May 11, 1956

Dear Dr. Stewart:

Details of the meeting of this Committee on Monday, May 28th, are as follows.

Mr. Sproul asks me to invite the members of the Committee to lunch with him at the New York Federal Reserve Bank at one o'clock. Following luncheon, the meeting will be convened in the lounge adjoining the President's dining room.

Everyone is very cheered that you can come.

Sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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STEWART, Walter

Also see correspondence concerning Sir Henry Clays book on Montagu Norman under NORMAN, Montagu

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April 17, 1956

Dear Dr. Stewart:

I am returning separately the copy of Agnes Meyer's book so that it may be loaned to someone else about to take a train journey. For that purpose it is excellent, and interesting.

But how fortunate that so few of us feel we must be so emphatically right on so many issues! It must be a difficult obsession to live with.

Gratefully,

Mildred Adams

Dr. Walter W. Stewart
c/o Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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March 7, 1956

Dear Dr. Stewart:

Thank you so much for time, talk, advice and a good luncheon yesterday. It was an exceedingly helpful session, which did a lot to clarify some very sticky points. I cam away with the feeling that I had done an inordinate amount of talking myself, more than a succinct stating of problems called for, but if so, I can only plead a desire to move around all four sides of said problems so as to present them in the whole to so stimulating an advisor.

Gratefully yours,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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February 27, 1956

Dear Dr. Stewart:

This is to confirm the fact that I expect to be in Princeton on Tuesday, March 6th, and to have the pleasure of seeing you at that time.

You were kind enough to suggest that I lunch with you at the Institute. Would it be convenient if I met you there at 11:30, which would give us a chance to talk before lunch?

If this is convenient for you, don't bother to reply. I will come to the Institute at 11:30 on March 6th unless I hear to the contrary.

Cordially yours,

Mildred Adams

Mr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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February 17, 1956

Dear Dr. Stewart:

Two details need your attention, a change which Dr. Calkins would like to make in the "clause of enactment," and a confirmation of the suggested date for the next meeting.

You will find enclosed the Minutes of the meeting of this Committee at Princeton on February 4th, and also a revised version of the "clause of enactment" which was passed at that meeting.

This revision was undertaken in conference with Dr. Calkins and at his request. In substance it does not differ from the version adopted at Princeton, but Dr. Calkins would prefer to present the Committee's proposal to the Brookings Board of Trustees in this new wording if the Committee approves. It can then be added to the Minutes as an amended text.

Would you let me know if you approve of the revision and of the procedure?

As for the date of the next meeting, Saturday, March 17th, at Brookings in Washington was the one most discussed in Princeton. Members were asked at that time to put this date down tentatively. If this is not possible for you, may we have your suggestions.

Very sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

Enc. 2

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February 6, 1956

Dear Dr. Stewart:

We were so hurried at Princeton that I didn't have time to tell you how disappointed I am that you don't feel up to coming in for dinner with Geoffrey Crowther on March 4th. I must admit that it sounds like quite a trek, but all the same, I hoped, and so did Geoffrey.

There are alternatives for him. He might be able to come to Princeton on Sunday, March 11th, though that is far from certain, even if possible for you. He will be in Washington at various times between the 23rd of February and the middle of March when he goes back to London. If you know what your schedule is and when you will be in Washington, perhaps the simplest thing would be to let me know so that I can forward it to him - there would surely be an hour when the two of you could get together there.

Meanwhile I shall hope to be seeing you about several matters in the near future.

Most sincerely,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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Federal Reserve Bank of St. Louis

February 6, 1956

Dear Dr. Stewart:

I am sending a note to Miss Horton thanking her for her kindness in making the excellent arrangements for the Saturday meeting. But I know that behind Miss Horton stands Dr. Stewart, and I want you, too, to know how much the warm hospitality, the thoughtful arrangements and the excellent lunch, not to mention the superb emergency chauffeuring, helped ease everybody's way.

I did not mean to run off in so unmannerly a fashion at the station, but I wasn't quite sure of timing and did not want to miss the train. I hope you have forgiven what must have seemed undue abruptness.

With much gratitude,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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February 6, 1956

Dear Miss Horton:

The members of this Committee want me to thank you most warmly for the very pleasant arrangements which you made for us on Saturday, February 4th. The comfortable meeting room, the pleasure of morning coffee, the delicious lunch and the warm sense of Institute hospitality all helped to make easier the consideration of difficult decisions.

Miss Burstein has already sent you my thanks along with hers. You were exceedingly kind and we did so appreciate it.

Cordially yours,

Mildred Adams

Miss Betty Horton
Institute for Advanced Study
Princeton University
Princeton, New Jersey

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February 3, 1956

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

Dear Dr. Stewart:

You said when I saw you last in Washington that you would like very much to talk with Geoffrey Crowther about measures being taken in Britain to damp down inflation. I wrote Geoffrey, and have just had a reply in which he makes it clear that nothing would give him greater pleasure and that he is very much flattered by the request.

The only thing that bothers him is a full schedule. You said you would come into New York to see him - would you do it on a Sunday? Geoffrey is coming to dine with us on Sunday, March 4th, at 7 o'clock; and it would give him and me, and my husband who looks forward to meeting you, the keenest pleasure if you would join us. We may also ask Tom Lamont and his wife, but there will be few of us so that good talk will be encouraged.

We cannot, alas, offer you suitable lodgings at the apartment, but we use the Harvard Club as an hospitable adjunct, and will be glad to install you there.

I do hope this plan may seem possible for you.

Most cordially,

Mildred Adams

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January 20, 1956

Dear Dr. Stewart:

I have written Geoffrey Crowther telling him that you would be interested in talking with him when he comes over. Also I have told him that I would act as go-between or that he might write you directly at the Institute. I have suggested that the three of us might have lunch at the Harvard Club, but this is only a tentative suggestion and you may prefer to talk to him by yourself.

In any event, if he writes you direct, you will understand that it comes out of our conversation.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
c/o Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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January 9, 1956

Dear Dr. Stewart:

We promised to send you details of the schedule for the meeting of this Committee at Princeton on Saturday, February 4th, when arrangements were completed. Those arrangements are now fixed as follows:

Place - Institute for Advanced Study,
Princeton, New Jersey

Time - 10 a.m. to 4 p.m., February 4, 1956

Luncheon - at the Institute

Members are asked to meet at 10 a.m. in the Common Room of the main building, where, we understand from Miss Horton, you will act as guide to the conference space which is kindly being provided for us.

Memoranda bearing on certain of the problems to be discussed should reach you about a week in advance of the meeting. We hope to mail them on January 26th.

Sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
c/o Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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November 16, 1955

Dear Dr. Stewart:

Mr. Sproul has asked me to tell you that he very much hopes you will be able to come to New York on November 25th, the day after Thanksgiving, to sit in with the Executive Committee at a meeting at 2:00 p.m. in his office. If this is possible for you, he would like you to come earlier in order to lunch with the Committee here at the Bank at 1:00.

I left this message with Miss Horton this morning, and this is merely to verify what I told her over the telephone.

I hope that all goes well with you.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Study
Princeton University
Princeton, New Jersey

Cannot come
11/21/55 Telephone
from Miss Horton

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September 2, 1955

Dear Walter:

I am sending with this letter a report for which I would ask your reading and comment. Entitled "Progress and Plans," it is designed as a report on work for the year 1954-55, made to go to the Committee and to the Rockefeller Foundation. You will find in it a statement of the situation which the Committee faces in view of the fact that at the end of the first year no historian has been selected.

The decision to present this problem to the Foundation and to ask their advice has the approval of Messrs. Sproul, Calkins, Burgess and myself. I trust this agrees with your understanding of our last meeting at Princeton. The memo entitled "Progress and Plans" has been prepared by Miss Adams and reviewed and approved by Dr. Calkins and myself, but has not heretofore been seen by others. May we have your comment at your early convenience - preferably by the 9th of September. Dr. Calkins and I hope to call on Dr. Buchanan of the Foundation about that time.

The second report enclosed is that of our executive director, Miss Adams. You may be interested in further details on some points which are merely summarized in my report. Appended to this, you will find her notes on visits to the twelve banks, with some account of what she found in their files and libraries. She also appends a study of Board and Bank officers and directors drawn from the staff's biographic files, and a report on collections of private papers discovered to date.

Very sincerely yours,

Donald Woodward
Secretary

(Signed at his request, M.A.)

Dr. Walter W. Stewart
Institute for Advanced Studies
Princeton University
Princeton, New Jersey

Enc.

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July 12, 1955

Dear Dr. Stewart:

You should by now have had a telephoned message that the Sub-Committee on Monographs and Monograph Writers will be meeting on Thursday, July 21st, at 1 p.m. (or a few minutes later) at the Princeton Inn. A good train from New York is scheduled to leave New York at 12 noon (Daylight Time) and arrive in Princeton at 1 p.m. Dr. Calkins expects to fly from Washington to Newark, and pick it up there, so we should arrive together.

The enclosed letter was written before these dates were set. It is sent so that you may have these younger names. If other material jells early enough, I'll try to send it to you in advance.

It was fine to hear your voice with its timbre back again. I'm glad the unscheduled life is so successful.

Best as always,

Mildred Adams

Dr. Walter W. Stewart
Institute for Advanced Studies
Princeton University
Princeton, New Jersey

Enc.

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June 23, 1955

Dear Dr. Stewart:

What I didn't say in reply to that last shot is that your name is permanently on the "when and if" list. You will, I hope, forgive this reassertion of the obvious. It isn't meant to be pressure - but you did mention solicitation. The fact is, of course, that we need what you alone can tell, and don't know how to get it. So we fumble.

By the way, have you heard about Governor Bradford's dog? Very bright mongrel, offspring of a blueblood and a tramp. The children named him "Appercep-tive Synthesis," and call him "Ap." Maybe that's what we need.

Best as always,

Mildred Adams

Dr. Walter W. Stewart
6 Springdale Road
Princeton, New Jersey

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Federal Reserve Bank of St. Louis

June 17, 1955

Dr. Walter W. Stewart
6 Springdale Road
Princeton, New Jersey

Dear Dr. Stewart:

I am asked by Miss Adams to tell you that on Monday I sent an envelope to you containing a list of suggested monographs, the skeleton memo on the "grand design" prepared for the Princeton discussion of November 21, a series of excerpts from that conference, a copy of the memorandum prepared by the three consultants for the meeting of January 29th, and the list of possible writers as winnowed by the Executive Committee and presented to the full Committee. All this material was mailed to your home in Princeton.

I hope that by now you have found this. Please let me know if it has somehow been delayed so that I can send you duplicates.

Very sincerely yours,

Ellen Singer
Research Assistant

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June 1, 1955

Dear Dr. Stewart:

I understand that Mrs. Singer has made a firm date with you, Dr. Calkins and Mr. Woodward for the first conference on the monograph structure to be held June 17th. Place and hour are still awaiting word from you. If you are to be in Washington, I am sure that Brookings would be hospitable; both the lounge and Dr. Calkins' office - indeed the whole building - have been air-conditioned.

Because more than one conference will be necessary, I have put tabs on the calendars of Dr. Calkins and Mr. Woodward for the 27th and the 30th of June as well. When you let us know about your preference in sites for the June 17th meeting, could you also tell us whether those other two dates are also possible?

I am so prodigal in my request for dates because you are all such busy people, and if one of these blows out, I would like to have at least two other possibilities in reserve.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
6 Springdale Road
Princeton, New Jersey

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May 31, 1955

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Offices of the White House
Washington 25, D.C.

Dear Dr. Stewart:

This note is to confirm our telephone conversation this morning during which you said that you would hold June 17th for a meeting with Dr. Calkins and Mr. Woodward. They will meet in Washington, Princeton, or New York, whatever place is most convenient for you and at whatever time you choose. I talked with Mr. Woodward this morning and he asked me to make sure you understood that he and Dr. Calkins would do whatever was most convenient for you.

"The Fox of Peapack" by E. B. White has made me feel that Peapack must be a lovely place. I hope you have good weather and a happy vacation.

Sincerely yours,

Mrs. Singer
Assistant

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Please deliver, do not phone

2:30 PM

May 24, 1955

Dr. Walter Stewart
6 Springdale Road
Princeton, New Jersey

IN COMMEMORATION OF MEMORABLE EVENT MAY 24, 1885 COMMITTE ON FEDERAL RESERVE HISTORY HELD FORMAL MEETING TODAY STOP HAMLET WKX WASN'T THERE STOP WE DEPLORE THE ABSENCE BUT CHEER THE EVENT AND WANT TO LET YOU KNOW WE LOVE YOU ALWAYS BUT PARTICULARLY TODAY

ALLAN SPROUL
WILLIAM MARTIN
W. RANDOLPH BURGESS
ROBERT CALKINS
DONALD WOODWARD
WINFIELD RIEFLER

Sent from Washington
2:30 PM

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RECEIVED
APR 5 1955
COMMITTEE ON THE HISTORY
OF THE
FEDERAL RESERVE SYSTEM

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

March 31, 1955

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

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 C. Singer

Ellen Singer
Research Assistant

Dear Miss Singer:

I have read through most of the transcript and while it is not always complete it does not seem to me to be in error. I therefore have no corrections —

Yours

WWS.

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April 15, 1955

Dear Dr. Stewart:

Having missed you last time that I was in Washington, I am hoping to have better luck this time. My present plan calls for me to be there on Wednesday and Thursday, April 20th and 21st. I do hope that you may be able to set aside time for me, as there are several things on which I need your advice.

Dr. Chandler tells me that he had a fascinating and fruitful interview with you which is excellent news. I am still hoping for a later set of group interviews in which you may consent to participate.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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March 3, 1955

Dear Dr. Stewart:

In checking back over our conversations on Monday, I find I left one tag end hanging loose, and I'd very much like to tie it down before it starts to flap.

When we were talking about the possible use of a tape recorder to preserve conversations between you and Dr. Chandler, you asked whether I would have the material on the tape typed, or would rely on my notes and be content to put the tape away untyped. I should have replied that I would follow whichever course you prefer.

The important thing for this history project and the thing which several of us keep telling each other is that somehow your close and intimate knowledge of certain periods and certain operations be got down for the future use of students. Whether the things you remember go on paper or on tape, whether they are made available now or sealed for the future is for you to choose. The important thing is that we not miss them.

The fear which rides my shoulders is that, knowing your great skill and generosity in helping other people to solve problems, we will keep you so busy at it that we fail to draw from you the account of important operations in which you yourself have been observer and participant.

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The success of the project depends in no small measure on the degree in which you can be persuaded to speak of these things in the first person. It is the "part of this I was, all of this I saw" element that we need.

I know you agree with this in principle. It is in the hope of putting that principle into practice that I suggested the idea of the tape recorder. I would expect to use it as a short-cut to accurate preservation of records of valuable conversations.

I hope this may clarify what may have seemed to you like a rather foggy and even an unwarranted request.

Most sincerely,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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Federal Reserve Bank of St. Louis

February 24, 1955

Dear Dr. Stewart:

Your letter of February 15th, with its redraft of the garbled statement attributed to you in the transcript, came while I was in Atlanta. Mrs. Singer transferred your corrections to the master copy, and the edited transcript will reach you almost as quickly as this letter.

You wrote again on the 17th, distressed at our "slow rate of movement," cheered at the course of the Strong biography, and enclosing an extremely interesting copy of a letter to Mr. Thomas H. Hughes. The latter, with its recalled dates and sense of progress in research, will be very valuable for anyone working on that subject. It was kind of you to send it. We cherish it.

I reported to the Executive Committee at its meeting on the 21st your decision to undertake a series of conversations with Lester Chandler and your feeling that you were not ready at present to undertake the group interviews of which we had talked earlier. They hope very much that this latter move may be merely a postponement, but in any event they are cheered at the prospect of the Stewart-Chandler conversations.

As for me, I am wondering if I might be allowed to sit in on the Stewart-Chandler conversations and take down a record of the conversation. Such notes would certainly have value for Dr. Chandler and for us, they might also have value for you when you come to do some of that writing. I would promise to make the note-taking as painless as possible.

I shall be in Washington Monday and Tuesday of next week (February 28th and March 1st) and will hope to be able to talk with you on this and on another matter which needs your advice.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D. C.

RECEIVED
FEB 21 1955
COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

ARTHUR F. BURNS, CHAIRMAN
NEIL H. JACOBY
WALTER W. STEWART

February 17, 1955

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:

Thank you for the copy of the minutes of our Princeton meeting, which arrived this morning.

I am beginning to get restless, as I am sure you have been for some time, at what seems to me our slow rate of movement. Until our "historian" has been selected and is actually at work, it is difficult to get "full steam ahead" on other phases of the project.

On the Strong biography, however, I believe genuine progress is being made. Lester Chandler called on me yesterday, and we are arranging for a series of conversations in Princeton. For the present, this is probably all of the "interviewing" that I will be able to find the time for, and it may, in fact, be the point at which I can be of most help.

I enclose a copy of a letter in answer to an inquiry from a student at Catholic University regarding a doctoral dissertation on the subject of "The History of the Federal Reserve Board Index of Industrial Production." Since his inquiry put me in a mood to recall earlier times, I thought you might like to have a copy of the letter as a sample of what might result from an interview on a specific topic.

Sincerely yours,

Walter W. Stewart

Walter W. Stewart

Enclosure

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D.C.

February 16, 1955

Mr. Thomas H. Hughes
U.S. News & World Report
24th and N Streets, N.W.
Washington 7, D. C.

Dear Mr. Hughes:

Your letter of February 14 inquires about the circumstances which led the Federal Reserve Board to construct an index of production. I can give you some information for the period from September 1922 through 1925 when I was director of the Board's Division of Research, and also some background concerning earlier efforts at measuring the physical volume of production.

In your letter you mentioned 1927 as the year "when the index officially appeared." What you refer to, I believe, is the publication in that year of the revised and much-improved index. At an earlier date, in 1923, the Reserve Board constructed a production index and presented the results and described the methods in its Bulletin. Preliminary work on such an index had begun before I joined the Board, but I have no firsthand knowledge of the conference you mention on Business Reporting held in 1921.

During my first year at the Board, work on the production index was under the supervision of a Mr. Mann, then a member of the staff and now deceased. The scope of that index was necessarily limited by the then available data, and the method of seasonal correction was primitive and inadequate. During this same period, Mr. Carl Snyder of the Federal Reserve Bank of New York constructed an index which was published in the Bulletin of that Bank. Our Division at the Board was skeptical of the methods used in the construction of the Snyder index, including his attempt at correction for trend.

Later, perhaps in 1926, Mr. Woodlief Thomas, a member of the Board's staff and now its Economic Adviser, undertook a comprehensive revision of the Board's index and established it on a sound statistical basis. After many subsequent revisions, the

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present index is a lineal descendant of these earlier starts. Mr. Thomas is unquestionably your best informant concerning the background and later developments of the production index.

Since you are now digging into the origins of ideas concerning the measurement of production, you may be interested in an episode which may not come to your attention. I refer to the work done by Dr. Wesley Mitchell when he was director of the Price Section of the War Industries Board in World War I and when I served as his assistant. This Section prepared and published in one of its Bulletins -- perhaps the Summary -- the annual index of physical production for the war years. This was a by-product of its more elaborate indexes of prices for the same period. Dr. A. C. Miller, then a member of the Federal Reserve Board, frequently claimed that he had suggested to Mitchell this idea of an index of production. Whatever the merits of this claim may be, the Board gave recognition to this index by publishing it in its Bulletin, and it is quite possible that the earlier work of Mitchell stimulated the Reserve Board in its early efforts to construct a monthly index. The Board was becoming increasingly aware of the need for current economic information on production and trade, and through the Reserve Banks was collecting such information. The Board's index of retail trade either preceded the production index or the two were almost twins.

You ask why the Federal Reserve Board, rather than the Department of Commerce, undertook the job of constructing a production index. The answer, I believe, lies in the Board's statistical leadership and its sense of problem. In appraising the current economic situation and in shaping its credit policies, the Board felt the need for accurate and comprehensive economic data, intelligently organized and interpreted. It also recognized the desirability of giving such information a wide distribution. Evidence of this is that as soon as the early index became available, it was included in the Board's monthly review of the business situation, issued as a press release. Perhaps this early arrival on the scene with an index which the press could and did use may have helped to stake out that statistical area as one of special interest to the Board. The quality and competence of the Board's staff, then as now, gave assurance of reliability to the statistical work and so contributed to the general prestige of the index.

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These notes on the early history of the production index could probably be supplemented and amplified by Mr. Woodlief Thomas. If you are interested in following the matter further, you might ask him for an interview.

Sincerely yours,

Walter W. Stewart

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D. C.

ARTHUR F. BURNS, CHAIRMAN
NEIL H. JACOBY
WALTER W. STEWART

February 15, 1955

RECEIVED
FEB 16 1955
COMMITTEE 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:

I am sorry the transcript of the Princeton conference turned out to be so inadequate, but I can readily understand how difficult it must be to report with any accuracy the kind of technical conversation that was taking place. The effort to make correct copy is probably a work of creative thinking, rather than an attempt at recollection.

Certainly, the record of what I said, though probably correct, does not make very good sense. The shift from the active collaboration between the Federal Reserve and the Bank of England to the direct contacts between the two Treasuries did not take place in the 1920's, but in the 1930's, and was, of course, accentuated when the British went to war.

A redraft of the paragraph you quote might read as follows:

"I believe the real crevice between past and present practice -- the real break -- comes when the United States Treasury establishes direct contact with the British Treasury. Both in practice and tradition, the two Treasuries ~~have~~ had very little contact. The Federal Reserve Bank of New York and the Bank of England dealt directly with each other, and the British Treasury used Morgan's as its fiscal agent in the United States. During New Deal days, however, the House of Morgan ceased to be welcome in Washington, and the Federal Reserve Board increasingly took over from the New York Bank its foreign activities. After the arrival of war, the activities of the United States Treasury in monetary and credit matters reached such a magnitude that the Treasury became a center of decisions, and the Federal Reserve merely part of an operating mechanism. Soon the relations between the two Treasuries became so continuous and unquestioned that our Secretary of the Treasury hardly knew that any other system had ever existed."

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If this is not too much of an amplification of my remarks, you can include it in the record since it contains my thought, though probably more clearly than I expressed it in the conference.

Sincerely yours,

Walter W Stewart

Walter W. Stewart

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February 14, 1955

Dear Dr. Stewart:

When I last wrote you, I expected to be in Washington on Friday, the 18th, but my plans have been shifted, and I shall have to beg a raincheck, to be presented in the very near future.

About the paragraph which was incorrectly recorded in the transcript, Mrs. Singer will welcome corrections from you as quickly as possible. We are having a corrected version typed this week and will hold that page open for word from you.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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February 11, 1955

Dear Dr. Stewart:

The transcript of the January 29th conference at Princeton has just come to my desk. It is extraordinarily interesting, not only for the subject matter, but because the text itself reflects the difficulties which the stenotypist had when called on to take down paragraphs in which men were thinking as they talked. In that respect, the difference between it and the earlier conference is marked. Not only was the thought more complex, but so is the actual text itself.

In editing it, I am chiefly concerned with clearing up obscurities due not so much to the thought underlying them as to lack of understanding on the part of the stenotypist. At moments, he was not able to get what was said, and the resulting script just does not make sense. To a certain extent the degree of obscurity differs with the speaker, but in one paragraph, even you, whose speech is normally clear, appear as having said things in a manner that I have difficulty believing is a true reproduction. The subject of discussion was the early 1920's, and the shift between the time when Morgan was the fiscal agent of England and France and the time when their activities were taken up directly with the New York Bank. On Page 43, you are represented as having said the following.

> "I believe the real crevice there, the real break, comes when the United States Treasury

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has direct contact with the British Treasury. The time the transfer takes place, the issues become ones where the two banks are not dealing with each other as much as they did, and with the magnitude of the money involved under monetary and banking activities of the Treasury, I think both Morgan and the Federal had undergone a theory there where the major activity began to move through the Treasury."

This may, of course, have been an elliptical statement, but it sounds like a mistaken reproduction of your words. Before we send the transcript back for multilith process, I would be most grateful if you would read this and let us know exactly what you did say in that paragraph.

Because I am going to Atlanta on Monday afternoon, I will try to phone you on Monday morning and see if the corrections can be made over the telephone. We are eager to get the transcript recopied and distributed to all of you.

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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January 21, 1955

Dear Miss Gregg:

I found the Economic Report of the President on my desk this morning. Thank you so much for such prompt transmittal.

We shall read it with enormous interest.

Very sincerely yours,

Mildred Adams

Miss Irene K. Gregg
Office of Dr. Walter Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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January 6, 1955

Dear Dr. Stewart:

In view of your preoccupation with the Council's economic report, you may prefer not to be interrupted by news from the outside. If so, this letter can await later reading.

On the other hand, it may cheer you to know that the Executive Committee, at its meeting on December 28th, applauded your idea of exploratory group interviews and went so far as to appropriate a small sum of money to pay stenotype expenses on the understanding that you would act as master of ceremonies.

All this, as you will remember, grew out of a recent conversation in which you and I discussed the value of a group interview which should recreate the vigor of an important controversy, as opposed to the value of an individual interview which would only get at a one-sided account. At the time, you suggested that Win Riefler, Randolph Burgess and yourself might choose as subject the old charge that what was done in 1924 was responsible for what happened in 1929.

In talking about the idea, Mr. Sproul rather favored an early controversy (unidentified) and mentioned Leffingwell as a possible participant. This may or may not appeal to you.

There is no immediate rush about this, but I did want you to know that the idea had by no means withered. I shall be in Washington around the 19th of the month, when we might talk further about this experiment if you still approve.

Most sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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EXECUTIVE OFFICE OF THE PRESIDENT
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WASHINGTON 25, D. C.

December 17, 1954

RECEIVED
DEC 20 1954
COMMITTEE 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:

Dr. Stewart has received a letter from Mr. Donald Woodward suggesting the postponement of the meeting of the Committee in Princeton from January 8 to January 29, and requesting him to advise you whether the latter date would be convenient for him. He has asked me to tell you that the 29th will be a convenient date.

Sincerely yours,

Irene K. Gregg
Secretary to
Dr. Walter W. Stewart

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December 1, 1954

Dear Dr. Stewart:

There are several matters on which I would like your advice before the Executive Committee meets on December 14th. I am planning to be in Washington Thursday and Friday, the 9th and 10th. If you could save time for me in your crowded schedule on either of those days, I would be most grateful. I'll phone your secretary on Thursday morning.

Interview quote, R.S. Sayers as historian -

Cordially yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D.C.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D. C.

November 29, 1954

Miss Ellen C. Singer
Secretary to Research Director
Committee on The History of The
Federal Reserve System
33 Liberty Street
New York 45, New York

Dear Miss Singer:

Thank you for your letter of November 24, requesting a statement of Dr. Stewart's expenses in connection with the meeting of the Committee in Princeton on November 21.

This matter was brought to Dr. Stewart's attention upon his return to the office today, and he states that he has no expenses to report since he had planned to be in Princeton that weekend on other matters.

Sincerely yours,

Irene K. Gregg
Secretary to
Dr. Walter W. Stewart

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November 24, 1954

Dear Dr. Stewart:

Minutes of the Princeton meeting will be sent you shortly, but meanwhile this is to serve as a small reminder on three counts:

First, that you put on your calendar the date January 8th for a return engagement at Princeton - an all day meeting to consider the document which the experts will produce, and to move forward with a decision on the choice of a man (or men) to write the comprehensive history.

Second, if you have a sudden inspiration, either for The Historian or for writers of monographs, we would be delighted to have them by December 10th so that we can circulate them to the Committee.

Third, if your secretary will send us a list of your expenses on the Princeton trip, we will see that you are promptly reimbursed.

It was good to see you Sunday.

Most sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D.C.

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November 24, 1954

Dear Miss Gregg:

We are anxious to reimburse members of the Committee for their expenses in connection with the recent meeting at Princeton. Will you therefore send me a statement of Dr. Stewart's out-of-pocket expenses as soon as possible.

Sincerely,

Secretary

Miss Gregg
c/o Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D.C.

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November 16, 1954

Dear Mr. Stewart:

You will be glad to hear that we are expecting a full attendance of Committee members for the all day meeting on Sunday. They will convene at ten o'clock in the morning in the private conference room of the Princeton Inn. Our three experts and at least two other members of the Committee will be dining at the Inn on Saturday evening - they will be particularly pleased to have you join them.

Very sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D.C.

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COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

October 1, 1954

Dear Dr. Stewart:

In accord with the outcome of the poll of the Committee Dr. Lane was invited to become a member of the Committee. The attached letter is his response.

Presumably the Executive Committee will consider the question of further action on the matter at an early meeting.

Very truly yours,

Donald B. Woodward

Enclosure

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D.C.

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

September 21, 1954

Dear Dr. Stewart:

I have been talking to Don Woodward about the problem posed by Mr. Burgess' continued absorbtion in his present job, and your kind offer to invite the three of us to dinner in Washington.

Don is as grateful to you as I am. His own sense of responsibility in this situation, as an initiator who drew Mr. Burgess into this so early that they both became, so to speak, co-planners, is very strong. It leads him to suggest that as a first step he see Mr. Burgess in New York in the very near future, and find out what an informal discussion a deux may reveal. If things are still vague and unresolved, he will then call for help from stronger quarters, namely your own good self.

We understand you are out of Washington this week. I hope that means a vacation. I shall be away from my desk until October 11th, showing New England to a couple of British friends, praying for lovely color and no hurricanes.

Gratitude and greetings,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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

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

September 16, 1954

Dear Dr. Stewart:

Mr. Harold Roelse of the Federal Reserve Bank of New York, who has been very much concerned about the fate of the Norman biography, sent me yesterday a letter received from Humphrey Mynors of the Bank of England in reply to anxious questions. The substance of it is that, as you already know, the first draft is supposedly complete except for a chapter or two, but that Sir Henry knew it would need reworking for balance and proportion.

Mr. Mynors adds, "With the complete agreement of his family, we are proposing to get this draft up here from Oxford and see whether in our best judgment it merely needs preparing for press with footnotes, etc., or whether there is in fact a good deal of original work still to be done on it. In the light of this judgment we must then try and find the right person to finish it off".

I remember that you spoke of Mr. Siepmann as the ideal person to take the book in hand. Lester Chandler, who was in this office yesterday, suggested a younger man whose name you might like to have - Mr. Richard S. Sayers of the London School of Economics whom he met with Lionel Robbins this summer. I pass this name along without further information about it, and only because if it should come up you might like the Chandler name as a reference point.

I wonder if the book about the great Atlantic Migration which you had in mind was Oscar Handlin's "The Uprooted". It is a fascinating and moving account. As a pattern for a Federal Reserve History it might result in something both important and unconventional. But do you think the Committee would be content sans footnotes?

Very sincerely yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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Committee on the History of the Federal Reserve System

September 9, 1954

Dear Mr. Stewart:

When we were talking last week about Dr. Elmer Wood of Missouri I promised to send you paragraphs from a recent letter in which he made certain suggestions concerning the history. I am enclosing a page copied from that letter which, as I told you, made me feel that the more we can keep him thinking for us the better off we would be.

I have not been able to see Donald Woodward this week and give him your message but when he emerges from a series of all day conferences I will do so. What either of us can produce in the way of a memorandum of what we mean by talking of a "definite history" is something I will try to get at immediately.

I hope you had no difficulty at Trenton. I realized after you left that I had not even thanked you for a most charming dinner, and hope you took my absorption in our conversation as its own form of thanks.

Most sincerely yours,

Mildred Adams
Research Director

Enclosure

Mr. Walter Stewart
Council of Economic Advice
White House
Washington, D.C.

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

August 27, 1954

Dear Mr. Stewart:

Miss Adams asks me to tell you that she expects to be in Washington the second and third of September, and is hoping that it will be convenient for you to see her at that time. She will telephone for an appointment on her arrival Thursday morning.

Very sincerely yours,

Lois Krebs
Secretary

Mr. Walter Stewart
Council of Economic Advisers
The White House
Washington, D. C.

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August 10, 1954

Dear Mr. Stewart:

I hope I am not bearing sad news to you when I write concerning the sudden death of your friend Sir Henry Clay by motor accident in Holland late in July. News of it has just reached me, and with it a sense of personal loss which arises not out of any acquaintance with Sir Henry (whom I never met), but out of the hope that some day I might have the pleasure of talking with him about Montagu Norman and Benjamin Strong.

At the same time I have a sense of loss for the project, for Sir Henry must have had stored away in his head an enormous amount of information and deduction which would have had great value for us. How much of this was written down remains to be seen - reports as to how far the book had progressed vary, and as I don't know who was to publish it I haven't been able to make inside inquiries. In any event it is highly probable that conversation would have helped to fill in those inevitable gaps which are made manifest when another mind tackles a subject with which one has been long familiar; now there can be only silence.

We can, however, still cherish hopes for the manuscript. You who were Sir Henry's warm friend will certainly get news of its present state and its future. I covet a chance to read it, and to see some of the papers back of it. One can only trust that it is far enough along so that the publisher can make arrangements for its completion.

If you get information on any aspect of this I would be most grateful if you would let me know. I shall be in Washington later this month - perhaps you would rather put this letter aside in the folder "to be answered in conversation".

And may I send my sympathy on the loss of a friend?

Most sincerely yours,

Mildred Adams
Research Director

Mr. Walter Stewart
Council of Economic Advisers
The White House
Washington, D. C.

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STEWART, Walter

See letter about Goldenweiser papers of 6/9/54
under GOLDENWEISER, E. A.

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May 28, 1954

Dear Dr. Stewart:

In looking over notes of conversations with you, I find that you mentioned more than once the value of an episodic approach to the job of history writing. At least once you said you thought that the history of the Federal Reserve should be told in a series of perhaps twenty key episodes, around which major controversies pivoted and to which major changes could be traced.

I wonder if you ever amused yourself by setting down the twenty or so which you had in mind, or, if not, whether you could be persuaded to do so. This isn't meant to be a heavy request, or one entailing more than casual notes. Such a list would, however, be of the greatest help in my own attempts to see the forty years in proportion and perspective. It would also seem to help us focus research materials which, as they grow, seem altogether too prone to wander off a useful track and to take on an inflated importance merely because they become so numerous.

Hopefully yours,

Mildred Adams

Dr. Walter W. Stewart
Council of Economic Advisers
Executive Office Building
Washington 25, D. C.

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May 6, 1954

Mr. Walter W. Stewart
Council of Economic Advisors
Washington, D. C.

Dear Walter:

I am delighted you can make lunch at Brookings at 1:00 on Tuesday, May 11. This is an important meeting.

Cordially,

Donald B. Woodward
Secretary

DBW:lw

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April 15, 1954.

Dear Dr. Stewart:

I am enclosing a revised draft of the proposal to the Rockefeller Foundation. This follows the form of an outline developed in discussion with Dr. Willits and Mr. Woodward. With it goes the report of the pilot project which you have already seen. I am not at the moment enclosing another copy.

Time is pressing us so closely that I would be grateful if you would read this over the weekend and, if possible, let us have your approval by Monday, so that we can put it together with the report and send the whole to Dr. Willits.

Very sincerely yours,

Mildred Adams,
Research Director.

P. S.--The biographic data was taken from Who's Who and put in for the benefit of Rockefeller board members. If we have omitted any detail of your career which should be included I trust you will make the necessary correction.

Enc.

Dr. Walter W. Stewart,
Council of Economic Advisers,
Executive Office Building,
Washington 25, D. C.

MA:hvm

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D. C.

March 24, 1954

Miss Mildred Adams
Federal Reserve Bank of New York
Federal Reserve Station
New York 45, New York

Dear Miss Adams:

This is in response to your list of works to be proposed, dated March 23, 1954. My comments are personal and tentative and without benefit of Committee discussion and deliberation. Their purpose is to simplify the proposed list and suggest degrees of emphasis among the projects.

I. Combine parts of A. and C. Limit proposal to assembly and indexing of materials on the System and on the New York Bank, with recommendations as to where materials should be kept. The purpose should be limited to the establishment and maintenance of proper archives, with data properly organized and available to scholars.

An active part of this procedure would be a continuing series of interviews with former participants in the Federal Reserve, and the assembly of papers of deceased participants.

II. History (A. II. and B.)

Among the items listed I prefer No. 4 (techniques of decision-making). Such a history could be organized around the growth of policies, development and adaptation of instruments, and critical review of the use of instruments on particular occasions. Personalities and political circumstances would be part of the story. The purpose here would be to write the kind of history that could never have been written from <u>within</u> the System.

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I also like Item 6. "Encouragement" might take the form of the Committee's assisting scholars to find funds to finance their studies, without drawing upon Committee resources.

III. The proposal under B. 1. (crises under the Federal Reserve System) seems to me important and manageable. Sprague's History of Crises Under the National Banking System, written for the Aldrich Monetary Commission, is a forerunner that badly needs a sequel.

Projects B. 2., B. 3., and perhaps A. 4. might be combined into a single area of interest. Short biographical essays of varying length, and perhaps done by different authors, would be interesting and useful and, under competent editorship, could be given unity. This type of group biography should make the Federal Reserve System a very human institution. If properly done, it could set a new pattern of institutional history. Full-length biographies, while much to be desired, are difficult.

Such brief comments as these may appear to be proposals for merely rearranging the skeleton in the memorandum. A fuller evaluation, however, giving my reasons for preferring some projects rather than others, would require more time than is immediately available.

Sincerely,

Walter W. Stewart

Walter W. Stewart

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D. C.

March 18, 1954

Miss Mildred Adams
Federal Reserve Bank of New York
Federal Reserve Station
New York 45, New York

Dear Miss Adams:

This note is to acknowledge your progress report of March 17. Time passes quickly and I can imagine that you are under some pressure to complete the design for the main project. My guess is that you will need a meeting of the Committee in order to give the proposal proper consideration, and I will do my best to attend.

Enclosed is an excerpt from a letter from Sir Henry Clay. I send it along at this time, not to get an answer to the question it raises, but as an illustration of the kind of question that it will be possible to answer once the archives are organized and the historical study under way.

Sincerely,

Walter W. Stewart

Walter W. Stewart

Enclosure

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Excerpt from letter of Henry Clay's to WWS - Feb. 28, 1954:

******

"Since I am writing I may as well seek information.

1) Can you throw any light on the sudden and complete change-round by Norman as a result of his visit to New York 20 Dec. 1924 - 17 Jan. 1925. Before he left (about October) he told the Committee (Cunliffe Committee) which was to report on the return to gold, most emphatically, that 18 months or two years was the earliest date practicable; earlier than that would put too great a strain on industry. The day after he got back he saw the Committee again and 'reported fully on discussions in New York'; and, as we know, persuaded them to report in favour of an immediate return:

2) he may of course have been influenced by the rise in sterling to which the Committee refers. But in any case this must have had an element of speculation on a return, and--this is my second question - George Bolton, with whom I discussed (1), at once said the rise was due simply to a big drive by 'Morgan's and their friends'--a pure speculative ramp, and the people who were on the foreign exchange market knew it at the time. Had you heard anything of this? Bolton also makes a point, which is important, that very few people in London, except the representatives of foreign banks with offices there, knew anything about foreign exchange, and no one at all in the Bank of England except the Governor himself."

******

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January 14, 1954

Messrs. Allan Sproul, Chairman
William M. Martin
W. Randolph Burgess
Walter W. Stewart
Donald B. Woodward

Dr. Robert Calkins

Gentlemen:

In view of the fact that Tuesday, January 19th, proves not to be possible for every member of the Committee, that proposed meeting has been cancelled. In its place, a report on the Committee's present status, together with the questions that were to have been asked there, will be circulated by mail. I hope that this meets your approval.

Sincerely yours,

Mildred Adams
Research Director
Committee on the History of the Federal Reserve System

MA:km

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