

Dear Karl:

In thinking ahead to the meeting of the 29th, there are two questions which I'd like to ask, one about arrangements, the other about two points on which I need advice.

On the arrangements, we are assuming that you and Elmer and Les will want to meet at the Princeton Inn for dinner on Friday, the 28th, in order to do some preliminary discussing during the evening. If you want more time or prefer to meet in Philadelphia rather than in Princeton, would you let me know? I can be at Princeton at any time you want - I would probably be spending the night there in any case.

The Committee meeting is scheduled for 10:00 a.m. on Saturday and will probably run through most of the day. (They want an hour out before lunch to discuss the matter of the historian - the Executive Committee has been working on this). It would seem to me that any mapping and straightening which remains could be done Saturday evening, leaving us all free on Sunday. But you may have another preference - could you let me know what you think about this?

As for my own points at question, they have to do with Federal Reserve Bank archives (if any), a problem with which I've been struggling for some time. Mr. Sproul brought it up early in the game by expressing the hope that we could make a plan not only for finding out what there was in regional bank archives, but also for coordinating that information for future use and guidance.

In practice, that has led straight to the question - "What do you mean by bank archives?" and thus to a consideration of the Board's destruction program and its perils. What I would

most gratefully hear would be an indication from you, Elmer and Les, in your role as historians, of what you would like to find in a collection of bank archives if you went at them cold. I'll bring along a list of what is held by the New York Bank as archival material to serve as background.

This matter doesn't have to come up now, but it is a continuing problem, and if there is a spare moment, I'd be deeply grateful for advice on it.

And you'll let us know if we are to send out an "experts' document" to the Committee.

Cordially yours,

Mildred Adams

P. S. I'm off for Cleveland tonight and hence am asking Mrs. Singer to sign this for me.

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

January 6, 1955

Dear Karl:

In looking over notes left from the Princeton conference in November, I find a phrase at the end of them which reads, "Experts' document to come to us in time to be typed and sent out shortly before January meeting."

Judging from the size and sharpness of the handwriting, this was probably an important idea in November. I wonder whether you still consider it an important idea and whether changes have been made in the document by the three of you, so that it is getting on its way to be ready for us to type and send out. If so, we probably should have it by the 21st of January or by Monday, the 24th, at the latest.

If you have changed your mind on this and prefer to present a document verbally rather than having it typed and sent out, there is every reason why you should have a right to your own choice. It is only my conscience which, after all the turmoil and confusion of the holidays, makes me remind you of what seemed a good idea in November.

Cordially yours,

Mildred Adams

Dr. Karl Bopp, Vice President
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

December 22, 1954

Dear Karl:

A wire came earlier in the week from Elmer saying that January 29th, the date set for the Princeton meeting, comes during the Missouri examination week, and he would prefer a date two weeks later if possible, but if that is not practicable, he would try to arrange for January 29th.

By now, we have heard from everyone except Dr. James that the 29th is all right, so I think we must regretfully ask Elmer to shift things about and come at that time.

I am enclosing a carbon of a letter I have just written him. You will probably want to carry on from here and make your own decision as to whether Philadelphia or Princeton would be more convenient for your Friday night meeting. If you decide on Princeton, I will be glad to make the necessary arrangements.

Les Chandler tells me that the process of serving a Christmas feast at 4 a.m. took more Christmas spirit than could conveniently be summoned. I hope you have recovered and can contemplate best Christmas wishes in this letter without turning green.

Cordially yours,

Mildred Adams

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

December 20, 1954

Dear Miss Bowen:

I received today from Mr. Sheldon B. Akers, Executive Manager of the Brookings Institution, a letter saying, "On the overtime figure for Miss Bowen we need to know the hourly rate and the number of hours worked. Also it will be necessary for Miss Bowen to fill out and return the enclosed Internal Revenue Form W-4." I am sorry that I did not realize this before so that we could have saved some time.

Will you then fill out the enclosed Internal Revenue Form W-4 and send it directly to Mr. Akers together with the other information he needs.

My warm wishes for a happy Christmas.

Sincerely,

ES

Secretary

Miss Dorothy Bowen
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

December 1, 1954

Dear Karl:

I am hastening to forward to you a copy of the stenotype record of the Princeton meeting which came in this morning. There has not been time to do more than leaf through it, but even with such slight scanning it appears both interesting and provocative. When you get a chance to go through it you will, I think, be reassured that a second meeting of experts and committee is eminently worth while.

In the light of this record I may take the liberty of making suggestions as to additions to your rough draft of a document for the Committee's consideration on the 8th. Meanwhile I have passed on to Don Woodward your suggestion that if an historian is to be named soon, the meeting be postponed to include him.

Hastily yours,

Mildred Adams

Dr. Karl R. Bopp
Vice President
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

December 9, 1954

Dear Karl:

I have been re-reading the verbatim record of Sunday's conference, and the memo of Monday's discussion, in an attempt to see where they seemed to be headed in terms of the thing to do next. In the process, I have been again impressed with the value of the work which you three experts did, not only in building the chronological framework which the Committee has been looking for, but also in helping to persuade the Committee members to so much active and interested discussion. It is of the greatest help in many ways.

We will know more about the next step after the Executive Committee meets on December 14th. Meanwhile, may I make two suggestions -

In view of the importance which "key incidents" have in the minds of the Committee, what would you think of using the chronological pattern in the memorandum of Monday, November 22nd, as a framework into which to throw incidents, any incidents which occur to the minds of any of you as pertinent? Such a list, framed in appropriate periods, could provide a sketchy and provocative basis for Committee discussion (and addition) on January 8th.

Second, may I suggest that the three of you consider, as a basis for your proposed meeting on January 6th, the value of presenting the Committee at the joint meeting on January 8th, with three documents:

1. A re-cast "grand design" of history and monographs to replace the one which they tore apart on November 21st;
2. The chronological memo embodying period divisions and topics which Les dictated on the 22nd, with any changes you may want made;
3. A suggestive sketch of key incidents in their chronological framework;

4. (though this is tentative) A trial questionnaire for interviews on a trial period, as Stewart suggested at Princeton.

This quartet ought to set going discussions that would keep them active and interested far past 3:40 p.m. They would also be of inestimable aid to the research functions of this office.

I'll be eager to know what you think of these suggestions.

Cordially yours,

Mildred Adams

(Dictated by Miss Adams
but signed in her absence)

Dr. Karl Bopp
Vice President
Federal Reserve Bank
Philadelphia 1, Pennsylvania

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE 1)

November 26, 1954

Miss Mildred Adams
Committee on the History of
the Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Mildred:

I am attaching a copy of the results of our work on Monday. It seemed to me desirable to get this material to you as quickly as possible, and I have not, therefore, made any revisions in the rough draft. You might send me any suggestions that occur to you as you go over this draft so that I can prepare a revised copy for discussion at our next meeting.

Sincerely,



Karl R. Bopp
Vice President

KRB/b
Encl.

P.S. You might want to give some thought to the questionnaire or questionnaires that Walter Stewart had in mind for interviewers.

11/22/54

RELATIONSHIP BETWEEN THE AUTHOR OF THE COMPREHENSIVE HISTORY
AND THE AUTHORS OF THE MONOGRAPHS

1. The author of the comprehensive history should not have formal supervision and control over the authors of the monographs.
2. The authors of the monographs should be selected by the Executive Committee or by someone to whom the Executive Committee has delegated authority.
3. Any relationships between the author of the comprehensive history and the authors of the monographs should be informal and based on cooperation secured through the advantages of mutual assistance.

RECEIVED

NOV 22 1954

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

SOME ASPECTS AND PURPOSES OF THE
COMPREHENSIVE HISTORY OF THE FEDERAL RESERVE SYSTEM

I. General approach and purposes

A. Some of the major objectives of the Comprehensive History

1. To secure and preserve all the relevant information about the Federal Reserve System that could possibly bear on the evolution of the structure and functioning of the System.
2. To present a comprehensive analysis from an evolutionary point of view, showing the interrelationships of social attitudes, social and economic events, pressure groups, and personalities on the structure and functioning of the System.
3. Some things to be given special attention
 - a. One of the central interests of the entire study should be the methods and terms on which money was made available to the banking system and the economy as a whole. This would include, of course, all major changes in the methods used, such as discounting and open market operations. But it would also give adequate attention to changes of policy represented by changes in methods of administration even though there was no change in the broad method of providing or subtracting funds. This would necessitate adequate attention to the whole question of location of control, the methods of administration, and the basic theory and philosophy of those who make policy.
4. Things to be avoided
 - a. This should not in any sense be considered an official history and the writer should feel perfectly free to criticize, evaluate, and interpret.
 - b. It should not be financial history in the narrow sense but should be considered a social history, giving due emphasis to intellectual and political, as well as the narrower economic and financial, philosophies and events.

B. Some of the specific topics and events that might be considered

1. The backgrounds of the Federal Reserve System

- a. This should include a detailed analysis of all the conditions and thinking that led to the movement for financial reform and that influenced the form of the legislation finally enacted. This would include not

only the legislative history and the conflicts in the Government accompanying the consideration of the legislation but should also include a consideration of the existing international monetary and financial relationships, the nature and structure of our own economy, the conflicts over broad economic policies, the structure and functioning of our banking system, the economic theories underlying the various proposals, and the personalities that were involved in the whole movement.

- b. A similar study relating to the organization of the Federal Reserve Districts, of the Federal Reserve Board, and of the Federal Reserve Banks before the banks were actually opened for business.

2. Period of organization and growth - November 1914 to April 1917

- a. The whole process of determining the structure and organization of the Federal Reserve Banks, the selection of personnel for the Federal Reserve Banks, the division of control between the Federal Reserve Board and the Federal Reserve Banks, the location of control within the Federal Reserve Banks, the process of arriving at decisions as to the appropriate objectives of the Federal Reserve Banks for the longer run and for the existing situation, and the relationship between Federal Reserve operations and American foreign policy. Worthy of special consideration is not only the objectives of longer term growth considerations, such as building of the prestige of the System, but the desirability of making earnings in order both to build prestige and to attract members.

3. War and inflation - 1917 to 1920

- a. A comprehensive analysis of the entire war financing program and of ideas relating to it and the relationship of the Federal Reserve to the whole process. The effect of the prevailing economic theory on the types of assistance given by the Federal Reserve to both public and private financing.
- b. In addition, adequate attention should be paid to such things as the effect of the war period on membership in the Federal Reserve System, the prestige of the Federal Reserve System, the relationship between the Treasury and the Federal Reserve, the tendency to concentrate power in the Federal Reserve Bank of New York, the subordination of the Federal Reserve Board in dealing with monetary problems, the growth of relations with foreign central banks and governments, the impact of this experience on the earlier philosophy of the Federal Reserve Act and of Federal Reserve policy, and contemporary ideas as to ultimate developments.

4. The Federal Reserve and Deflation - 1920 to 1921

Analysis of events during period and of Federal Reserve policies. A satisfactory treatment would include not only actual Federal Reserve actions but a close scrutiny of the changing role of Treasury financing, of basic philosophy and theory of the public at that time, and of the Federal Reserve officials. It would also include a detailed analysis of the process of decision-making and of the theories and interests explicit or implicit of those who engage in the process.

5. The search for appropriate peacetime organizations and policies - 1921 to 1929

This period will have a number of themes and sub-themes which are sometimes woven together and sometimes not. Among the major problems were the following:

- a. The struggle toward a basic philosophy of central banking: the conflict between the old commercial loan theory which would have prescribed a passive approach and the theory of positive control which would often require actions directly in conflict with those appropriate to the commercial loan theory.
- b. The role of gold in the System: the continued allegiance to the international gold standard as an ultimate ideal coupled with actions that were, at least in the short run, in direct violation of the rules of the gold standard game but sometimes with the intent that the purpose was to reestablish the gold standard.
- c. The frequent conflict of more immediate guides or objectives: the objective of reestablishing an international gold standard and of promoting recovery abroad, the accommodation of commerce, industry and agriculture at reasonable interest rates, a positive policy of stabilizing business conditions, price stabilization, the development of New York as an international financial center, the control of speculation on the stock exchanges.
- d. The evolution of instruments of Federal Reserve policy: changes in both the techniques and relative importance of instruments such as the discount rate, moral suasion of various types, open market operations, international stabilization credits. This investigation will necessarily involve the procedures for arriving at decisions and the location of control.
- e. The process of decision-making and the location of control: this analysis will highlight the fact that the original theory of the Act - that there would be at least the possibility of separate credit policies for the various regions - came under closer scrutiny and the result was accompanied by many conflicts between the principles of centralized control and of regional autonomy. This involved not only

the division of decision making and control between the Federal Reserve Board and the regional Banks, but also the question as to whether and to what extent a centralized control should be exercised by the Federal Reserve Board or by centralized associations formed by the regional Banks.

6. Federal Reserve actions in a period of deflation and breakdown - 1929 to 1933

In analyzing this period the following important things should be stressed and interrelated:

- a. The prevailing philosophy of the public at large, the Government, and Federal Reserve officials as to the responsibility of the central bank in dealing with such a period. This would stress the concept of a very limited positive role and would apply not only to Federal Reserve policy actions but also to the establishment of new institutions and procedures, such as deposit insurance, RFC type institutions, and so on.
- b. The importance of the international situation: the cessation of foreign loans, international financial panics, the breakdown of gold standards, wide changes in exchange rates, etc.
- c. The relevance of the American banking structure: its proneness to failure, the lack of holdings of safe eligible paper.
- d. The role of restrictive legislation, such as the collateral requirements behind Federal Reserve notes and restrictions of eligibility of paper for discount.

7. Federal Reserve policy from the banking crisis of 1933 to our entry into World War II - 1933 to 1941

The treatment of this period should trace the disillusion of the public and the despair that existing thinking and institutions could provide an adequate solution. It would combine a discussion of actual Federal Reserve policies with a description and analysis of the very important changes in the legislation relating to the Federal Reserve System. It would try to trace out all the lines of development that culminated in actual or proposed changes in the basic law and in the actual structure and operation of the System.

- a. Important legislation of the period: this should include not only the Banking Acts of 1933 and 1935 but also changes relating to the role of silver, the gold standard, deposit insurance, greenbacks, and requirements as to membership of commercial banks in both the Federal Reserve and the

FDIC. Light should be thrown on the question of why all banks were not in fact required to join the Federal Reserve, why the Federal deposit insurance was not made a function of the Federal Reserve, and why more discretionary power over such things as the price of gold, the role of silver, and greenbacks was not entrusted to the Federal Reserve.

- b. Federal Reserve policies during the period: though all aspects of Federal Reserve policy and Government monetary and fiscal policy would be explored, special emphasis would be placed on the emerging new philosophy as to the role of fiscal policy, the use of the new power to alter member bank reserve requirements, and open market operations. Especially important within this category would be the changing philosophy relating to open market operations. Attention would also be given to proposed changes in Federal Reserve power that grew out of the tremendous volume of excess reserves.

8. Federal Reserve policy during World War II - 1941 to 1945

- a. A thorough description and analysis of the role of the Federal Reserve in World War II finance should stress the contrast with World War I. The contrast should include differences in basic philosophies as to the function of the Federal Reserve, differing techniques of supplying necessary money, differing philosophies as to the proper behavior of interest rates, differing reliances on monetary policy, fiscal policy, and direct controls, and differing estimates as to the nature of the problems which would have to be faced after the culmination of war.
- b. Some important changes arising out of this period: the tremendous increase in the national debt, the practice of pegging the price of Government securities, the shift of policy making to the Treasury, the proof that a central bank can control interest rates, changes in the law to facilitate Treasury financing.

9. The search for appropriate peacetime organizations and policies - 1945 to 1954

This should include a contrast between the search which grew out of depression and the search which grew out of inflation. Very important background materials for a consideration of this period would include the continued fear of depression in the midst of inflation, the general demand that all the powers of Government be employed to prevent the recurrence of serious depression, the emerging popularity of fiscal policy as an instrument of economic stabilization, the widespread disillusionment as to the power of monetary policy to deal with unemployment and inflation, the greater tolerance of the public for direct controls as a means of obtaining objectives and its equal willingness to see their abolition at the earliest possible moment, a search for extension of powers to reconcile expanding money supply with control of inflation, support

of the securities market with control of inflation, confusion between flexible control and free market, development of the concepts of controlled markets, free markets, and flexible markets.

FEDERAL RESERVE BANK
OF
PHILADELPHIA

(ZONE I)

November 26, 1954

RECEIVED

NOV 29 1954

COMMITTED ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

Miss Mildred Adams
Research Director
Committee on the History of
the Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Miss Adams:

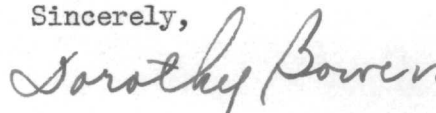
As you requested, I am enclosing an itemized expense account for Mr. Bopp and myself for the Princeton Conference.

I really enjoyed being there and want to thank you for your thoughtfulness and many kindnesses to me.

We arrived at the airport on Monday in plenty of time for Dr. Wood's plane and I understand that it arrived in St. Louis practically on time. He was delighted to see our new airport building and was looking forward to seeing Pittsburgh's even newer terminal, which Mr. Bopp told him was quite a nice one.

If I can be of help in any small way at any time, please let me know.

Sincerely,



Secretary to Mr. Bopp

Encl.

RECEIVED

NOV 23 1954

COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

EXPENSE ACCOUNT

Karl R. Bopp

Out of pocket expenses - dinner on 11/22/54
for D. Bowen and K. R. Bopp \$6.00

Dorothy Bowen

Transportation for K. R. Bopp, Elmer Wood,
and Dorothy Bowen:

219 miles at 6¢ per mile \$13.14

(11/20 - Phila. to Drexel Hill to
Princeton & return to Phila. 7.

11/22 - Phila. to Princeton & return to
International Airport, to
Drexel Hill, to Phila.) 6.

Services of secretary on Saturday, 11/20
(time and a half rate) 26.25 \$39.39

TOTAL \$45.39

November 24, 1954

Dear Dr. Bopp:

I know that I am speaking for the entire Committee when I tell you how very grateful we all are for the skill, knowledge and judgement which you poured so generously into the recent three-day meeting at Princeton. Those of us who enjoyed the benefit of your wisdom on Sunday can only guess at what we missed by not being able to sit in on your expert sessions Saturday and Monday.

In addition to acknowledging the value of the fresh viewpoints which you brought to Committee members, Miss Adams tells me that we also owe you gratitude for the clearer definition and sharper focus which you brought to the research functions in which she is engaged. She would like me to add her thanks to ours.

We will be looking forward with great interest to the second session in January.

Sincerely yours,

Donald Woodward

Dr. Karl Bopp
Vice President
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

October 29, 1954

Dear Dr. Bopp:

As I think you know, Sunday, November 21st, proved to be the most generally possible date for the meeting with you and your confreres Dr. Chandler and Dr. Wood. Details of the plan are as follows:

Date - Sunday, November 21, 1954.

Time - 10 A.M. to 5 P.M. including luncheon.

Place - Princeton Inn, Princeton, New Jersey. (We understand you may prefer to arrive Saturday night and/or stay through Sunday night; you are invited to do so at Committee expense. A small number of single rooms with bath has been reserved and will be held for us until November 13th; if you would like one of these, or any other type of accomodation, we will be glad to take care of it on word from you. If it is easier to make your own arrangements, do feel entirely free to do so.)

Participants - We have had word that most of the Committee expect to attend and will take part in the conference with you three.

Conference arrangements - The meeting itself will be held in a private conference room at the Inn. The Committee has been told that you expect to have for Committee members "a rough resume of points which arose in the 3-man discussion the day before - this to serve as a springboard for questions, answers, opinions. Because Dr. Bopp is very eager that no bit of the Committee's counsel shall be lost, he has asked us to have a stenotypist on hand to record the discussion. This technique obviates the taking of notes with the accompanying dangers of misunderstanding. The stenotype record is solely for the guidance of Dr. Bopp and his group and its use will be limited to that purpose. It should not limit discussion in the slightest."

Costs - Believing this conference to be a vital step in our plans, the Committee will charge itself with all costs, including transportation, lodging when requested, meals, etc. Bills at the Princeton Inn will be rendered direct to me. If you will hand me a statement of your transportation costs, I will see that they are refunded to you.

I hope these arrangements meet with your approval. I am sending you two carbon copies of this letter in case you want to forward them to Dr. Wood and Dr. Chandler.

With high hopes for the 21st,

Cordially yours,

Mildred Adams

Dr. Karl R. Bopp
Vice President
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania

BOPP, Karl R.

May 28, 1954

Dear Dr. Bopp:

When I saw you recently in Philadelphia I promised to send you word when we had heard from the Rockefeller Foundation. You will understand that it is with great pleasure that I can now tell you that the longer term grant has come through and we are now turning our attention to the individual studies of which you and I talked. If you are still beguiled by the idea of doing something about "The Art and Practices of Central Banking", I trust you will let me know.

Very sincerely yours,

Mildred Adams
Research Director

Dr. Karl Bopp
Federal Reserve Bank of Philadelphia
Philadelphia 1, Pennsylvania