

June 30, 1956

Dear Les:

The Committee's final decision, now that Mr. Sproul feels he must resign as Chairman, is that the office and the research activities shall be transferred to Brookings, with the person who heads it up still to be chosen, and a greater degree of administrative responsibility to be conferred on Brookings though the Committee by no means "abdicates."

My own tenure as executive director ends formally on July 30th, but that includes a month's vacation. I shall be sending files to Washington about the middle of the month, and closing the office.

Thanks for your patient tutoring, and best luck with the book--I shall be awaiting it with great impatience. And warm personal greetings always.

Cordially yours,

Mildred Adams

Professor Lester V. Chandler  
Department of Economics and  
Social Institutions  
Princeton University  
Princeton, New Jersey

JHW:km

May 24, 1956

Dear Les:

In talking today with Miss Mildred Maroney, Treasurer of the Brookings Institution, about our budget, I find her eager to have an accounting from you by early July of monies you have spent in connection with the Strong biography. She says the last accounting was in July, 1955, and she would like a record from then until the end of June. If you can get it to her in early July, she can both reimburse you and present the account properly on the Brookings books.

I told her that I would write you and give you this message.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler, Chairman  
Department of Economics & Sociology  
Princeton University  
Princeton, New Jersey

May 3, 1956

Dear Les:

In making inventory of the material in the office, I remembered that you had had over here certain papers which were borrowed from Benjamin Strong Jr. Did they go back? And is there anything else which you would like us to return to its place of origin? We are in a stage of neatening up.

Cordially yours,

Mildred Adams

Dr. Lester Chandler, Chairman  
Department of Economics & Sociology  
Princeton University  
Princeton, New Jersey

March 1, 1956

Dear Les:

Thanks for your note of the 28th. I will be at your office at 10:30 on Tuesday, March 6th.

I have promised to see Stewart at 11:30, so that this does not give us too much time, but, not having to clear away background, I think we can cover a good deal of ground in a short time.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler, Chairman  
Department of Economics and Sociology  
Princeton University  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

**RECEIVED**

*Department of Economics and Sociology*

February 28, 1956

MAR 1 1956

COMMITTEE ON THE HISTORY  
OF THE  
FEDERAL RESERVE SYSTEM

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

My dear Mildred:

I shall be very happy to see you on Tuesday, March 6th, although there are a few complications. I have a class until 10:30 that morning and in the afternoon a seminar that runs from 2:00 to 5:00. It appears that about the only time that might be convenient for both of us would be from 10:30 until about noon. I hope this will be acceptable to you.

Sincerely yours,



Lester V. Chandler

Chairman of the Department

LVC:hhc

February 27, 1956

Dear Les:

I'm coming to Princeton on Tuesday, March 6th, to see Dr. Stewart at lunch, and I would like to talk with you on one or two matters if you have a free moment that day. I shall be there the night before, staying with a friend, so that before 11 a.m. or after 2:30 p.m. would probably be best for me. Will you let me know which suits your convenience?

Among other matters, I'd like to talk with you about Bray Hammond whose manuscript you read. Dr. Calkins wants to read galleys of it if he can - I told him I was sure it could be arranged. So far as I can find, Hammond is the only real historian whom the System has spawned, but he still faces a most singular distrust of his historical ability. The acceptance of his book has dented this distrust, but not destroyed it, so that he has not yet been commissioned as a monograph writer. It is a strange business.

Until Tuesday.

Hopefully,

Mildred Adams

Dr. Lester V. Chandler, Chairman  
Department of Economics and Sociology  
Princeton University  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

*Department of Economics and Sociology*

January 27, 1956

**RECEIVED**

**JAN 30 1956**

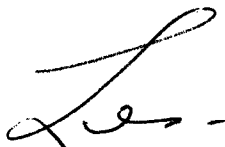
**COMMITTEE ON THE HISTORY  
OF THE  
FEDERAL RESERVE SYSTEM**

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

Dear Mildred:

Sorry I can't report more than three chapters. In fact, the third chapter is not yet completed, though it is well on the way. As usual, the first sections are the slowest-going. I hope they will not feel that my progress is overly slow. From now on the writing will be somewhat easier.

Best regards.

  
Lester V. Chandler

LVC:J

January 25, 1956

Dear Les:

I hate to keep pestering you about progress on the Strong book, but on the other hand, I don't want to under-state. The Committee meeting of February 4th at Princeton will be informed that you have three chapters done. If more should be reported, do let me know. If not, don't bother to reply.

Hastily,

Mildred Adams

Dr. Lester V. Chandler, Chairman  
Department of Economics and Sociology  
Princeton University  
Princeton, New Jersey

December 8, 1955

Dear Les:

Dr. Bopp will be glad to talk with us on the 15th and suggests that we come in for lunch at 12:30. I have told him that I would be there with cheers, and following our telephone conversation, I assume that you will be there also.

Best as always,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

August 3, 1955



Department of Economics and Sociology

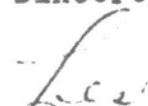
Dr. Robert Calkins  
The Brookings Institution  
722 Jackson Place, N. W.  
Washington, D. C.

Dear Bob:

Enclosed is a report on the Strong biography project, covering the period up to August 1. I hope the report is adequate. If it is lacking in any respect, please let me know.

With best regards,

Sincerely yours,



Lester V. Chandler

LVC:hhc

Progress Report on the Benjamin Strong Biography, July 31, 1955.

By Lester V. Chandler

My progress on this project has been quite gratifying to me. This is in large part owing to the excellent cooperation that I have received from Miss Mildred Adams and her staff, the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System, Benjamin Strong, Jr., and the various people who have given generously of their time for interviews.

From early September 1954 until the end of January of this year, I averaged a little more than one day a week in New York and worked another day each week on the project in Princeton. During February, March, April, and the early part of May, I averaged more than four days a week in New York and another day each week in Princeton. During the latter part of May I divided my time on the project more evenly between New York and Princeton. After a two-week vacation in early June, I have worked largely in Washington and Princeton.

During this period I have consulted at length the following sources:

1. The files of the Federal Reserve Bank of New York.

The "personal" files of Benjamin Strong were found to be both voluminous and highly valuable. Few men have left a richer or more enlightening collection of letters and memoranda. The other records of the Bank, all made available to me, also proved to be highly valuable.

2. The personal papers of Benjamin Strong, now in the possession of Benjamin Strong, Jr.

Mr. Strong, who has been most cooperative, gave me free access to these papers. They have been quite useful in throwing light on Benjamin Strong's experiences from the late 1890's until he became Governor of the Reserve Bank in 1914.

3. The personal papers of Fred I. Kent, now located at Princeton University.

A few of these papers indicate Strong's knowledge of international finance before 1914, and Mr. Kent's role in educating Strong in this field.

4. The files of the Board of Governors of the Federal Reserve System.

Though my search of these files is not yet completed, my experience to date indicates that I shall not find much that is new relating directly to Strong. This is because the New York files contain so many things that duplicate those in Washington. However, the Washington files are an invaluable source of background materials for the biography, and they throw much light on the attitudes of others toward Strong and his ideas and actions.

5. Interviews

These have been highly useful. To date I have interviewed the following men:

Walter Stewart  
 Jay Crane  
 Leslie Rounds  
 Russell Leffingwell  
 Harold Roelse  
 Benjamin Strong, Jr.  
 Philip Strong  
 W. Randolph Burgess  
 Ray Gidney  
 Jan Ciechanowski  
 J. Herbert Case  
 Owen D. Young

6. Government documents, official papers, books, pamphlets, newspapers, periodicals, etc.

Though I have already studied and noted large numbers of these sources, I have not yet completed my searches in these areas.

My present forecast is that I shall finish the bulk of my research by October of this year, and that I shall start writing at that time. Further information on some subjects or periods will undoubtedly be necessary, but I shall gather it as I proceed with the writing.

My enthusiasm for this project grows as I proceed. This is partly because of the richness of Strong's experience, partly because of the unexpected wealth of available materials. I am very hopeful that the results of this study will be both interesting and significant.

Following is a financial report for the period ending July 31, 1955. Expenses to date have been smaller than I anticipated, partly because I decided to go through all the basic materials myself rather than employ a research assistant.

Benjamin Strong Biography Financial Report,  
September 1954 through July 30, 1955.

EXPENDITURES TO:

Rosemary N. Worley for secretarial work at [REDACTED] per hour	\$ 790.21
U.S. Internal Revenue Service for social security taxes	32.25
Brookings Institution for dictabelts	20.00
Lester V. Chandler for reimbursement of expenses for:	
1. Transportation	
3 monthly commuter tickets to New York at \$33	99.00
33 trips to New York at \$4.55	150.15
* 3 trips to Washington at \$16	48.00
** 2. Subsistence - 10 days in Washington at \$10	100.00
3. Stationery and supplies	16.07
*** 4. Dictaphone rental - 6 months at \$20	<u>120.00</u>
Total	<u>\$ 1,375.68</u>

\* Several trips to Washington during which I worked on the Strong project were not charged to this project. This was because I also worked on other things and charged the trip to other agencies.

\*\* I have charged subsistence for only those days when I stayed at a hotel, rather than with my relatives.

\*\*\* Explanation: Needing a Dictaphone and finding that rental of the equipment is \$40 a month, I bought new machines on my own account and am charging the above amount, and only that, against the Strong project.

**Reconciliation:**

Received from the Brookings Institution		\$ 3,000.00
Expenditures	\$ 1,375.68	
*Balance on July 28, 1955	<u>1,624.36</u>	
Total	\$ <u>3,000.04</u>	

\* See attached bank statement. I cannot explain the four-cent difference. There are no outstanding checks or unpaid bills.

The Strong Project,  
 Lester V. Chandler,  
 214 Western Way,  
 Princeton, New Jersey.

**PRINCETON BANK AND TRUST COMPANY**

PRINCETON, NEW JERSEY

CHECKS	DEPOSITS	DATE	NO. OF CHECKS PAID	BALANCE
AMOUNT BROUGHT FORWARD		JUN 30 '55		2,083.42
445.90-		JUL 26 '55	1	1,634.52 *
10.16-		JUL 28 '55	2	1,624.36 *

PLEASE RECONCILE THIS STATEMENT PROMPTLY  
 (FORM PROVIDED ON REVERSE SIDE)

SHOULD YOUR RECORDS BE AT A VARIANCE WITH THIS STATEMENT, REPORT SAME TO ONE OF  
 OUR OFFICERS WITHIN TEN DAYS. ALL CHECKS DEPOSITED ARE CREDITED SUBJECT TO FINAL  
 PAYMENT. CHANGE OF ADDRESS SHOULD BE RECORDED WITH US IMMEDIATELY.

YOUR BALANCE  
 IS THE LAST AMOUNT  
 PRINTED IN THIS  
 COLUMN



EXPLANATION OF CHARACTERS

LST--TOTAL AS PER LIST

SC--SERVICE CHARGE

FEDERAL RESERVE BANK  
OF NEW YORK  
S R T

COPY OF TELEGRAM

SEND TO FILES

Committee on History of  
SENT BY the Federal Reserve System

2

---

TO: Dr. Lester Chandler  
c/o Hay Adams House  
Washington, D. C.

Am seeing Owen D. Young and Herbert Case in Van Hornesville tomorrow  
Thursday and Friday STOP If you want specific questions asked please wire  
or phone me Hotel DeWitt Clinton Albany tonight between 10 and 11 p.m.

Mildred Adams

**WIRE TRANSFER DIVISION**

**JUL 27 2 32 PM '55**

**FEDERAL RESERVE BANK  
OF NEW YORK**

July 6 1955

Dear Les:

A detail about Strong and McAdoo came up at a small luncheon today which Mr. Sproul gave for Samuel Reyburn. You may know about it, but if not, it may be useful.

According to Reyburn, who was a director of the New York Fed from 1925 to 1933, Strong and McAdoo first met when the latter was trying to find financing for the tubes under the Hudson, now called the Hudson and Manhattan Railroad. That whole affair is hazy in my mind, but it apparently had some aura of unsavory promotion around it, as well as including what were then considerable engineering feats. Mr. Reyburn hastily denied any approval of McAdoo by Strong, but said that the latter recognized the former as an able man.

Whether the Bankers' Trust participated in the financing, with Strong as the active agent, I don't know. Nor do I know who advised whom. Anyhow, according to Reyburn, the two men already knew each other when McAdoo went to the Treasury and Strong to the Bank.

Reyburn, aged 83, a retired banker, merchandising expert (head of Lord and Taylor for years) and financier, is spending the summer with his daughter, Mrs. Frederick Abbott, on Cherry Street, Katonah, New York. If you want to question him about Strong and Harrison, I'm sure he'd love to talk.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

RECEIVED

Department of Economics and Sociology

JUL 12 1955

COMMITTEE ON THE HISTORY  
OF THE  
FEDERAL RESERVE SYSTEM

July 9, 1955

Dear Mildred

Thanks for the letters about Reyburn and about the contract with Brookings. I had remembered the Brookings report and I am glad to have Reyburn called to my attention.

To date there has been little success in securing an interview with young and Harrison. My letter to young, over a week ago, has not been answered as yet; if I do not receive a reply within a week I shall try again, I shall try for an interview with Harrison week after next. Getting to Appville is not easy. Success in other directions has been greater. Had a long talk with Philip Strong and his wife (the second, I believe). This Strong is breezy, informal, gossipy, and probably not strong. Brother Ben would probably shudder at the propensity of Phil to talk about his father's intimate affairs. Phil is arranging for interviews with Daisy Harriman, the former Mrs. J.F. Curtis, and several of the old members of 1718 H. The Board of Governors has been most cooperative; all material there is at my command. Up to this time it has not been very useful, though it has

confirmed a number of earlier guesses. For example, Mellon rarely attended Board meetings, but he was always - or almost always - present when international stabilization credits were on the agenda and always voted for Strong's proposals!

My plans for the immediate future are to see Young and Harrison as soon as possible and to finish the Washington materials. I shall call or come to see you again within a few weeks.

Cordially,  
Les Chandler

July 12, 1955

Dear Les:

Thanks for your note of the 9th. I wonder if Owen Young is ill or without a secretary. Philip Young, his son, who is head of the Civil Service Commission in Washington, might know.

About the Mellon - Strong relations, Mr. Burgess told me some time ago that Charles S. Dewey, who was Assistant Secretary of the Treasury in charge of fiscal affairs from 1924 to 1927, had ideas on this subject and would talk. According to Who's Who, Mr. Dewey lives at 2339 Massachusetts Avenue, Washington. I think it would be fair to use Mr. Burgess' name if you want to try that source.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

June 30, 1955

Dear Dr. Chandler:

We have just had a letter from Brookings in regard to certain financial details which contains a paragraph of possible interest to you. Miss Maroney, who is the Brookings treasurer, says, "In the case of the Chandler contract, we are distinguishing on our books between the amounts paid as personal compensation and the amounts advanced for expenses. Pro tem, we are reporting only the former and are holding the latter subject to his accounting. As you will recall, I advised him to that effect months ago, and his first account will be due for the period ending June 30, 1955. (Any time this summer will do for his report.) I have not met Dr. Chandler but can imagine that there will be no trouble in this case; he is undoubtedly familiar with the tax aspects."

You may already have taken care of this. If not, it may be useful as a reminder.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

June 7, 1955

Dear Dr. Chandler:

My calendar says that George Harrison might be available in New York after the 10th of June, and Owen Young in Van Hornesville after the 15th. You talked about wanting to see both of them.

Mrs. Singer will show you what correspondence we have on them if you want to see it. George Harrison knows you will be wanting to see him. Mr. Young knows I have been hoping to come up.

I shall be back here the 20th surely, perhaps the 16th, but I've made no advance dates with either man, so the coast is clear for you.

Cordially,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

May 23, 1955

Dear Les:

I understand from this office that you are not reachable for most of this week, and therefore I am putting on paper the substance of a conversation with Walter Stewart on Thursday of last week, May 19th. He sent you messages by me which you will want to know about.

I told him that you had said you were rather reaching the point of diminishing returns on the Strong papers. He said he was not surprised, and he suggested that it might be wise to think about taking time off from reading and making appointments with the few contemporaries of Mr. Strong who are left.

He said he would start on a series of interviews with Mr. Case, Mr. Harrison and Owen Young. He did not mention Leffingwell for the reason, I think, that he was thinking in terms of close associates in the New York Bank.

He said that in his mind these men are "disappearing assets" and far more important than another series of related papers. He urged that no grass grow under feet on this.

He also said he had told you that it might be possible for him to drive up with you when you go to Van Hornesville to see Mr. Young. It would, of course, be a wonderful plan, and if that could be done, I would withdraw my earlier suggestion that you and I go together and would try myself to see Mr. Young at another time during the summer. This on the ground that what you might get with Walter Stewart present might be of far greater value by way of ability to recall and to reminisce than anything which I could evoke by a more formal outline of interview.

In the meantime you may, of course, have talked to Walter about this, but in any event, here is the message as given to me.

When I had lunch with Shepard Morgan today, I told him again about your working on the Strong papers, and he said he would be very interested in talking with you. He came into the New York Federal Reserve Bank about 1918 or 1919 and stayed here with a short absence until 1924. Thus, he knew Strong in the early days of this Bank. He was himself working under Pierre Jay who seems to have been responsible for starting the research function here, but he also had contact with Strong. He himself went on to help in the founding of the B.I.S.

He comes to New York about twice a month from his house in Connecticut where he spends the summer. He will be here the 6th of June and the 28th of June. If you have time so that we can make an appointment for one of those days, I think this might serve you very well.

I do hope you are feeling better. Mrs. Singer says you are going to be in Washington part of this week, so I assume that the doctor had no alarming report to make.

Cordially yours,

Mildred Adams

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

May 9, 1955

Memorandum

TO: Dr. Lester Chandler

FROM: Mildred Adams

William Edel, whose letter is attached, is a graduate student at the University of Virginia, who worked under Dr. Kincaid last summer on the Glass papers. If you know of any project in economic research needing a precise and rather naive graduate student, I would be glad to know about it. He needs a more demanding overseer than was Dr. Kincaid, and he also needs to get out into wider fields than offered at the University of Virginia.

We have no obligations of any kind toward him, but somehow one always passes on these letters from the young.

March 31, 1955

Dear Dr. Chandler:

Miss Adams has asked me to tell you that this office is in the process of revising the transcript of the conference at Princeton on January 29th. We have already received corrections from two participants, and we wish to add any further corrections you may suggest. Will you therefore let us know before Monday, April 11th, of any changes you wish made.

In the event you have no corrections, it would be most helpful for us to receive a note to that effect.

Very sincerely yours,

Ellen Singer  
Research Assistant

Dr. Lester V. Chandler  
214 Western Way  
Princeton, New Jersey

MEMORANDUM

TO: Dr. Lester Chandler

FROM: Mildred Adams

DATE: March 17, 1955

I find in my notes that the typed sheets of the Hamlin diaries are composed of excerpts concerning the System which run from 1913 to March, 1929, with the exception of a portion for which no carbons were made.

So far as I am aware, the only way to get the complete material is to go to the Library of Congress where the full set of the diaries is kept. On the other hand, the Manuscript Division is very friendly to us, and it will do no harm to ask if we might borrow certain volumes if you would like to read them here. This may be against their rules, but I will be glad to ask, if this will help.

MA:ib

MEMORANDUM

TO: Dr. Lester Chandler

FROM: Mildred Adams

DATE: March 17, 1955

The Directors' Minutes of the New York Bank are in the charge of the Secretary, Arthur Willis, who tells me that they are under such wraps as not to be released even to senior officers. Mr. Sproul can overrule this, but Mr. Willis suggests that before going to Mr. Sproul, it might be useful if you would talk with him, Mr. Willis, and tell him something about what you are looking for. He warns that the directors' meetings are very dry, being merely records of action, with no points of discussion kept in them.

I told him that rather than act as go-between, I would suggest that you call him when you come in tomorrow afternoon, and either go to see him, or he will come to see you. He said he would be very glad to talk with you about this.

MA:IB

MEMORANDUM

TO: Dr. Lester Chandler

March 3, 1955

FROM: Mildred Adams

When I was in Washington this week talking with Walter Stewart, he gave me one detail which he may have given you, but which you should surely have.

In talking of how interested he is in your book on Strong, he said that Owen Young should certainly not be neglected. It was, says Stewart, Owen Young whom Strong called when he went off to the hospital for the last time, and when the doctors told him that he was a very sick man and time was running out, it was Owen Young to whom he dictated what was, in a manner of speaking, his last will and testament concerning the Federal Reserve Bank.

I have been trying to see Young for about a year on general things, but this makes it sound as though there was at least this one specific thing which ought to be found out. He is in Florida at the present time and gets back to Van Hornesville about the first of May. Last year his wife's mother was very ill, and he did not come up early. He promised to let us know when he was returning but failed to, and for that reason we missed out on him until it was time for him to go back to Florida. He knows about this project, is entirely friendly, and unless you think it worthwhile to make a special trip to Florida now, I think there is no reason to assume that he would not be glad to be interviewed when he comes back. We have had considerable correspondence with him, but none of it except on the business of where he was when.

MA:ib

Memorandum

February 24, 1955

TO: Dr. Lester Chandler

FROM: Mildred Adams

In going through my memorandum of conversation with Mr. Jay Crane, I find that he is said to have gone abroad for the first time in 1922 or 1925. There seems to be some doubt about these dates, but they can easily be checked. He went to study the gold markets and how they operated and how the central banks functioned in regard to the gold market. He visited London, Paris, Berlin, Berne (which was the center of Swiss National Bank operations in gold) and Amsterdam.

These two memoranda of conversations with Mr. Crane may serve your purpose. I think there are errors in them, and the material has not been checked, but they might be suggestive.

February 11, 1955

Dear Dr. Chandler:

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. Lester Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

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

FEDERAL RESERVE BANK  
OF NEW YORK  
S R T

COPY OF TELEGRAM

SEND TO FILES

Committee on History of  
Federal Reserve System  
SENT BY

Jan. 27, 1955

2

TO: Dr. Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

AND

Dr. Elmer Wood  
School of Business and Public  
Administration  
University of Missouri  
Columbia, Missouri

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

FEDERAL RESERVE BANK  
OF NEW YORK

1955 JAN 27 AM 11 54

WIRE TRANSFER DIVISION

SEND BY

FEDERAL RESERVE BANK  
OF NEW YORK

COPY OF TELEGRAM

SEND TO FILES

December 1, 1954

Dear Lester:

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.

Hastily yours,

Mildred Adams

Dr. Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

December 14, 1954

Dear Les:

This is to verify in greater detail the telegram I sent you this morning saying that the meeting scheduled for Princeton on January 8th had been postponed. What happened was that both Mr. Sproul and Mr. Woodward were incapacitated and unable to attend the Executive meeting scheduled for December 14th. That meant postponement of the Executive Committee meeting until after Christmas, which crowded the January 8th meeting too close for anyone's comfort.

It is now being suggested that the second meeting of the Committee with its consultants be set for Saturday, January 29th, which would mean that you would want to plan to confer with Dr. Bopp and Dr. Wood a day or so ahead. Would you let me know at your earliest convenience whether January 29th is possible for you? We do hope so.

The best of the season's greetings to you and your wife. I hope the weather is kind.

Cordially yours,

Mildred Adams

Dr. Lester Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

December 9, 1954

Dear Les:

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 you 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. Lester Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

*Department of Economics and Social Institutions*

December 2, 1954

**RECEIVED**

DEC 6 1954

Miss Mildred Adams  
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:

Thanks for the copy of the stenotype record of the Princeton meeting. Owing to the necessity of going to Washington, I shall not have a chance to look at it before next Tuesday. But it will then receive my close scrutiny.

I hope you certainly will feel free to make suggestions for additions to, or deletions from, the rough draft of the document that we drew up. The existing edition of that document was never meant to be considered as anything more than a point of departure.

I shall look forward to seeing you again in New York on December 13.

Sincerely yours,



Lester V. Chandler

LVC:rnw

November 24, 1954

Dear Dr. Chandler:

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. Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

*Department of Economics and Social Institutions*


November 4, 1954

Miss Mildred Adams  
Committee on the History of the Federal Reserve  
System  
Federal Reserve Bank of New York  
New York, New York

Dear Miss Adams:

This is just a brief note to let you know that I cannot be in New York on Monday, November 8. The reason is a total of 110 midterm examinations which can't wait to be graded. I shall come in the following Monday and see you in Princeton on the week end after that.

Sincerely,



Lester V. Chandler

LVC:rnw

Committee on the History of the Federal Reserve System

October 13, 1954

Dear Dr. Chandler:

Miss Adams asked me to tell you that Mrs. Katherine Converse Strong, widow of Benjamin Strong, died in 1936. As you know, she was his second wife.

We look forward to seeing you next Monday.

Sincerely,

Research Assistant

Dr. Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

C  
O  
P  
M

THE BROOKINGS INSTITUTION

September 30, 1954

Mr. Donald B. Woodward  
122 E. 42nd St.  
New York 17, N.Y.

Dear Mr. Woodward:

The copy of my September 24 letter to Professor Chandler (enclosed herewith) was mailed to you earlier, but I inadvertently addressed the envelope to 122 E. 66th St., which is Mrs. Brookings' address when in New York. I hope I have it right this time.

The purpose of my somewhat involved explanations to Dr. Chandler was an attempt to prevent the kind of confusion which has developed in the case of Dr. Kincaid's contract. I find that these things are harder to straighten out if people don't know what their responsibilities are until after they have spent the money.

Personally, I would much prefer when possible to take salaried people or wage earners on our own payroll, where we can meet employer tax responsibilities in the course of our normal routines. And I would extend this preference to many people who are working for principals under so-called "contractual arrangement." (In the end, burden of proof of contractual character will rest on us, I believe.)

But Dr. Calkins seems to have a preference for shifting these responsibilities, particularly in the Kincaid case. So I will help Dr. Kincaid as much as I can consistently with the principle of non-acceptance of responsibility.

Perhaps I shall see you this autumn.

Yours sincerely,

s/ Mildred Maroney  
Treasurer

C  
O  
P  
Y

THE BROOKINGS INSTITUTION

September 24, 1954

Professor Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

Dear Sir:

We are enclosing herewith the first advance of \$1,000 toward your expenses for assistants and secretarial help as provided for under Item 3 of an agreement approved by Dr. Calkins for the Institution and the Committee on the History of the Federal Reserve System on September 14, 1954 and by yourself on September 16, 1954.

In this connection, I believe you should be informed that in my opinion the payments to you under this section of the agreement constitute reimbursement for wages and salaries of persons who are not employees of the Institution or of the Committee on the History of the Federal Reserve System, and that you are the employer in these cases. (We shall be obliged to report these payments in our annual information return of payments to individuals not subject to withholdings, and you would be entitled to adjust your own gross income received for your expenses.)

Therefore, in my opinion, you should anticipate the responsibility of making withholdings of income and social security tax as required of employers by law, and of paying the additional tax as employer under the Federal Insurance Contributions Act (OASI). The latter item may of course be included among your expenses under the contract.

The regulations governing withholding, payment, and reporting of taxes withheld are fairly complex, and I have devoted considerable thought to the possibility of exemption from such requirements in cases of these research contracts. In the case of persons who are employed by the Institution and compensated through our own payroll, there are no exemptions for withholding of income tax but there are exemptions for OASI if the employee earns less than \$50 in a calendar quarter. (These are regulations applicable to non-profit institutions, which would not in my opinion apply to you as the employer.)

As I interpret the regulations, the only possibility of exemption for you would be for "service not in the course of the employer's trade or business (other than a farm operated for profit)," in which cases withholdings both of income tax and payroll tax are required only if \$50 or more is earned in a quarter and employee works on 24 or more different days in that quarter or 24 or more days in the preceding quarter." I am not in a position to judge whether or not this provision would be applicable to you.

As suggested, the foregoing represents only my opinion. In doubtful cases, it is customary to seek a special ruling which you may do by consulting your District Director of Internal Revenue.

Otherwise (if you concur with my interpretation), you would be assisted in your paper work by obtaining the following materials from your District Director of Internal Revenue:

Circular E Revised January 1954 Employer's Tax Guide  
Form 941 Employer's Quarterly Return  
Form W-4 Employee's Exemption Certificate  
Form W-2 Employee's Statement of Withholdings  
Form SS-4 Employer's Application for Social Security Number  
Form SS-5 Employee's Application for Social Security Number

(Stating number of employees you expect to have.)

I regret exceedingly the involved character of this explanation, but feel it should be made at this time in order to head off possible complications later.

If there is any way in which we can help you further with these matters, please feel free to call on me or on Mr. Sheldon B. Akers, the Executive Manager.

Yours sincerely,

s/ Mildred Maroney  
Treasurer

September 24, 1954

Professor Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

Dear Sir:

We are enclosing herewith the first advance of \$1,000 toward your expenses for assistants and secretarial help as provided for under Item 3 of an agreement approved by Dr. Calkins for the Institution and the Committee on the History of the Federal Reserve System on September 14, 1954 and by yourself on September 16, 1954.

In this connection, I believe you should be informed that in my opinion the payments to you under this section of the agreement constitute reimbursement for wages and salaries of persons who are not employees of the Institution or of the Committee on the History of the Federal Reserve System, and that you are the employer in these cases. (We shall be obliged to report these payments in our annual information return of payments to individuals not subject to withholdings, and you would be entitled to adjust your own gross income received for your expenses.)

Therefore, in my opinion, you should anticipate the responsibility of making withholdings of income and social security tax as required of employers by law, and of paying the additional tax as employer under the Federal Insurance Contributions Act (OASI). The latter item may of course be included among your expenses under the contract.

The regulations governing withholding, payment, and reporting of taxes withheld are fairly complex, and I have devoted considerable thought to the possibility of exemption from such requirements in cases of these research contracts. In the case of persons who are employed by the Institution and compensated through our own payroll, there are no exemptions for withholding of income tax but there are exemptions for OASI if the employee earns less than \$50 in a calendar quarter. (These are regulations applicable to non-profit institutions, which would not in my opinion apply to you as the employer.)

As I interpret the regulations, the only possibility of exemption for you would be for "service not in the course of the employer's trade or business (other than a farm operated for profit)," in which cases withholdings both of income tax and payroll tax are required "only if \$50 or

more is earned in a quarter and employee works on 24 or more different days in that quarter or 24 or more days in the preceding quarter." I am not in a position to judge whether or not this provision would be applicable to you.

As suggested, the foregoing represents only my opinion. In doubtful cases, it is customary to seek a special ruling which you may do by consulting your District Director of Internal Revenue.

Otherwise (if you concur with my interpretation), you would be assisted in your paper work by obtaining the following materials from your District Director of Internal Revenue:

Circular E Revised January 1954 Employer's Tax Guide  
Form 941 Employer's Quarterly Return  
Form W-4 Employee's Exemption Certificate  
Form W-2 Employee's Statement of Withholdings  
Form SS-4 Employer's Application for Social Security Number  
Form SS-5 Employee's Application for Social Security Number

(Stating number of employees you expect to have.)

I regret exceedingly the involved character of this explanation, but feel it should be made at this time in order to head off possible complications later.

If there is any way in which we can help you further with these matters, please feel free to call on me or on Mr. Sheldon B. Akers, the Executive Manager.

Yours sincerely,

*Mildred Manning*

Treasurer

Enclosure

September 22, 1954

Dear Dr. Chandler:

Miss Adams asked me to tell you that she wrote Benjamin Strong after talking with you last week. She has just received a letter from him in which he says, "I am, of course, greatly interested in this program and am particularly pleased to learn of Professor Chandler's project. I will look forward to hearing from him and will make available to him all the material I have at my disposal." Mr. Strong's address is: United States Trust Company of New York, 45 Wall Street, New York 5, N.Y.

We await your coming next week with a mixture of pleasure and trepidation.

Sincerely,

Research Assistant

Dr. Lester Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

# The Brookings Institution

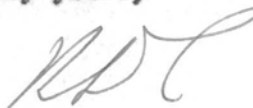
Washington 6, D. C.

September 22, 1954

Dear Don:

I have Lester Chandler's approval of the agreement which we sent him on September 14. He indicates that he has already begun work on the study. He is entirely satisfied with the arrangements specified in the agreement. I shall keep the original signed copy of the agreement here on file at Brookings.

Sincerely yours,



President

Mr. Donald B. Woodward  
Vick Chemical Company  
122 East 42nd Street  
New York 17, New York

cc: Miss Mildred Adams ✓

September 16, 1954

Dear Mr. Strong:

When I had the pleasure of talking with you last spring about the work and the hopes of this Committee we were still in what we called the pilot phase. Since then we have had such luck in the finding of new material and the probing of memories that the Rockefeller Foundation decided to give us the five-year grant we needed for further work.

One of the first items on our program is that much-needed book about your famous father which was only a goal to be held to when you and I talked. In the course of spring conversations we found that Professor Lester Chandler of Princeton University, whom I think you know, had long wanted to write under the title "Benjamin Strong - Central Banker". As soon as the long-term grant became available we moved to see what we could do to help make this volume possible. The Committee counts itself fortunate to be able to aid so brilliant a monetary economist, a distinguished young member of the faculty of your father's college, in this undertaking. We hope you will be as pleased as we are.

Professor Chandler, who has just returned from a summer in Europe, came in yesterday to discuss working plans. He will, of course, be studying all your father's papers that can be made available. I have taken the liberty of telling him that I am sure, from our conversation last spring, that he can count on your interested cooperation. He intends to get in touch with you in the near future.

With high hopes for a fine volume, I am

Very sincerely yours,

Mildred Adams  
Research Director

Mr. Benjamin Strong  
President  
United States Trust Company  
45 Wall Street  
New York 15, New York

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
33 Liberty Street, New York 45, New York

September 16, 1954

Dear Don:

As I told you over the phone, Lester Chandler came in yesterday afternoon and in the process of a long discussion mentioned the fact that there were two or three details which might have to be changed.

The principal thing which seemed to concern him was paragraph 6 which sets forth the Brookings system of passing on publications. He did not think that would pass Sproul's eye in view of a paragraph which Sproul had on the same day sent me.

The thing which is now coming up is the matter of how much control a bank or the Board will feel it must try to exercise and how far that control can be squared with the Brookings attitude and the Committee desires. This is, of course, not a new problem. We have known it would confront us and for that reason this particular moment becomes in a quiet way a test case.

Chandler's attitude is that the imponderables are so important that they can only be handled (a) by a precise and lengthy legal defining, or (b) by generalities and good faith. He would prefer the latter and I must say that I sympathize with him with my fingers crossed.

The problem is to find the general phrase. This may take time, but it will not hold up Chandler's work. He plans to come in to read Strong papers every Monday beginning September 27th. I took him yesterday to see Mr. Roelse who is providing him desk space. Other details will be worked out.

If there are further developments in this, I will report them to you on Tuesday.

Best as always,

Miláred Adams

Enc.

P.S. I am returning your copy of the agreement.

Mr. Donald B. Woodward  
205 West 54th Street  
New York, New York

c.c. Mr. Donald B. Woodward  
Vick Chemical Company  
122 East 42nd Street  
New York 17, New York

C O P Y

Letter from Mr. Allan Sproul, September 10, 1954.

"Second, I have your letter of September 8th about Lester Chandler's desire to get started on his study of "Benjamin Strong, Central Banker". I am sure that Mr. Roelse will be able to find desk space for him without invading your quarters and I will give the necessary instructions so that he may have access to the Strong collection and relevant papers in the bank's files. It will have to be understood, of course, that while we shall make these materials accessible to Professor Chandler for reading and study at the bank, we shall also have to reserve the right to review whatever public use he wishes to make of the information obtained from them. This is in no way an attempt to act the part of censor with respect to views, ideas or interpretations, but solely as a protection against the disclosure of confidential information concerning this bank, foreign central banks, the United States Treasury or others, which we would not wish to or would have no right to make public. I shall be glad to see Professor Chandler on Wednesday afternoon, September 15, at 3:30 o'clock if that is convenient for him."

**TRUSTEES**

WILLIAM R. BIGGS, *Chairman*  
HUNTINGTON GILCHRIST, *Vice Chairman*  
ARTHUR STANTON ADAMS  
DANIEL W. BELL  
ROBERT D. CALKINS  
LEONARD CARMICHAEL  
WILFRED L. GOODWYN, JR.  
JOHN W. HANES  
LEWIS WEBSTER JONES  
JOHN E. LOCKWOOD  
LEVERETT LYON  
ROBERT BROOKINGS SMITH  
LAURENCE F. WHITTEMORE  
DONALD B. WOODWARD

**The Brookings Institution**

**Washington 6, D. C.**

**722 JACKSON PLACE, N. W.**

**September 14, 1954**

**HONORARY TRUSTEES**

ROBERT PERKINS BASS  
MRS. ROBERT S. BROOKINGS  
JOHN LEE PRATT  
HARRY BROOKINGS WALLACE

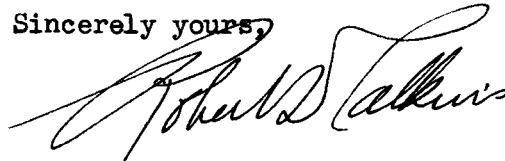
**OFFICERS**

ROBERT D. CALKINS  
*President*  
MILDRED MARONEY  
*Treasurer*  
ELIZABETH H. WILSON  
*Secretary*  
SHELDON B. AKERS  
*Executive Manager*

Dear Miss Adams:

I am enclosing herewith a copy of the agreement with Mr. Chandler. This is being sent today for his approval. I hope it meets with your approval. I submitted the draft to Walter Stewart and Randy Burgess today, who lunched here. They o.k.'d my sending it in this form.

Sincerely yours,



President

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

Enclosure

# The Brookings Institution

Washington 6, D. C.

September 14, 1954

Professor Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

Dear Les:

This letter sets forth the terms of the agreement between the Brookings Institution, acting for the Committee on the History of the Federal Reserve System and itself jointly, and you, who, as parties, agree:

1. That you will undertake the preparation of a biographical volume on Benjamin Strong - Central Banker, and complete this study substantially as outlined in your memorandum of May 18, 1954.
2. That you will complete the study within the next three years - July 1, 1954 to June 30, 1957, and that you will actually start work on the volume in September 1954.
3. That the Committee will underwrite expenses as outlined in your memorandum of May 18, 1954 up to a total of \$7,000. The secretarial and other assistants employed for the study will be engaged by you. The Institution will pay over to you in advance the funds for these expenses so that you may make payments as the circumstances require. Pursuant to this provision, the Institution will pay over to you for expenses \$3,000 in the fiscal year 1954-55, \$3,000 in the fiscal year 1955-56, and \$1,000 in the fiscal year 1956-57. These payments for expenses will be made in advance as the work proceeds: \$1,000 on September 20, 1954; and subsequent payments of \$1,000 each on January 1, May 1, and September 1 of each year until the full \$7,000 has been paid. Unexpended balances of these funds for expenses on June 30, 1957 will revert to the Institution and the Committee.

4. That the Committee will pay you as compensation for this work the sum of \$5,000. The Institution will pay this sum as the work proceeds in installments - \$1,500 on June 1, 1955; \$1,000 on December 1, 1955, June 1, 1956, December 1, 1956; and \$500.00 on March 1, 1957.
5. With respect to publication, the Committee will defer publication arrangements until the feasibility of publishing the entire series of proposed studies in a single series by a commercial publisher, a university press, or the Brookings Institution has been explored. As soon as the Committee's publishing plans are settled, the publishing arrangements with you will be worked out in detail. Meanwhile, the Committee agrees to publish the volume, or, if it does not elect to publish the volume itself, it will allow you to arrange for publication on your own responsibility. In the latter event, the Committee will subsidize publication up to \$5,000, if such a subsidy should be necessary.
6. That members of the Committee on the History of the Federal Reserve System will have an opportunity to examine the manuscript prepared by you before publication, in order that they may make criticisms and suggestions for your consideration. It is understood that this provision imposes on the author no obligation to adopt the suggestions of the Committee. If the study is published by the Committee itself, by the Brookings Institution, or under the auspices of the Committee or the Institution, a small reading committee of three scholars--appointed by the Committee and the Institution after consultation with the author--will have final determination of the acceptability of the manuscript for publication.
7. That you will send the Institution for each fiscal year ending June 30 a statement of expenditures made under this contract and will annually on that date furnish a report on the progress of the study. Any portion of the funds for expenses which remains unexpended on June 30, 1957 will revert to the Institution and the Committee.

1-2 June 7

If this agreement meets with your approval, will you kindly sign a copy and return it to me for our files.

Sincerely yours,



President

Above agreement Approved:



For the Institution and the  
Committee

9/14/54

Date

For the Author

Date

Committee on the History of the Federal Reserve System

September 8, 1954

Dear Mr. Sproul:

We have just had word from Mr. Lester Chandler that he is back from Europe and making plans to start on his "Benjamin Strong, Central Banker". In view of the fact that much of the basic material he will need is in the Bank's files (not only the Strong collection as such, but also in the correspondence files) he will need both authorization to see papers and some arrangement for working space.

The matter of working space I have discussed with Mr. Roelse, who thinks that desk space might be provided in the file section or in the library. If neither is possible, we could make arrangements here when Mr. Harris re-plans the space hospitably granted this Committee so as to give us a private office. In any event, Mr. Roelse has this in hand.

As for authorization to examine both the Strong collection and other relevant papers in the Bank, this should, I assume be discussed with you personally.

Mr. Chandler is coming in on Wednesday afternoon, September 15, at 2:30 o'clock to go over certain details of aid which the Committee can offer. If your calendar would permit an appointment that afternoon it would greatly help to set him on his way.

Most sincerely,

Mildred Adams  
Research Director

Mr. Allan Sproul, President  
Federal Reserve Bank of New York  
New York 45, New York

cc Mr. Roelse

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
33 Liberty Street, New York 45, New York  
Telephone: REctor 2-5700, Extension 286

September 1, 1954

Dear Dr. Chandler:

This note is first to welcome you back from Europe, with the hope that your trip was as interesting and as full of fun as vacation trips ought to be. Reports of English weather have been dreary, but I hope the continent was kinder, and that the hurricane called Carol did not disturb your landing.

In the second place, the Committee is assuming that you will be preparing to get to work on the book early this month, and I am wondering if it would be possible for you to schedule an early conversation in this office. As you are our first author, we would like to know how our facilities can be of use to you, what information you would like from us, and in general to set up the kind of relationship which you would like established and the service, if any, which you would like us to render.

At the same time there are problems which ought to be cleared away, and on which we would appreciate your advice.

I shall be in Washington the rest of this week, and I go on vacation for three weeks beginning the 18th of September. Anyday between the 7th and the 17th could be arranged as long as I know a bit in advance which one is most convenient.

Very sincerely yours,

Mildred Adams  
Research Director

Dr. Lester Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

Mail Addresses of Mr. and Mrs. L. V. Chandler, June 22-August 22, 1954.

NOTE: The dates given below are the LAST days we shall pick up mail in the indicated places. Allow about six (6) days for air mail from the U. S.

<u>Date</u>	<u>Place</u>	<u>Address</u>
June 25	London, England	Royal Court Hotel Sloane Square S.W.1, London
July 5	Edinburgh, Scotland	c/o American Express
July 9	Oslo, Norway	c/o The Oslo Travel Association
July 15	Stockholm, Sweden	c/o Swedish Tourist Traffic Association
July 20	Copenhagen, Denmark	c/o The National Travel Association of Denmark 8 Bernstoffsgade Copenhagen, Denmark
July 23	Amsterdam, Netherlands	c/o American Express
July 26	Antwerp, Belgium	c/o American Express
August 15	Paris, France	c/o American Express
August 21	London, England	Royal Court Hotel Sloane Square S.W.1, London

COPY

PRINCETON UNIVERSITY

Princeton, N. J.

Department of Economics and  
Social Institutions

June 21, 1954

Dr. Robert D. Calkins  
President, The Brookings Institution  
722 Jackson Place, N. W.  
Washington 6, D. C.

Dear Bob:

I am afraid this will have to be an extremely hurried note owing to the fact that a death in the family has made it almost impossible for us to catch our plane even without answering a number of letters. However, I do want very much to say two things. The first is that the letter outlining the arrangements for the study--Benjamin Strong Central Banker is satisfactory in every respect. I shall be glad to conform to it and to try to justify your faith in making the grant to me.

The other matter relates to Elmer Wood as a possible person to write the history of the Federal Reserve System. I have the highest respect for Wood. He is thorough, a hard worker, and an excellent student of central banking. Moreover, his work on the Bank of England indicates that he has an interest in the historical approach to central banking problems. My one big worry would be whether he could finish such a project in any period of time that would be acceptable to you and the committee. He has written very little indeed, and the publications that he did turn out were in the works for many years. If he could bring himself to work steadily on the history and to bring it to a completion in an acceptable time, he would be an excellent prospect. I think, however, that you had better check very carefully with others who perhaps know him better than I in order to find out whether he is a good prospect for the reasons that I indicated. On the way to England, I shall try to think of someone who might be considered for the job and shall certainly let you know if I have any bright ideas.

I am enclosing a copy of our itinerary in case there is anything urgent about which you would like to communicate.

Thank you again for the faith that you and your committee have shown in me in making the research grant.

Sincerely yours,

(signed) Lester V. Chandler

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

Department of Economics and Social Institutions

June 9, 1954

Mrs. Mildred Adams  
Committee on the History of the  
Federal Reserve System  
33 Liberty Street  
New York, N. Y.

Dear Mrs. Adams:

Enclosed is a supplementary statement relative to the scope of the proposed Benjamin Strong study. I hope it will meet the needs of the members of the Committee.

After talking to you, I had a long conference with some of my friends at Harper's regarding the probable costs of publishing the study. They agree with you that the subsidy would not need to be as much as \$10,000. Without being able to estimate accurately, they guess that the necessary subsidy would be somewhere between \$5,000 and \$7,000.\*

Sincerely yours,

*Lester V. Chandler*

Lester V. Chandler

LVC:J

\* In a later conversation with Mr. Calhoun, we discussed tentatively settling on a figure of about \$5,000  
hvb.

June 4, 1954

Dear Professor Chandler:

The description of your proposed study, tentatively entitled "Benjamin Strong - Central Banker", which you sent us under date of May 18th, has been circulated to the members of this Committee. We now have had replies from all members but one, and I am glad to tell you that the interest that they displayed in your project when it was first brought to their attention still holds.

There is a general disposition to provide the necessary funds for the study, but questions remain in the minds of some members which you will want to answer before you sail. They would like to know more about how comprehensive a study you plan, and how definitive. They question certain details of the budget, and some of them would prefer to see it set up on a different basis. As this is the first grant of its kind which they contemplate making they want to be quite sure it is set up on a basis which will work.

Some of these questions are perhaps more easily handled in discussion than by correspondence. If you are planning to be in New York during the near future I would suggest that you let me know, and, I will be glad to make an appointment. Like you, we would prefer to have the matter settled before you sail on the 22nd if that is possible.

Very sincerely yours,

Mildred Adams

Mr. Lester V. Chandler  
Department of Economics and  
Social Institutions  
Princeton University  
Princeton, New Jersey

*Copy to D. Woodward*

June 9, 1954

Supplementary Statement Relative to a Proposed Study -  
"Benjamin Strong—Central Banker."

The purpose of this note is to provide a somewhat clearer description of the scope, comprehensiveness, and completeness of the proposed study.

My purpose will be to provide as complete a study as possible of Benjamin Strong in relationship to the evolution of Federal Reserve structures and policies and to economic policies in general. To do this, I shall first study Benjamin Strong's life before he assumed the leadership of the Federal Reserve Bank of New York. I shall study his family backgrounds, his training and experience, his position in the banking community, and his ideas as they evolved in this period. In short, I shall do my best to find out what type of person he was and what kinds of ideas and predispositions he had as he entered the System.

From that point on, I shall study carefully the interactions of the man and his experience, trying to assess his influence on course of events and the influence of events on him and his thinking. This would include both domestic and international aspects of his experience, for I am confident that both are important and inseparable. In some cases, "domestic" policies were influenced by international considerations, and after World War I—if not before—our so-called "domestic" policies inevitably had important effects on other countries. Moreover, it is my

impression, still without adequate documentation, that Mr. Strong also played an important role in conference with foreign central bankers and other officials.

In short, my objective is to provide as close to a definitive study of the subject as the available materials will permit, and the study would include Mr. Strong's role in both domestic and international developments.

*(signed) Lester W. Chandler*

CHANDLER, Lester V.

May 19, 1954

Dear Professor Chandler:

Your letter of May 18th together with the description of your proposed study "Ben Strong, Central Banker" came in this morning. Thank you for sending it to us so promptly. As you know tomorrow, May 20th, is the day when the Rockefeller Foundation meets and the fate of our larger project, of which this might form a part, is to be decided. I will be writing you about this again in the near future.

Most sincerely yours,

Mildred Adams

Professor Lester B. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

*Department of Economics and Social Institutions*

May 18, 1954

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


Dear Miss Adams:

Enclosed is a description of my proposed study, "Benjamin Strong—Central Banker," and a formal request for a grant to finance the study.

I am acutely conscious of the fact that this description and request leave many questions unanswered. I have, however, tried to provide as much information as I can at this early stage. If you or others desire any further information, I shall do my best to provide it.

I now find that I shall be leaving for Europe on June 22 and returning on August 23. I shall appreciate receiving any information that you feel free to send before my departure date.

Sincerely yours,

  
Lester V. Chandler

LVC:J  
enc.

A PROPOSED STUDY, TENTATIVELY ENTITLED,

Benjamin Strong—Central Banker

By Lester V. Chandler

SCOPE OF THE STUDY

The central interest of this study will be the role played by Benjamin Strong, as head of the Federal Reserve Bank of New York from the time of its establishment until his death in 1928, in the formulation and administration of monetary policy, both in this country and abroad. It will, of course, devote much attention to Mr. Strong as a person—his background, his training and experience before 1914, his ideas before becoming head of the New York Federal Reserve, and the complex of personal characteristics indicating the "manner of man" that he was. But it will devote much more attention to his professional life, his impact on the Federal Reserve and economic affairs, and the impact of the Federal Reserve and economic developments on him and his ideas.

The original Federal Reserve Act and its early amendments left room for much flexibility. Only in the most general terms did it indicate the objectives of Federal Reserve policy, the instruments to be used to attain selected objectives, and the location of policy-making and administrative powers. Within such a broad legislative framework, actual policies underwent continuous development and evolution in response to the march of economic events, changing ideas, and the interplay of many personalities. I believe this study can make a substantial contribution to our understanding of

the evolution of Federal Reserve practices and policies during the first fifteen years.

Though Benjamin Strong will be its focal point, this study will clearly have to touch on many things that will also be covered by the projected over-all history of the Federal Reserve and by the more specialized studies. This, however, I consider an advantage, for it will permit readers to compare the points of view of more than one writer.

At this stage it is impossible to forecast how long the finished study will be. I am sure, however, that it will require several hundred pages.

#### PLAN OF STUDY

If this application is granted, I hope to begin the study no later than September 1954. From that time until February 1, 1955 I would work part-time on it, doing background reading, locating and becoming familiar with source materials, and so on. Because I have a leave of absence for the second term of the coming academic year, I can work on the study full time from February 1 to September 15, 1955. After that I shall again have to work on it on a part-time basis. Though such prediction is dangerous, I expect that I could finish the study in a little over two years.

I plan to rely primarily on the following sorts of materials: (1) published materials, (2) the Benjamin Strong papers at the Federal Reserve Bank of New York, (3) relevant materials at the Board of Governors, (4) any private papers that the Strong family may agree to make available, and (5) interviews with people who knew Mr. Strong. I shall also seek any other sources that promise to be fruitful.

My "home base" would be Princeton, from which I would commute to New York and make such other trips as would be helpful.

#### FINANCIAL MATTERS

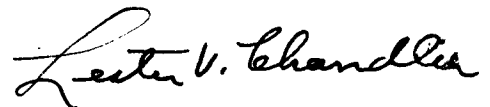
Another estimate that is extremely difficult at this stage is that relating to the cost of the proposed project. The following figures, admittedly no more than "guesstimates," are based on the following assumptions: (1) I would receive out of the grant only my out-of-pocket expenses. Any net financial reward to me would have to come from royalties on the finished book, whose sales would probably be rather small. (2) I would try to hold expenditures as small as possible without undue sacrifice of either my own time or of the quality of the study. (3) I would not expect supplementary grants and would return any unused funds.

Estimated Costs of the Project

1. My own expenses		
Transportation	\$400	
Meals, hotels, etc. when away from home	<u>600</u>	\$1,000
2. Research assistance		2,000
3. Secretarial assistance		
Salary	3,000	
Expenses for trips to New York while working there	<u>500</u>	3,500
4. Publication costs (maximum)		10,000
5. Typewriter rental, paper, materials, etc.		<u>500</u>
TOTAL . . . . .		\$17,000

I should like to have you consider this as a formal application for a grant of \$17,000 to finance the study outlined above. I shall, of course, be glad to furnish any further information that you may desire.

Respectfully submitted,

  
Lester V. Chandler

May 13, 1954.

Dear Professor Chandler:

You may like to know that at a meeting of this Committee in Washington on May 11th your desire to make a study of "Ben Strong, Central Banker" was discussed at some length. Obviously neither you nor the Committee is prepared to make a decision at this time, but the interest was general. Members of the Committee would like to have more details of your plan, and some indication as to how much time is involved, as well as what costs they would be asked to consider.

As I think I told you, the Rockefeller Board at its meeting on May 20th is expected to act on the Committee's request for funds making possible the larger project toward which we have directed this pilot work. When we last talked you expected to go abroad June 26th and were hoping to know before then whether your own study might expect help from those funds.

If you can sketch the study out in terms of time and cost, tell us how much ground you expect to cover, (is this to be a full biography or a short monograph? Will it deal with the man and his entire career, or merely with his central banking operations and so on) and something of how you expect to go about it the Committee would hope to consider such a presentation after May 20th and before June 26th. May I add my own suggestion that you make the picture as clear and as detailed as is possible at this time.

Very sincerely yours,

Mildred Adams

Professor Lester Chandler  
Economics Department  
Princeton University  
Princeton, New Jersey

CHANDLER, Lester V.

April 20, 1954

Dear Professor Chandler:

Now that the request to Rockefeller Foundation for further funds has gone in, I would like to discuss with you a little more concretely the suggestions we talked of earlier. I shall be in New York until Wednesday, of next week, and then I go south about ten days. If you are by any good chance coming to town between now and the end of Wednesday, I hope that it will be possible for you to drop by.

Cordially yours,

Mildred Adams

Professor Lester Chandler  
Department of Economics and Social Institutions  
Princeton University  
Princeton, New Jersey

CHANDLER, Lester V.

March 10, 1954

Dear Professor Chandler:

Thank you for your extremely prompt response to my request for an appointment for Miss Mildred Adams. She will telephone your office, as you suggest, as soon as she reaches Princeton on the morning of Wednesday, March 17th. Thank you for bring me up to date. I think I have been running a month behind mentally or perhaps it is all a part of not facing up to the grimness of the Ides of March.

Sincerely yours,

Research Assistant

Professor Lester V. Chandler  
Department of Economics and  
Social Institutions  
Princeton University  
126 Dickinson  
Princeton, New Jersey

ka

PRINCETON UNIVERSITY  
PRINCETON NEW JERSEY

*Department of Economics and Social Institutions*

March 9, 1954.

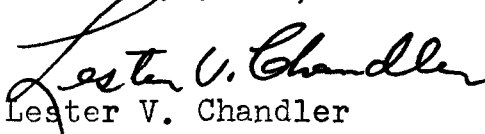
Miss Mildred Adams  
The Committee on the History of  
the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

I have just received from your  
Research Assistant, Miss Katherine McKinstry,  
a note asking whether we could make an appoint-  
ment sometime during your visit to Princeton on  
Wednesday, February 17. I assume that she meant  
to ask regarding Wednesday, March 17. If this  
is the date on which you will be in Princeton, I  
shall be very glad to see you at your convenience.  
Please give me a ring sometime after your arrival  
in Princeton so we can make a definite appointment.  
My extension is 430 on the Princeton University  
line.

I shall look forward with much interest  
to discussing your project. It sounds fascinating.

Cordially yours,

  
Lester V. Chandler

LVC/mr

March 8, 1944

Dear Professor Chandler:

On behalf of Miss Mildred Adams, Research Director for the above Committee, I am sending you this note to ask whether it would be possible for you to see her sometime on Wednesday, ~~February~~ 17th, <sup>March</sup> when she is planning to be in Princeton to look over the Benjamin Strong collection in the University Library and to talk with people who might have a special interest in the work of this Committee.

Since you are one of the men whose name has been given to Miss Adams by a number of persons whom she has consulted over the past few weeks, she is most anxious to have a talk with you during the present exploratory phase of this project, and would be most grateful to you if you could grant her a definite appointment for the day she will be in Princeton.

Sincerely yours,

Research Assistant

Professor Lester V. Chandler  
Department of Economics and  
Social Institutions  
Princeton University  
126 Dickinson  
Princeton, New Jersey

km