

PROPOSED ACTIVITIES
for the
HISTORY OF THE FEDERAL RESERVE SYSTEM

1. Appointment of project director

Possible nominees - Mr. Calkins .

2. General Plan for Study

Plan A. A two-volume History of the Federal Reserve System
and monographs, including:

Benjamin Strong, A Biography - Lester Chandler

Legal History of the Federal Reserve System - Howard H.
Hackley

The Payments Mechanism - Bray Hammond

Recent Monetary and Fiscal Policy - An Analysis - John
Williams

Plan B. A series of coordinated monographs, including those
listed above and others.

Plan C. A symposium - Episodes in the History of the Federal
Reserve System.

3. Seminar

4. Encouragement of other studies

5. Depository for Papers at Columbia University

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COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Minutes of Executive Committee Meeting
Monday, April 16, 1956
Washington, D. C.

Distributed
April 30, 1956

TO: Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert D. Calkins

The Executive Committee convened at 2:10 p.m. in the lounge at the Brookings Institution. All members were present, also Miss Adams as Executive Director.

Resolutions

On the basis of a memorandum circulated in advance by Mr. Woodward, it was resolved to appropriate \$1,500 as a pilot grant to the Columbia University Library for handling costs in the acquisition and arrangement for scholarly use of the papers of Frank Vanderlip. This grant was assigned out of \$11,000 set aside in 1955 to pay the anticipated costs of paper handling for this project.

It was agreed that Dr. Kincaid's Selective Inventory of the Papers of Carter Glass, of which the Committee has 35 mimeographed copies, should be distributed to libraries. A list of proposed depositories will be drawn up and circulated to members of the Executive Committee for their additions or deletions.

It was agreed that the list of pertinent collections of private papers which the Committee's staff has compiled should be duplicated and distributed to the same list.

Housekeeping Details

Anticipating the Committee's later approval of Brookings proposals for the acceptance of added administrative responsibility in the Committee's work, various decisions were made as follows:

Expected date of transfer of research materials to Brookings -
June 1, 1956.

Termination of staff positions (including vacations due)

Miss Adams - June 30, 1956
Miss Burstein - June 30, 1956
Miss McKinstry (part-time) when appropriate, but not later
than June 30, 1956

Moving of files and materials

An inventory of research materials, files, Minute Books, supplies and equipment will be made, and arrangements completed for transferring appropriate items to Brookings by June 1st. It was pointed out that Committee files contain certain confidential material, such as records of interviews, verbatims of the Princeton meetings, etc., and that these must be securely labelled to prevent danger of unauthorized use. Books which have been accumulated, and which are duplicated in the Brookings library, will remain in the Federal Reserve Bank of New York.

Servicing of Committee

Dr. Calkins indicated that the handling of Committee meetings, Minutes and other service details would be the task of the new project head and his secretary.

Old Business

Mr. Sproul reported for the record that following the previous meeting he had written both Mr. Russell Leffingwell and Mr. Parker B. Willis about papers. Mr. Leffingwell indicated that he wanted any of his Treasury papers still on hand to go to the Library of Congress. Mr. Willis expressed a wish that his mother, his brothers and himself go over his father's papers before sending them on to Columbia. Attempts will be made by Margeret Myers Beckhart, as an old friend, to see that the H. Parker Willis collection goes to Columbia intact, but no action has yet been taken.

The meeting was adjourned at 2:30 p.m.

Donald Woodward
Secretary

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Minutes of Committee Meeting
Monday, April 16, 1956
Washington, D. C.

Distributed
April 30, 1956

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

Winfield W. Riefler

The Committee convened at 10:40 a.m. in the lounge of the Brookings Institution at Washington, D. C. Members present were Chairman Sproul, Messrs. Burgess, Calkins, Riefler (for Mr. Martin), Stewart and Woodward. Miss Adams was present as Executive Director. Absent members, Dr. James and Dr. Willits, were both reported ill.

Minutes of the previous meeting (February 4, 1956) having been distributed, their reading was omitted. It was, however, moved, seconded and carried that the "clause of enactment" assigning to Brookings a larger administrative responsibility, which was included in those Minutes, should be replaced by a revised version circulated to members on February 17, 1956 and approved by them. With the passing of this resolution, the revised clause was declared to have become the official Minute on the subject.

Purpose

Thereafter most of the meeting was devoted to a series of reports from Dr. Calkins detailing various steps by which he was moving to carry out the Committee's desires as expressed in the "clause of enactment." Dr. Calkins reported as follows:

1. The conference held February 21st with Dr. Norman Buchanan of the Rockefeller Foundation fell into three parts; a report on action taken at the Princeton meeting to emphasize monographs and increase the administrative responsibility of Brookings, a consideration of timing and a discussion of personnel. Dr. Buchanan showed little surprise at the reorientation of emphasis; he expressed the opinion that Foundation approval of the changes could be handled either by the officers of the Foundation or the Executive Committee of its trustees when a definite proposal is submitted. It was agreed that the Committee should submit its proposal in writing. Several scholars were suggested for roles in the project, but none of them have survived screening.

2. The Committee's proposal of February 4th to transfer to the Brookings Institution, under certain conditions, a greater share of administrative responsibility was presented to the Board of the Institution at their

March meeting. They approved the plan as offered, with the proviso that Dr. Calkins can find an appropriate person to head up the project.

3. The search for such a person, who would become a full-time staff member at Brookings, has met the same difficulties which the Committee had previously encountered. As a way of breaking this impasse, Dr. Calkins suggested the choice of a younger man showing promise of growth and distinguished work. He named two, Dr. Philip W. Bell of Haverford and Princeton, Dr. Raymond Park Powell of Yale, both assistant professors of economics, both in their early thirties. The Brookings proposal is that they work as a team, with Dr. Bell appointed as a Brookings staff member and nominal head of the project, and Dr. Powell (who wants to keep his Yale connection) as co-director. To give such a young team authoritative guidance, Dr. Calkins suggested an advisory sub-committee of three older experts to include Dr. Lester Chandler, and perhaps Dr. Howard Ellis.

If these men should prove to be not available or acceptable, Dr. Henry Wallich of Yale, formerly on the staff of the New York Federal Reserve Bank, was suggested as second choice. Dr. Calkins thought it desirable to give these young scholars as much leeway and chance for initiative as possible.

4. Dr. Calkins then presented a five-point memorandum on Proposed Activities, of which Number 2, The General Plan for Study, contained three alternative plans; Plan A, a two-volume history with related monographs; Plan B, a group of coordinated monographs; Plan C a symposium on episodes in the System's history (a copy of this memorandum will be included in the Minute Book).

Point 3 in Dr. Calkins' memo, the seminar which had been discussed at earlier meetings, would be modified to become initially a series of conferences of people planning and working in the project. Small group meetings of this kind could initially be financed out of Committee funds. As they grow, funds could be sought outside.

At the end of this presentation, and after listing other names and outlining possible alternative arrangements, Dr. Calkins asked the Committee's views on the men he suggested and the plans proposed. If these were favorable, he would then see Dr. Buchanan of the Rockefeller Foundation, interview Dr. Bell (he had seen Dr. Powell), report back to the Executive Committee, and ask for formal approval.

Discussion by the Committee of the men proposed revealed a cautious willingness to accept them (Bell and Powell as a team, Wallich for second choice) if after further exploration Dr. Calkins recommended the appointments.

On plans, Committee members showed a reluctance to cede to these young men complete freedom to plan the project. Discussion of the plans proposed revealed a basic difference of opinion, Mr. Burgess and Mr. Woodward preferring Plan A, Mr. Riefler and Dr. Stewart upholding Plan B, Mr. Sproul not convinced that the men proposed could handle the history by first intent but willing to assume that they could do valuable work which might lead ultimately to the history.

Consensus

It was agreed that Dr. Calkins should talk with Dr. Ball. On the suggestion of Mr. Burgess, it was agreed that after this preliminary conversation, negotiations with both men should be carried on for the Committee by Dr. Calkins and Mr. Sproul jointly.

Formal action on the Brookings proposals was postponed until after negotiation with Messrs. Ball and Powell made possible a more specific plan.

It was agreed that plans now in prospect must, if approved by the Committee, be cleared with the Rockefeller Foundation and the Foundation's assent be expressed in writing before the proposed shift of administrative responsibility to Brookings could be completed.

Monographs

Dr. Calkins also reported that two monograph ideas previously considered are developing while a new one bears promise.

Mr. Howard Hackley has been moving ahead in his own time on sectors of the legal history of the Federal Reserve System. He prefers to work this way, desires no compensation, wants no favors asked for him of the Board of Governors of the Federal Reserve System, would welcome Committee aid in publication. He has developed an outline, of which the Committee has a copy.

Mr. Bray Hammond's suggestion of a monograph to be done on check clearance and collection has been widened in scope to become a study of the evolving role of the payments mechanism. He will prepare an outline.

Dr. John Williams has expressed himself as interested in writing a short book or a long monograph on Monetary and Fiscal Policy, with accent on the former. The Committee asked a more specific description and commitment to be sought by Dr. Calkins.

Approval of these three ideas was expressed in principle. Further negotiation will be needed before commitments are ready for Committee action.

Postponed

Discussion of two other monograph suggestions, of the employment of Dr. Howard Ellis, of seminar plans, of further search for an historian were held in abeyance as dependent on the development of the Brookings proposals.

Other Business

An invitation having been received by the Executive Director for a centenary celebration at the home of Woodrow Wilson in Staunton, Virginia, on April 28th, it was agreed that Mr. Hugh Leach, President of the Federal Reserve Bank of Richmond, be asked to represent this Committee.

The meeting was adjourned at 1:20 p.m., with an Executive Committee meeting scheduled to follow after luncheon.

Donald B. Woodward
Secretary

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

extra

April 18, 1956

TO: Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert D. Calkins
Donald B. Woodward, Secretary

At the Executive Committee meeting on Monday, April 16th, it was agreed that mimeographed copies of Dr. Kincaid's Selective Inventory of the Carter Glass Papers should be distributed to appropriate libraries. In preparation for this distribution, a list of such libraries was requested.

The Committee has on hand thirty-five copies of this inventory. We have started to put them into cloth-covered post binders, and will complete that task this month. As a list of repositories we suggest a group of Board and bank libraries, and universities known to offer good graduate courses in monetary economics.

Committee deletions or additions within the limit of 35 copies are needed in making sure that these inventories are placed where they will be most useful. The proposed list follows. It is assumed that one copy goes to each institution named unless otherwise indicated.

Mildred Adams
Executive Director

Suggested Repositories
for
Selective Inventory of the Carter Glass Papers

April 18, 1956

Board of Governors, Federal Reserve System

12 Federal Reserve Banks

Brookings Institution Library

Library of Congress - 2 copies

New York Public Library

Harvard University

Massachusetts Institute of Technology

Yale University

Princeton University

Columbia University

Cornell University

University of Pennsylvania

University of Chicago

University of Michigan

University of Wisconsin

University of Missouri

University of California (at Berkeley)

Leland Stanford University

University of Virginia (has copies)

Vanderbilt University

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

AGENDA

Committee Meeting
Washington, April 16, 1956

Convene at 10:30 a.m.

- I. Minutes of Committee meeting held February 4, 1956, copies of which were distributed to Committee members February 17, 1956. (Secretary has copy.)
- II. Resolution to amend the Minutes in accordance with the revision of the "clause of enactment" which was proposed by Dr. Calkins after the meeting, circulated to members and approved by them.
- III. Report on conference held February 21st with Dr. Norman Buchanan of the Rockefeller Foundation. (Dr. Calkins).
- IV. Reply of the Brookings Institution to the Proposal of this Committee that Brookings assume further administrative responsibilities for this project. (Dr. Calkins).
- V. Report by Dr. Calkins and discussion by Committee of:
 - A. Appointment of a full-time staff member to take charge of this project.
 - B. Plans for continuing project:
 1. Monographs to be authorized--
Hackley - Legal History
Hammond - Evolving Role of Payments Mechanism
Williams - Monetary and Fiscal Policy
 2. Monographs for further consideration--
International Exchange
Financing of World War I and II
 3. Employment of Dr. Howard Ellis for a major assignment.
 4. Seminar.
 5. Historian.
- VI. Committee action on the Brookings reply.
- VII. Report of this action to the Rockefeller Foundation.
- VIII. Other Business.

Luncheon at 12:45.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

March 1, 1956

TO: Messrs. Allen 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

Winfield W. Riefler

Arrangements for the meeting of this Committee in Washington on March 17th have been made as follows:

The Committee will convene in the lounge at the Brookings Institution at 10:30 a.m. on Saturday, the 17th.

Luncheon will be served at Brookings at 12:45.

The Chairman hopes it will be possible to complete the business of the full Committee by 2 p.m., and to hold a meeting of the Executive Committee between 2 and 3.

Mildred Adams

meeting cancelled

In the light of the Committee's experience during the past two years, and after considering various alternative plans and procedures, the Committee recognizes that in order to carry out its responsibilities for the general development of the project, it is desirable to assign to the Brookings Institution a larger administrative responsibility for studies and personnel. To this end the Committee suggests:

I. That the Brookings Institution appoint a full-time staff member in the field of central banking who could devote his entire time to the development and direction of projects on the History of the Federal Reserve System.

II. That the Brookings Institution assume responsibility for initiating programs, finding and employing properly qualified personnel, and the submission of these proposals to the Committee for review, criticism, and authorization; it being understood that such programs will include the stimulation of interest in the field of central banking, the commissioning of monographs, the continuing hunt for an historian, and all other activities necessary to carry the project to successful fruition.

III. Under these arrangements the Committee will continue to:

- (a) review general policy and individual projects;
- (b) authorize expenditures jointly with the Brookings Institution;
- (c) counsel and advise those commissioned to work on projects, and
- (d) read and criticize manuscripts.

IV. That, if the Brookings Institution will work out the arrangements in a manner acceptable to itself, the Committee will be prepared to give them immediate consideration.

V. It is the consensus of the Committee that it would be desirable to employ Dr. Howard Ellis for a major writing assignment on this project.

2/16/56

Alternate Text ~~as proposed by~~
Clause of Enactment

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V. It is the consensus of the Committee that it would be desirable to employ Dr. Howard Ellis for a major writing assignment on this project.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

AGENDA

Princeton, February 4, 1956

1. Minutes of meeting of Committee held May 24, 1955, copies of which were distributed to members of Committee June 7, 1955. (Secretary has copy.)
2. Report on general status of project and proposals of Executive Committee with respect thereto. (Chairman).
3. Report of Sub-Committee on Monographs (Dr. Galkins). (Memorandum sent to members of Committee).
4. Report on proposals to put in effect monograph approach (Mr. Woodward).
 - (a) Canvass of economics departments of universities
 - (b) Brookings seminars (Memorandum sent to members of Committee).
 - (c) Other (Memorandum on possible monograph program sent to members of Committee).
5. Discussion of future course of project
 - (a) As originally planned
 - (b) Monograph approach immediately, while continuing search for author or editor of definitive history
 - (c) Sequential or text book history, with one or more volumes of supplementary readings, monographs and, possibly, volume of previously unpublished material uncovered by this project. (See distributed memorandum as under 4c)
 - (d) Wind up project at end of fiscal year June 30, 1956

6. Report of Executive Director

- (a) Progress Chandler-Strong book
- (b) Paper chase
- (c) Columbia University as depository of certain papers
(Recommendation of Executive Committee)
- (d) Bank records
- (e) Vest legal summary
- (f) Distribution of inventory of Glass papers
- (g) Continuance of archival and research work (Recommendation
of Executive Committee)

7. Other Business

8. Adjournment

Following adjournment, a meeting of the Executive Committee will be called if time permits.

Office copy

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Memorandum on Proposed Conference and Seminars
at Brookings Institution

For Committee Meeting, February 4, 1956

In the report on Progress and Plans which was approved by this Committee and submitted to the Rockefeller Foundation in October, we said, speaking of the monograph plan, "The success or failure of the undertaking will be determined by the availability within a reasonable time of competent students willing and able to do the studies. As part of the search for them, we propose to call in the autumn a conference focussed on the problem and enlisting the outstanding students and authorities in the field for the nomination of names and discussion of subjects. We also have under consideration the planning of a seminar course at the Brookings Institution for the longer term stimulation of interest among younger men in the history of the Federal Reserve System. Invitations would be issued to the most promising of the younger monetary economists with particular emphasis on their proven interest in writing on monetary subjects."

Delays which were unavoidable rendered impossible the calling of the conference in the autumn of 1955, and suggest the wisdom of re-examining both the purpose and the mechanics of the idea.

The conference-seminar plan was regarded as an integral part of the monograph approach. A longer-term value lies in its power to stir in younger economists the kind of interest in monetary problems which the Chairman asked at the year-end meetings of the American Economic Association.

As originally conceived, the conference-seminar plan represented two successive steps to a single end - the stimulating of interest among younger men and the discovery among them of new writers who might be commissioned for monographs. The first of these steps, the conference, was in essence a "fishing expedition," meant to focus interest on monograph subjects and to secure from older experts new names of young men who would later be invited to the seminars.

The passage of time, and the extended discussion of monograph subjects among Committee members, make the preliminary conference less essential than it appeared eight months ago.

We therefore present to you a plan which would combine conference and seminars to be organized around the monographic research work conducted either by scholars for the Committee or carried on independently in similar fields.

The purpose, as set forth in the October report on Progress and Plans, is to aid the search for competent scholars willing and able to do the studies, and to provide for a longer term stimulating of interest among younger men in the history of the Federal Reserve System.

Such conferences might start with a group of 8 or 10 active members, and could be increased as additional personnel is attracted or discovered. This plan calls for several meetings in the winter of 1956-57, with perhaps two of these reserved for the presentation of formal papers which become, so to speak, the fruit of these conferences. The first conference might be an exploratory one in which members of the group are invited to explore the opportunities for research and research topics that deserve consideration.

Available as speakers and consultants at each session would be the several experts most closely interested in the subject, preferably with personal experience at the crucial point. We would hope to capitalize on the sense of reality and immediacy which can be conveyed to younger men by the personal reminiscence of the men involved in key decisions or who lived through key incidents.

Once research topics, some of them allied with monographs in preparation, are allocated, the subsequent conferences would be framed around discussion of these topics. The reviewing of preliminary drafts of research papers would follow in somewhat the way this is handled at the Universities-National Bureau Conferences.

As an additional inducement to encourage the preparation of papers, arrangements might be made to publish annually a volume of the papers submitted to the conference. Thus members of the group would be offered a four-point program of more than usual interest - an invitation to prepare papers on particular topics of their choice, the opportunity to discuss these papers with informed colleagues, the opportunity to discuss their papers with those who have had operating experience with the System, and the opportunity to publish their papers after final revision and editing.

Conferences would take place at Brookings, be sponsored jointly by this Committee and Brookings, be led by a chairman available for all sessions and preferably chosen from among the members of this Committee.

Costs would be confined to travel expenses, including hotel bills for the participants, publication expenses, and incidentals.

Further working details would be entrusted to a small sub-committee on seminars to be appointed by the chairman.

It is believed that this four-point program - the invitation to prepare a paper, the opportunity to discuss the paper with colleagues, the opportunity to obtain criticism from distinguished persons experienced in the work of the System, and the prospect of publication - will offer genuine inducements to younger men that will encourage them to take part in the activity and to contribute. This series of conference-seminars might well turn up a number of able scholars who could undertake longer assignments on the history of the Federal Reserve System.

office
copy

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Memorandum on Proposed Volumes

For Committee Meeting
February 4, 1956

This Memorandum on Proposed Volumes is the fruit of much discussion, of suggestions from members of this Committee, of recommendations made during two summer meetings of the Sub-Committee on Monographs. Its present form owes much to a detailed proposal made by Mr. Burgess at a meeting of the Executive Committee on November 25th. That proposal was, at the Executive Committee's request, worked over in a memorandum prepared by Dr. Galkins and Miss Adams for a meeting of the Committee on December 19th. It was accepted then in substance, and further edited for clarity and conciseness. It represents a combination of the chronological and the episodic, with place for possible volumes of readings from both unpublished papers and published papers difficult of access. Names of writers appear as suggested, but without implication of agreed choice.

VOLUME I. A CHRONOLOGICAL HISTORY OF THE FEDERAL RESERVE SYSTEM.

This would be a single-volume, sequential history, factual in nature, to be based on the assumption that as the System has continued to be an evolving mechanism, its history is essentially the story of its growth and change. It would contain a minimum of interpretation or analysis, and would be designed for classroom use or as supplementary reading. It would give the framework for the proposed volume of readings which follows.

Various writers for this volume have been suggested, of whom the one now most favored and most possible seems to be Professor Howard Ellis of the University of California, former President of the American Economic Association and a noted scholar in this field.

VOLUME II. SELECTED READINGS IN FEDERAL RESERVE HISTORY.

This volume, to be prepared in connection with the writing of the history, would consist in the main of published materials, key documents, statements in hearings or speeches, coming at crucial points in the growth of the System. Particular attention in selecting items would be paid to materials commonly difficult of access but important to students.

VOLUMES III and IV.

A group of volumes is proposed which would contain shorter monographs going deeper into episodes, periods, functions, etc. than is possible in the one-volume history. These monographs, while necessarily limited in length, would admit of interpretation and discussion of controversial points lacking in the factual history.

The following subjects for two possible volumes (or more if considerations of space so dictate) have been culled from members' lists and grouped for order and coverage.

VOLUME III.

Suggested Subjects

Suggested Authors

Founding of the Federal Reserve System

Bray Hammond

Federal Reserve's part in the Financing of World Wars I and II

Marshall Robinson

Inflation and Collapse, 1919-21

?

Federal Reserve and European Reconstruction

(Miroslav Kris
(Philip Bell
(Arthur Marget
(Henry Siepmann

I Reparations and Reconstitution of Central Banks, 1918-30

II Cooperation with Central Banks to Prevent Catastrophe Abroad and at Home, 1930-39

Crisis of 1929-33

Stock Market and the Federal Reserve

Carl Parry

Failed Banks and the Federal Reserve

Oliver Powell

Banking Holiday of 1933

Gold Policy and Practice of the System; 1920's and 1930's

Magnitude of Response

Effect on the Economy, etc.

Central Banking in International Politics

VOLUME IV. DEVELOPMENT AND EFFECT OF -

1. Relationships

Board and Banks - Regional aspects of the System

Board, Banks and Treasury

Board and other Federal entities affecting banking - F.D.I.C., Comptroller's Office, R.F.C.

Board and state banking authorities and banks

Board and staff

Federal Reserve System and Foreign Central Banks and Governments

VOLUME IV. DEVELOPMENT AND EFFECT OF - (continued)

2. Tools of the System

Open market operations

Discount rates

Reserve requirements

Administration of policy - moral suasion

Credit controls - general and selective, quantitative and qualitative

Bankers' acceptances

Foreign lending

3. Functions

Check clearance and collection

Bray Hammond

Par clearance controversy

Bank examination and supervision

Research and intelligence in the System

Currency movements

4. Summary Chapter

Effects of these relationships, tools, functions

On the growth of the System

On banking system in the U. S.

On the national economy

VOLUME V. In addition, occasional lively interest has been expressed in other subjects and authors which might be combined in a miscellaneous volume. These are listed here for the record but without recommendation.

Legal Aspects of the System

Howard Hackley

Brokers' Loans

Woodlief Thomas

History of Bankers' Acceptances

(Based on newly discovered Warburg memo

Federal Reserve System - a Case History in Public Administration

Federal Reserve and the Public Interest

Randolph Burgess

Politics and the Federal Reserve System

Lucius Wilmerding

Congressional Hearings and the Fed.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

**Report of the Mid-Summer Meetings
of the
Sub-Committee on Monographs**

For Committee Meeting
February 4, 1936

The Sub-Committee on Monographs, consisting of Messrs. Galkins, Stewart and Woodward, held two meetings in Princeton in the months of June and July, 1935. Their assignment was "to block out areas of interest, set the monograph pattern in order, nominate possible writers and report its findings and recommendations to the full Committee."

Enough time has intervened since these meetings so that certain actions there recommended have been carried out. Others will be brought up for discussion today. The Sub-Committee's discussions and recommendations were reported to the chairman of this Committee at the end of the two meetings. They are reported to you now in accordance with your request and his.

At the first meeting, on June 22nd, it was agreed that the vital thing was to settle on the names of acceptable writers and titles - six if possible, certainly three. With these in hand the Committee could go to the Rockefeller Foundation, explain the shift to monographs, and ask their concurrence.

Before starting to name names, the Sub-Committee discussed standards to be set, and agreed that so far as age, experience, qualifications of scholarship and writing ability were concerned, "what we need is some more Lester Chandlers." As for style, readability and comprehensibility, the standard to be preferred is embodied in the Monthly Economic Letter of the National City Bank; however, it was recognized that a corresponding degree of lucidity might be difficult for the writer of a technical study.

As a preliminary move, it was requested that the Committee staff, on the basis of material already assembled, prepare two studies: one on files, libraries and archival attitudes in the Board and the twelve Federal Reserve Banks; the other a study of the men who run the System insofar as age, length of service, education and previous careers of Board members, top officers of the twelve Banks and directors are concerned. (Both these studies were made and distributed to Committee members in early September as additions to the annual Progress and Plans report.)

Dr. Stewart expressed reluctance to proceed with the framing of a general plan which could not be made concrete. If, within a few months, a practicable list which met Committee standards was not devised, he would advise retreat on the ground that the field was too barren to go forward at this time.

Detailed consideration of a long list of suggested names and monograph titles resulted in the acceptance of three names for exploration as to availability, George Roberts of the National City Bank, R. J. Saulnier of the Council of Economic Advisers, W. W. Rostow of M.I.T. To these the name of Howard Ellis was added later.

The second meeting held a month later (July 21st) faced reports, made after careful exploration, which showed that no one of the first three men would be available; Howard Ellis was reported temporarily out of reach.

The Sub-Committee again discussed a considerable list of suggestions. General approval was given some sixteen titles, but without recommendation for action. (These are listed at the end of this summary and have mostly been embodied in the memorandum on monographs prepared for this present meeting.) Sub-Committee members discussed at some length other courses of action which might be recommended to the Committee. It was agreed that any such recommendation must start with a statement that because of Dr. Burgess' government commitments and the shortage of economic historians free to take a Committee assignment, the original concept of a definitive history must be postponed. Instead, the Sub-Committee proposed a program for the next year to include:

- (a) the continuing of archival and documentary projects now under way,
- (b) the commissioning of further monographs on various phases of Federal Reserve history,
- (c) the possible use of a limited portion of the funds "to stimulate the interest of qualified younger scholars in a re-examination of the Federal Reserve, perhaps through seminars and writing conferences at Brookings on the highest level."

In summary, it should be said that, while the Sub-Committee found it not possible to produce the desired lists of monographs which would be definitive and of authors both acceptable and available, its discussions did narrow the field of discussion, while its recommendations form part of the memorandum on monographs now before you. In addition, it faced the implications of the problem created by the continuing lack of historians, defined the alternatives which should be presented to the Rockefeller Foundation (and which were embodied in the October report to the Foundation), and created the framework for decision in noting that (a) no senior historians of the desired type seemed to be available, (b) economists of the middle group should be explored as possible writers of monographs, (c) the interest of the young might usefully be stirred by means of a conference and seminar program. In addition it requested two staff reports which were made and put in the Committee's hands.

The Sub-Committee's recommendations for action have in part been carried out, and in part are before you today in the form of two memoranda - one a program of proposed volumes, to be commissioned and published, the other a program for stirring interest among younger experts by means of a preliminary conference leading to a program of seminars.

Writers' names and monograph subjects discussed with some interest at these meetings follow:

First Meeting, June 22, 1955

Malcolm Bryan to do a monograph on southern banking against the American banking profile.

Howard Hackley - a monograph on the legal aspects of the Federal Reserve Act.

John Langum, recommended by Dr. Heaton.

Arthur Marget to do a study of the international aspect and operations of the System.

Oliver Powell, whose studies of closed banks, made for a System Committee and never published, might serve as the basis for a new study.

*R. J. Saulnier, when free of the Council of Economic Advisers.

*George Roberts of the National City Bank.

*W. V. Rostow of M.I.T.

Leonard White to do a study of the Fed. as a government entity.

Woodlief Thomas, whose collected mass of materials on brokers' loans in early days would serve as base for a monograph on that subject.

Second Meeting, July 21, 1955

Bank Holiday of 1933; a study of causes and effects from 1926 to 1933 in and on the System (no author).

Board-Treasury Relationships (no author).

Brokers' Loans, a Study of - Woodlief Thomas

Credit Controls, General and Selective - Carl Parry.

Crises Under the Federal Reserve System - Paul Samuelson.

**Failed Banks, Their Cause, and the Fed.'s Handling - Oliver Powell.

Federal Reserve and the Public Interest - Randolph Burgess.
(This is the subject chosen by Mr. Burgess in 1954).

Gold Policy and Practice of the System - Miroslav Kris.

Intelligence and Research Functions of the Federal Reserve System - a report by Mildred Adams.

* Later found to be unavailable.

** These were expanded after mention in the earlier meeting.

Second Meeting, July 21, 1951 (continued)

Legal Aspects of the Federal Reserve System - Howard Hackley. (This was qualified by a desire to know more about Mr. Hackley's work and ability).

Monetary Controls in American Theory and Practice - Elmer Hood. (This is a suggestion that a book under way be subsidized in order to speed its writing).

Procedures and Policies of the Federal Reserve, History of - Karl Rapp. (This was approved, but with the understanding that Dr. Rapp might not be free to do it).

Regional Aspects of the System - Mildred Adams. (Approved, but not given a high priority).

Reserve Requirements, Changes in - Bray Hammond (?).

Politics and the Federal Reserve System - Lucius Wilmerding. (This was approved as an idea, but Mr. Wilmerding has other commitments).

**Federal Reserve System, a Case History in Public Administration - Leonard B. White (Dr. White is retiring this year and thought to be available if desired).

In addition, a younger man, Philip Bell of Haverford, was discussed as a possibility.

Respectfully submitted for
the Sub-Committee,

Robert D. Galkins

** These were expanded after mention in the earlier meeting.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Report of the Executive Director

February 4, 1956

The topics which this report covers are listed on the agenda. Anticipating extended discussion of other matters, it is laid before you in the form of a progress report. Items which are starred have had the attention of the Executive Committee, and include recommendations for action on the part of the full Committee.

Progress of Chandler-Strong Book

You will remember that work on this project began in September of 1954, and that during the spring term of 1955 Dr. Chandler had a Sabbatical leave from Princeton, which he used in reading through Strong papers and allied materials in the Federal Reserve Bank of New York. During the summer he did further research in Washington, both at the Board and the Library of Congress. He started writing in September, 1955, but as he also then resumed his duties as head of Princeton's Department of Economics and Sociology, his progress has slowed. He has, however, got three chapters in hand and, in addition, has given academic lectures on new lights shed by the Strong papers - lectures which are said to have roused considerable interest in the subject among academic circles. The book is due to be completed in 1957. Arrangements for its publication remain to be made.

Paper Chase

Three collections of papers in which the Committee has taken an active interest are now in proper depositories and have been opened to research. The final step has been taken for the Ogden Mills papers which, moved to the Library of Congress as a result of Committee advice, have been

set in order and catalogued; a copy of the listing has been provided for our records.

The Goldenweiser papers have gone through a similar process and are now open for research except for certain restricted items where use is contingent on securing individual permission from Mrs. Goldenweiser or Dr. Kamarck. The Executive Director has that permission.

The papers of Fred I. Kent are being set in order at Princeton, in the section of the Library devoted to international finance.

Three other collections, surveyed more recently, will be useful. The papers of Owen D. Young, sorted and stored in a specially designed steel, concrete and stone office building at Van Hornesville, New York, were made available to your Executive Director in July and September, both occasions lit by long conversations with Mr. Young. They were also made available to Dr. Chandler for his Strong research. The papers are in excellent condition, sorted, boxed and labelled by Mr. Young's secretary, and set in order according to fields of activity. Papers concerning Mr. Young's years as director, Deputy Chairman and Chairman of the Federal Reserve Bank of New York, during which he was also active in Dawes and Young Plan negotiations, are contained in some ten manuscript boxes. The ultimate fate of this collection was not discussed, but it seems probable that the Young family will keep it in its present shape and place for many years.

A small collection of papers concerning the Federal Reserve Advisory Council, which were accumulated by the late Mr. Howard Loeb of Philadelphia, a member of that Council from 1929 to 1940, was left in the Tradesmen's Bank of Philadelphia after his recent death. After scanning the papers and consulting interested people at both Wharton and Princeton, we suggested to Mr. James Large, president of that bank, that the collection go to the Princeton

Library. Negotiations to that end are now under way.

Discovery of the papers of Frank Vanderlip, president of the National City Bank from 1909 to 1919, who played an active part in the agitation for monetary reform leading to the Federal Reserve Act, was reported to you in September. We interested Dr. Logsdon of Columbia in this large and rich collection; it has recently been moved in two truck-loads to the Columbia Library where the papers are being set in order for scholarly research.

Meanwhile the Committee's staff has put into usable shape the information about papers which has been gathered over the course of two years. Taking as model certain forms set up by the Library of Congress, we now have skeleton "registers" typed for 95 collections and partial data for 9 more. This makes a total of 104 pertinent collections which we will have located and described.

At the meeting of the Executive Committee on November 25th, Dr. Galkins suggested that this data on the whereabouts of papers be circulated to interested institutions such as university libraries. The Executive Committee approved the suggestion, but the mechanics and the timing have been left for later decision.

The degree of success thus far achieved by the paper chase should not be taken to mean that this end of the project is finished. These 104 collections represent the easily skimmed cream. If this part of the work is to be continued, the Committee can expect many more to be found.

Meanwhile these suggestions come under the head of unfinished business:

(1) That a new and well-planned effort be made to get the H. Parker Willis papers out of the Staten Island house and into the Library at Columbia where dispassionate sorting and setting in order can be done by Library authorities.

(2) That Mr. Leffingwell be asked to disinter for this project the 25 volumes of letter-press copies of correspondence dating from Treasury days which are said to be in his basement. They should be sent either to the Library of Congress or to Columbia.

(3) That publication of selected correspondence between Benjamin Strong and Montagu Norman throughout the 1920's would make a valuable sequel to Dr. Chandler's book.

* Columbia University as a Depository

You will remember action last spring to persuade appropriate authorities that Columbia University should establish in the library a center for the deposit of collections dealing with monetary and financial affairs, and with particular attention to the papers of New York bankers and financiers.

During the summer two further meetings were held with University officials, including Dr. Logsdon, the Librarian, and Dean Courtney Brown of the Business School, at which Columbia officials expressed interest, but said that they would need \$35,000 with which to establish and maintain such a center.

At the Executive Committee meeting on December 19th, it was agreed that the Executive Committee would recommend to the full Committee that the Columbia University Library be placed in a position to collect, organize and put into usable condition all desirable collections of papers not clearly destined for another institution, and that a plan of action be devised whereby the Committee and the Columbia Library would jointly seek a grant of the necessary \$35,000 from a foundation, talking first to the Rockefeller Foundation.

Bank Records

A report of the difficulties which would face attempts to do coordinated research into historical material in the twelve Federal Reserve Banks was made in the Annual Report of the Executive Director which reached you in September, 1955. Since then some progress has been made. Thanks to Mr. C. E. Earhart of San Francisco, a Sub-committee on Destruction of Records attached to the Presidents' Conference conferred with us to develop "guides and standards for the preservation of historical material by the Federal Reserve Banks." They now have circulated a recommended list, framed jointly, of the indispensable historical material for Banks to keep. They also recommend adding the word retention to the Sub-committee's name. A copy of that portion of the Sub-committee's Minutes carrying these recommendations is appended. These steps will not, of course, bring back what has already been thrown out, but they may help in the preservation of historical material now threatened.

Distribution of Inventory of Glass Papers

You will remember that the Selective Inventory of the Papers of Carter Glass, completed in the autumn of 1954 under the leadership of Dr. Elbert Kincaid of the University of Virginia, was left in mimeographed form. At the meeting of the Executive Committee on December 19th, it was decided that publication not be undertaken, but that the inventory be improved by the addition of a simple index to be prepared by Miss Marguerite Burnett. The mimeographed pages, in post binders, would then be distributed by the Committee to interested libraries. A list of such libraries will be drawn up and circulated for Committee approval before distribution is undertaken.

Continuance of Archival and Research Work

The progress of the Committee's archival and research work up to September first was detailed to you in the Annual Report of the Executive

Director, appended to the document on Progress and Plans which went to you on September 2nd.

Members will have noted that these activities have now gone through two overlapping phases, the mapping and survey phase of the pilot project and the intensive collecting of basic data and building of research aids. The first phase was completed in June of 1955 with the last of the visits to Federal Reserve Banks, the second is well in hand with research aids now ready to be put to work by writers, whether of history or monographs, who may use what we have and ask for more.

Recommendations made in the September report could have no fruit until the future course of Committee projects was cleared. In accordance with an Executive Committee recommendation, archival and research work has continued, but at reduced speed, as staff capacity was cut by a resignation (Mrs. Singer's) not yet replaced, while the prevailing uncertainty damped down new undertakings.

Results of the paper chase have been reported to you under that heading. New interviews have, for the most part, been "frozen" with the "freeze" of funds which has prevailed since October first. Work done on people and papers in the subsequent three months has been a continuation and in some instances a completion of work previously started.

Card files of the sort we have set up are research aids that grow with the job. They are mostly complete as of the moment, but they will go out of date unless maintained.

Their present state is as follows:

Persons File contains close to 1,500 biography cards of people engaged in the System or closely connected with it. The sub-file of economists and monetary historians from which participants or

consultants in this project might be picked contains more than 550 cards. This sub-file is available at this meeting. These files need maintenance only.

Time File has been finished as planned except for one category of information. The other ten are completed. Meanwhile data we needed concerning court decisions and opinions of the Attorney General which have affected the Federal Reserve System year by year has been supplied by Mr. George Vest, who most kindly had a complete and authoritative survey made for us.

Bank File of officers and directors in each Federal Reserve Bank, year by year, is complete to date.

Bibliographic File is still incomplete, but far enough along to be valuable to monograph writers.

If the Committee decides at this meeting to go ahead with major projects, your Executive Director would recommend a reconsideration of the future of the entire research and archival program. It was planned at a time when no one could foresee exactly what would be needed, nor by whom it would be needed. Therefore emphasis was put on the collection and classification of data which would be of the most general utility. From now on, historians and/or monograph writers will have their own needs and research will take a more specialized turn. A good foundation has been laid for whatever decisions as to further service are made.

If, on the other hand, the decision is not to continue, research aids already compiled should be of considerable value to any institution interested in Federal Reserve history.

Respectfully submitted,

Mildred Adams
Executive Director

III. History of the Federal Reserve System

1. Mr. C. E. Earhart, Chairman of the Committee on Miscellaneous Operations, in his letter of March 25, 1955, requested the Subcommittee on Destruction of Records to confer with the staff of the Committee on the History of the Federal Reserve System with a view of developing guides and standards for the preservation of historical material by the Federal Reserve Banks.

2. After several meetings between Miss Mildred Adams, Executive Director of the Committee on the History of the Federal Reserve System, and the Chairman of the Subcommittee, Miss Adams and the Subcommittee developed jointly at the meeting of the Subcommittee on October 7, 1955, a list of records and other material which is suggestive of the types of material having historical value which should be preserved permanently by the Federal Reserve Banks. Such material is described in Schedule B attached to this report. The Subcommittee believes that with these guides and standards at hand the demands on the time and judgment of the liaison officers designated to decide upon the destruction of particular records will be minimized. Accordingly, the Subcommittee RECOMMENDS that the types of records and other material described in Schedule B attached to this report be retained permanently.

3. In considering this topic, the Subcommittee felt that, in the interest of consistency, it would be desirable to add the term "Retention" to the name of the Subcommittee and the title of the Manual. The Subcommittee, accordingly,

RECOMMENDS

- A. That the Subcommittee title be changed from "Subcommittee on Destruction of Records" to "Subcommittee on Retention and Disposal of Records."
- B. That the title of the Manual be changed from "Manual Relating to Disposition of Records at Federal Reserve Banks" to "Manual Relating to Retention and Disposal of Records at Federal Reserve Banks."

Project on the History of the Federal Reserve System

EXPENDITURES, July 1, 1955 - December 31, 1955

SALARIES

Mildred Adams
 *Ellen Colt Singer
 **Marguerite Burnett
 Irma Burstein

Bank employes
 **K. R. McKinstry
 ***D. Monte
 ***D. Puglisi
 ***T. Meglio

Total Salaries

10,249.30

Outside Stenographic Service (Bank Pool)

104.11

CONTRACT PAYMENTS (Ben Strong Project)

L. V. Chandler
 Personal Compensation
 L. V. Chandler
 Advanced for Expenses

2,500.00

1,000.00

3,500.00

TRAVEL

372.26

OTHER EXPENSES

Stationery and supplies
 Telephone and telegraph
 Equipment rental
 Equipment maintenance
 Express charges
 Books
 Membership dues

63.31

219.82

131.26

44.00

7.14

19.77

6.00

491.30

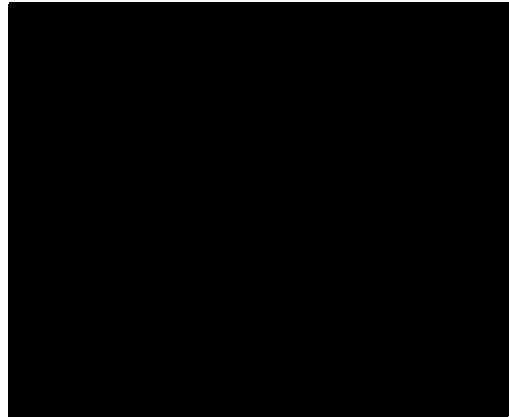
ALLOWANCE FOR BROOKINGS INSTITUTION

1,500.00

TOTAL

16,216.97

*Resigned October 1
 **Half-time or less
 ***Emergency typing aid



RESOURCES AND EXPENDITURES

Project on the History of the Federal Reserve System
From Beginning to December 31, 1955

GRANTS BY ROCKEFELLER FOUNDATION

R. F. GA SS 5404, January 21, 1954	\$ 10,000.00
R. F. 54061, May 21, 1954	<u>310,000.00</u>
Total available for the period ending May 31, 1959	<u>320,000.00</u> a/

EXPENDITURES	1/1/54 to 6/30/54	7/1/54 to 6/30/55	7/1/55 to 12/31/55	
Salaries.....	8,865.30	23,016.10	10,249.30	42,130.70
Contract payments.....	1,333.33	6,380.42	3,500.00	11,213.75 b/
Honoraria.....		400.00		400.00
Miscellaneous services....		547.99	104.11	652.10
Travel.....	957.66	3,500.11	372.26	4,830.03
Other expenses.....	882.35	1,910.13	491.30	3,283.78
Brookings Inst. allowance.	-----	3,000.00	1,500.00	4,500.00
Totals	12,038.64	38,754.75	16,216.97	<u>67,010.36</u>

UNEXPENDED BALANCE 252,989.64

a/ Handled as combined sums under terms of grants.

b/ Total of contract payments includes \$4,000 advanced for expenses of the Ben Strong project, subject to accounting and return of unused funds by Lester V. Chandler. (Last report by Dr. Chandler, as of July 31, 1955, reported expenditure of \$1,375.68.)

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

January 26, 1956

TO: Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert B. Galkins
F. Cyril James
William McG. Martin, Jr.
Walter W. Stewart
Joseph H. Willits

Winfield V. Riefler

Arrangements for the meeting of this Committee at Princeton on Saturday, February 4th, remain as outlined to you by Miss Adams in her letter of January 9th.

May I repeat that members are asked to meet at 10 a.m. in the Common Room of the main building of the Institute for Advanced Study, where Dr. Stewart will act as guide to the conference space which is most kindly being provided for us. Luncheon will be served at the Institute.

At the end of the afternoon meeting Mr. Sproul intends to call the Executive Committee into session if time permits.

The Agenda is enclosed with this letter, and also certain pertinent memoranda bearing on topics to be discussed. Prepared for their attention, members will find the following items:

1. The agenda
2. Report of Sub-Committee on Monographs (agenda item 3)
3. Memorandum on Brookings Seminars (agenda item 4b)
4. Memorandum on Proposed Monographs (agenda item 4c)
5. Reference lists of academic and Federal Reserve economists, economic historians, etc.

May I suggest that you bring these papers with you to Princeton on Saturday for reference in the discussion.

Very sincerely yours,

Donald Woodward
Secretary

office

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

December 28, 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

Winfield W. Riefler

This will confirm telephone messages that the meeting of this Committee has been set for 10 o'clock, Saturday, February 4, 1956, at Princeton. Details of place and agenda will follow next week.

Mildred Adams

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

December 12, 1955

TO: Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert D. Calkins
Donald B. Woodward, Secretary

The material which follows, concerned mainly with monographs, is sent you to serve as basis for the first item to be discussed at the meeting of the Executive Committee scheduled for December 19th. The other requested item, a plan for a volume of readings, will follow.

This list of possible volumes was put together by Dr. Calkins and Miss Adams from the suggestions made at various times by Committee members or interested consultants. In substance, it is an expansion of the plan discussed in executive session on November 25th. Each of the volumes as listed raises questions (indicated below) for which Committee discussion and decision is essential to the success of the plan.

VOLUME I. A CHRONOLOGICAL HISTORY OF THE FEDERAL RESERVE SYSTEM, being a straightforward account of what happened, without analysis or evaluation.

- Q. (1) Is this volume to be considered as giving the framework for the monographs?
(2) For the readings?
(3) Is there to be any editorial connection between this and the other volumes?
(4) Writers suggested for this include: Mrs. Margaret Myers Beckhart, Thomas Cochran, Howard Ellis, Bert Fox, Kermit Gordon, Richard Musgrave, Winfield W. Riefler, Harold Reelse, Woodlief Thomas, Brooke Willis, Ralph Young. Is the Executive Committee ready to express a choice?

VOLUME II. READINGS IN FEDERAL RESERVE HISTORY, which would supplement the chronological history and provide material for more intensive study. It has been suggested that this should draw from major Congressional hearings and important published material which is difficult of access.

- Q. (1) Should it also contain unpublished material, e.g. pertinent letters from collections which have been uncovered?
(2) Should unpublished material be dispersed among published material, or would the Committee prefer separate volumes?
(3) Would the Committee approve, as a spur to further research, the appending of a list of the relevant collections found in the course of this project?

VOLUMES III, IV, V. MONOGRAPHS. On considering the monograph topics which have been suggested, and attempting to classify them under topics, it became evident that they would not fit into a single volume. The three volumes here suggested are tentative as to title, subject and content. In reading these lists of suggestions, Committee members are asked to bear in mind these questions:

- Q. (1) Are these the right topics for monographs? The ones you want authors found for? Should other topics be substituted, or included?
- (2) Is their arrangement right, or should they be otherwise arranged for greater effectiveness?
- (3) Is this list complete enough to give rounded coverage?
- (4) Does it represent the "key episodes," that is, those for which inclusion is imperative?

VOLUME III. CRUCIAL EPISODES IN THE HISTORY OF FEDERAL RESERVE POLICY.

This volume might include the following monographs; authors are listed as they have been suggested.

<u>Monograph Subjects for Vol. III</u>	<u>Suggested Authors</u>
Founding of the Federal Reserve System	
War Finance, 1917-19	Marshall Robinson
Inflation and Collapse, 1919-21	
Federal Reserve and European Reconstruction, 1918-28	{ Arthur Marget { Miroslav Kris { Philip Bell { Henry Siepmann
Development of Federal Reserve Policy of the 1920's	
Credit for Business, but not for Speculation, 1927-29	
Crisis of 1929-33	
Stock Market and the Federal Reserve	Carl Perry
Failed Banks, and the Banking Holiday	Oliver Powell
1930's Cooperation with European Central Banks to Prevent Catastrophe	
Gold Policy and Practice of the System (1920's and 1930's) - magnitude of response, etc.	Miroslav Kris
Central Banking in International Politics	
1941-45 War Financing	Marshall Robinson

VOLUME IV. HISTORICAL SURVEY OF THE OPERATING ASPECTS OF THE FEDERAL RESERVE SYSTEM. (The monograph suggestions grouped for this volume carry with them very few suggested authors. Help is needed here. Groupings within the volume were added to help clarify a long list.)

<u>Monograph Subjects for Vol. IV</u>	<u>Suggested Authors</u>
Relationships	
Board and Banks	
Board - Staff	Goldenweizer did a study
Board - Treasury	
Tools - History and Effect of	
Changes in the Discount Rate	
Changes in Reserve Requirements	
Moral Suasion	
Open Market Operations	
Credit Controls - general and selective	
Functions - History and Importance of	
Check Collection and Settlements	
Per Clearance Controversy	
Bank Examinations and Relationships	
Research and Intelligence in the System	(Harold Roelse (Ralph Young
Regional Aspects of the System	
Foreign Transactions - shifts of position between Board and Banks	Walter Salant
Legal Aspects of the System	Howard Hackley

VOLUME V. MISCELLANEOUS PAPERS AND MONOGRAPHS. (This volume would include miscellaneous papers deserving publication but not falling properly into any one of the others.)

Monograph Subjects for Vol. V

Suggested Authors

Branch Banking and Affiliates

Bray Hammond

Brokers' Loans

Woodlief Thomas

Sound Money Agitation and its Effect on the Federal Reserve System

Bankers' Acceptances

(Based on Warburg memo)

VOLUME VI. THE FEDERAL RESERVE AS A UNIQUE GOVERNMENT ENTITY. (Monograph suggestions in this field, as in others, are listed as they came in. Obviously, more could, and should, be added to make such a study complete.)

Monograph Subjects for Vol. VI

Suggested Authors

Federal Reserve System, a Case History in Public Administration

Federal Reserve and the Public Interest

Randolph Burgess

Politics and the Federal Reserve System

Lucius Wilmerding

Congressional Hearings and the Fed. - their Causes, Timing, Personnel and Effects

To this list of six volumes there should be added a seventh which is in preparation:

VOLUME VII. BEN STRONG, CENTRAL BANKER, by Lester Chandler.

It has been suggested that a publishing subsidy be offered for the study which Dr. Elmer Wood has in progress, entitled MONEY CONTROL IN AMERICAN THEORY AND PRACTICE.

The Committee may want to consider publication, or distribution to libraries in its present mimeographed form, of the SELECTIVE INVENTORY OF CARTER GLASS PAPERS.

Decisions to be made in the light of this memorandum are of such character that Committee members may prefer to make their own written notes of acceptance, rejection or addition in advance of the meeting. To have such notes in hand will help to assure complete understanding of members' wishes.

Robert D. Galkins
Mildred Adams

MINUTES: EXECUTIVE COMMITTEE, EXECUTIVE SESSION
COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM
AT THE FEDERAL RESERVE BANK OF NEW YORK
FRIDAY, NOV. 25, 1955

Present: Messrs. Sproul, Burgess, Galkins and Woodward

1. After extensive discussion of alternative possibilities, the Committee decided to explore intensively a revised program to consist of these parts:

- a. A single volume sequential history of the Federal Reserve System. This would be intended to be factual, to contain a minimum of interpretation and would be designed for classroom use. It might be prepared in a year.
- b. A volume of selected readings on the Federal Reserve System. This would make available significant statements out of print, or otherwise difficult to obtain, or not available heretofore.
- c. A series of monographs to provide more extensive discussion of episodes, periods, persons or subjects.

2. Miss Adams is requested to

- a. Develop a plan for a volume on selected readings and submit it to the Executive Committee before the first of the year if possible.
- b. Prepare a report to show all the accumulated suggestions for monograph subjects and suggestions for writers for monographs before the first of the year.

- c. Give the Committee some latitude, if she can, regarding termination of office responsibilities Jan. 15, 1956 requested in her letter to the Chairman.
- d. Continue operation of the office on present basis until the Committee reaches a conclusion on the revised program.

3. The Executive Committee will consider at an early meeting, before Jan. 1, 1956:

- a. Names for authorship of the single volume sequential to be prepared in consultation with an advisory committee. history. ^ Names suggested at this meeting for further thought were Harold Roelse, Ralph Young, Woodlief Thomas, W. W. Riefler, Brooke Willis.
- b. The reports from Miss Adams on a volume of selected readings and on monographs (2a and 2b above)
- c. A report to the entire Committee
- d. Plans to have a meeting of the entire Committee very early in 1956.

4. The Committee discussed possibility and desirability of discussion at the annual meetings of the professional associations in late December. As Mr. Sproul is addressing a luncheon session which presumably will include all those in attendance at the meetings who are interested in central banking, an opportunity exists.

5. The proposal that the Columbia University Library be put in a position to collect, organize and put into usable condition all desirable collections of papers not clearly destined for some other institution was favored. The Executive Committee probably will wish to recommend to the

entire Committee that it and the Columbia Library jointly seek a grant of the \$36,000 necessary from a Foundation, talking first to the Rockefeller Foundation.

6. A series of seminars on significant features of the Federal Reserve System and its history were discussed and is to be further considered at the next meeting.

- a. The series might be organized by Brookings and sponsored jointly by Brookings and the Committee.
- b. Each seminar might deal with a subject to be covered by a monograph, and might therefore provide a significant amount of material for each monograph.
- c. Each seminar might be participated in by those Committee members and others most familiar with or interested in the subject of each seminar plus invited experts mostly from academic institutions.
- d. Invitations would be issued far in advance, with the understanding that participants would prepare themselves for the discussion; and their expenses would be paid.
- e. The Committee might be requested to make a grant for expenses, and/or funds might be sought from another Foundation.

DBW

Donald B. Woodward, Secretary

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Sub-Committee on Monographs -

Memorandum of Points Agreed

Conference at Princeton, Wednesday, June 27, 1955

Present - Dr. Walter Stewart, Mr. Donald Woodward, Miss Mildred Adams

Policies

In view of the fact that the Committee has decided to go ahead with the monograph approach, the vital thing at this juncture is to settle on the names of acceptable writers and the acceptable titles of monographs. ("Acceptable" includes a fair certainty of getting what is promised.)

The need is for half a dozen, but if we can secure two or three now, with three more in prospect, we can then go to the Rockefeller Foundation, tell them of the shift from the single historian to the monograph approach, display what we are doing, explain that at this stage it is neither comprehensive nor conclusive, ask their concurrence.

(Dr. Stewart hesitates to go forward on a general plan which we cannot make concrete. He thinks that we should, within a few months, have a list which meets our own requirements or else retreat on the ground that we have done well thus far but the field is too barren to go forward at this time.)

Definitions

In terms of writers - age, experience, qualifications - what we need is "some more Lester Chandlers," at that level of maturity and with that degree of remoteness from actual System responsibility.

In terms of style, readability and comprehensibility, the Monthly Economic Letter of the National City Bank can be taken as a small but acceptable prototype for the more general monograph. Technical papers may be more difficult.

Dr. Stewart also voiced the hope that the efforts of this Committee might result in a two-volume work, of which one would deal with operations and one with history; this to be handed each incoming director.

Studies

Two studies are to be prepared by the Committee staff on the basis of material already collected.

- (1) A study of files, libraries and archival attitudes in the Board and the twelve banks, to be submitted to Mr. Sproul and, we hope, by him to Mr. Martin; the purpose being to revive interest in System archives on the part of Board and banks.

(2) A study of the age, length of service, education and career preparation of the Board of Governors, the top officers of banks, the directors in their classes; the purpose to examine the human caliber of the System.

It is expected that these will be ready in time so that their completion can be reported to the Rockefeller Foundation in late July or early August.

Writers

Names of possible writers were explored on the basis of a revised memorandum, plus suggestions recently given Miss Adams by Dr. Herbert Heaton. These included:

Malcolm Bryan to do a monograph on southern banking against the American banking profile.

Howard Hackley - a monograph on the legal aspects of the Federal Reserve Act.

John Langum, recommended by Dr. Heaton.

Arthur Marget to do a study of the international aspect and operations of the System.

Oliver Powell, whose studies of closed banks, made for a System Committee and never published, might serve as the basis for a new study.

R. J. Saulnier, when free of the Council of Economic Advisers.

George Roberts of the National City Bank.

W. W. Rostov of M.I.T.

Leonard White to do a study of the Fed as a government entity.

Woodlief Thomas, whose collected mass of materials on brokers' loans in early days would serve as base for a monograph on that subject.

These people were discussed. The names specifically approved for exploration were George Roberts, R. J. Saulnier, W. W. Rostov; with Oliver Powell's work on closed banks, Woodlief Thomas' material on brokers' loans to be explored, and a "when and if" list to be added on which would be Randolph Burgess, Dr. John Williams, Walter W. Stewart.

Mildred Adams
Executive Director

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Minutes of Committee Meeting, Tuesday, May 24, 1955

Brookings Institution, Washington, D. C.

June 7, 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

The Committee convened for a luncheon meeting at 12:45 p.m. in a private dining room at Brookings. Mr. Allan Sproul, Chairman, Mr. William McC. Martin, Mr. W. Randolph Burgess, Dr. Robert Calkins, Mr. Winfield Riefler and Mr. Donald Woodward were present. So was Miss Mildred Adams, Executive Director. The unavoidable absences of Dr. James, Dr. Stewart and Dr. Willits were noted with regret.

After calling the meeting to order, Mr. Sproul reported on matters discussed and action taken at two meetings of the Executive Committee (February 21st and May 4th) held since the latest full Committee meeting on January 29th. These included:

(a) A report on methods and costs of collecting papers followed by policy suggestions and a recommendation that the Committee consider appropriating \$11,000 for estimated costs over the remaining life of the project. The Committee accepted the recommended policy and approved the appropriation.

(b) An account of conversations with Columbia University looking toward the establishing there of a center for collections of papers concerning the New York banking world. Mr. Sproul reported that these conversations were still inconclusive.

(c) An invitation to Dr. Shepard Clough to join the Committee; Dr. Clough is in Europe and further action has been postponed until his return.

(d) A recommendation that in accordance with Brookings practice the Committee adopt the policy of paying consultants \$50 a day, with suitable variation allowed as needed. The Committee accepted this recommendation.

(e) A discussion of the timing and possible content of the annual report to the Rockefeller Foundation. It was agreed that Dr. Calkins and Mr. Woodward should make an official call on Dr. Norman Buchanan, incoming head of the Foundation's Division of Social Sciences, at an appropriate date in July. It was requested that copies of the report in draft form be submitted to the Committee for their suggestions.

Reverting to this Committee's unfinished business, Mr. Sproul reported that Dr. Cyril James regretted his inability to accept the Committee's invitation to write the history and direct the collateral studies. Thereupon the Executive Committee, in its meeting of May 4th, suggested that the Committee shift its point of immediate attack from the history to the monograph approach and seek an executive editor who might give the monograph plan proportion and direction. Mr. Donald Woodward was asked if he might find it possible to undertake this, but advised the Committee he cannot free himself from other commitments.

As an alternative it was suggested that, still holding to the monograph approach, a sub-committee be appointed which, in the course of meetings to be held in the near future, would block out areas of interest, set the monograph pattern in order, nominate possible writers and report its findings and recommendations to the full Committee.

This idea having been discussed and approved, Mr. Sproul suggested that the editorial sub-committee be composed of Dr. Calkins, Mr. Woodward and Dr. Stewart, with Mr. Riefler a reserve possibility in case Dr. Stewart found himself unable to serve. This was approved. Mr. Sproul was asked to get in touch with Dr. Stewart at once.* It was agreed that, as speed is desired, the sub-committee would try to have a plan ready for Committee discussion by mid-July.

Suggestions were made that word of the monograph approach be sent to learned journals as a way of discovering interested writers, and that the subject be presented at the December meeting of the American Economic Association. Interest was general, but no action was taken.

A financial report was presented in two parts - a report of expenditures for the current year, with actual figures for nine months and estimates for the other three, and a tentative budget for 1955-56. The budget, calling for a total expenditure of \$65,675 for the year was passed in principle; at the same time a measure of flexibility in detail will be allowed in view of the changing plans for 1955. Miss Adams' salary was raised \$500 per annum "in recognition of services."

Existing appointments to the office staff were confirmed as follows: Miss Adams, Mrs. Singer, Miss Burstein were reappointed for the year July 1, 1955 - June 30, 1956. Miss Burnett was reappointed for 4 months in 1955, dates not specified. Dr. Calkins observed that it might become necessary to reconstruct the present office plan when monographs were commissioned and monograph writers needed service.

A preliminary report on possible publishing costs and arrangements, requested last autumn, was presented by the executive director for the information of the Committee when needed.

* Mr. Sproul subsequently advised the Committee that Dr. Stewart had accepted the appointment.

The Annual Report to the Rockefeller Foundation, now in draft form, will be sent to all Committee members for their reading and criticism before its presentation to the Foundation by Dr. Calkins and Mr. Woodward.

In recognition of the 70th anniversary of Dr. Stewart's birth (May 24, 1885), Mr. Riefler was asked to draft a telegram of affectionate congratulation. This was sent after the close of the meeting.

There being no further business, the meeting was adjourned at 2 p.m.

Donald Woodward
Secretary

May 24, 1955

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

TENTATIVE BUDGET - 1955-1956

Salaries

Adams	[REDACTED]	(as decided at meeting, May 24, 1955)	
Singer			
Barstein			18,040

Expenses

Office	2,500	
Travel	<u>3,500</u>	6,000

<u>Brookings Overhead Allowance</u>		3,000
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Projects (in work)

Chandler	5,000	
Burnett (4 mos.)	1,237	
McKinstry (bib.est.)	<u>2,700</u>	8,937

Contingency

Conferences	<u>2,000</u>	38,777
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<u>Unallocated</u>		<u>26,898 a/</u>
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Total		\$ 65,675
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a/ Budget for 1954-55	853,325
Estimated Expenditures (as of May 1954)	<u>42,150</u>
Underrun (est.)	11,175
Budget for 1955-56 (original)	<u>54,500</u>
Budget for 1955-56 (Revised)	\$65,675

For meeting
May 24, 1955

Illustrative List of Suggested Monographs

Mr. Sproul has been approached for a volume of papers on policy matters.

Mr. Burgess said last July that he was thinking in terms of a small book to be called, "The Federal Reserve and the Public Interest."

Malcolm Bryan of Atlanta has said, more or less seriously, that he would like to do a "Statement of Federal Reserve Problems, with some Historical Illustrations."

Lester Chandler says there should be a volume on the 1929 Stock Market and the Federal Reserve, possibly including the years through the Banking Holiday. The recent volume by Dr. Galbraith is too quick and superficial to be of much use.

Bray Hammond has recently submitted a memorandum suggesting the following four monographs: (1) The statutory evolution of reserve requirements from 1694 (incorporation of the Bank of England) to present; (2) The Sound Money agitation preclusive to the Federal Reserve Act; (3) The Collection and Settlement Function of the Federal Reserve Banks; (4) Branch Banking and the Regulation of Group Banking.

Leonard D. White, political scientist of the University of Chicago (author of a trilogy concerned with administrative history, of which the third volume has just won a Bancroft Prize), has been suggested as the man to do a monograph on the Federal Reserve System as a case study in public administration.

George Eddy, now in the Treasury, and William Adams Brown of Brookings have been suggested as possible authors of a monograph on gold as of now.

Philip Bell of Haverford (author of a coming book on the sterling area) has been recommended as author of a monograph on the Federal Reserve in international dealings of the United States. Miroslav Kris of the New York Federal Reserve Bank and Gardner Patterson of Princeton have also been suggested for work in the international aspects of Federal Reserve activities, the Federal Reserve and International Finance, etc.

Dr. John Williams is said (by his secretary) to be now willing to do a monograph in the Federal Reserve series "if properly approached" and allowed to choose his own subject.

Paul Warburg, in 1915, had compiled an unpublished History of the Bankers' Acceptances' Regulation, with careful analysis of varying attitudes within the Board, which would make an excellent springboard for an historical study of the use of bankers' acceptances within the System. (This has just turned up in Warburg papers given to Mr. George Harrison).

Woodlief Thomas is said to have collected a mass of material on brokers' loans in the early period which would form the basis for a monograph on those loans.

Dr. Stewart has suggested that the executive director do two reportorial monographs, one on the Development of the Research and Intelligence Functions in the Board and the Banks; the other on the Regional Aspects of the System - their Character and Value.

Howard Hackley of the Board legal staff is now working on an outline or a memorandum for a monograph on the Legal Aspects of the Federal Reserve Act.

In addition, we have a chronological list of possible titles from Dr. Elmer Wood which is suggestive:

The Founding of the Federal Reserve (which might or might not be combined with the Operations during the First World War)

The Development of Federal Reserve Policy during the Nineteen Twenties (into the classic form in which B. Strong left it)

International Monetary Cooperation of the Nineteen Twenties

The Crisis of 1929 to 1933 and the Recovery

The Federal Reserve System and the Treasury, with Special Reference to the Period since 1933

"Then there might be a History of Federal Reserve Procedures and Policies for the period as a whole, which, though not attempting to cover all the source material, would get some of the cream, but in the main would be analytical. Of course Karl (Bopp) ought to do this; but if not, he ought to keep in very close touch with it."

(Remarks at close of morning session, Sunday, November 21, 1954)

DR. WOOD: I am slightly hazy as to just how the thing has crystallized.

DR. SPROUL: I'll try to summarize it, and everyone else may have a somewhat different view.

It seems to me that so far as it has crystallized, it has crystallized first around the idea that Dr. James and Win Riefler have suggested, that there would be one man full-time who would be working on the comprehensive history with assistants, research people, working for him, and with another group of part-time, one or two-year men, who would be working on various monographs and associated with him in the whole general project. That so far as the outline here is concerned, instead of having C, a history for the general reader, and D, monographs, we would have two groups, however we list them, one of which would be in the broad stream of the comprehensive history that has been mentioned here: economic study, constitutional study, international study, personality study, and a general study, which would include the climate, the pressures which have been mentioned; and then there would be, second, the subsidiary, the peripheral monographs on these other aspects of Federal Reserve operation and relations with the Treasury and with the banking system which have been listed, in addition to others that might be suggested.

Going down to 4, that, so far as we have gone, suggests a single writer for the work on the comprehensive history and several writers for both the broad stream books and the tributary stream monographs.

DR. BOPP: And that on the monographs, several — probably particularly those dealing with the broad stream — would involve the full

time of a person for a year or two. Others, technical monographs, could be done part time.

MR. RIEFLER: Could we put it this way, that there are two ways of trying to squeeze what is relevant out of historical data. One is a very careful approach geared primarily to time, the chronological approach. The other is the problem approach, which tries to take a problem from a topic and explore it. And we plan to use both on a equal basis.

DR. JAMES: There is the other point, that if the monographs are well done within the first two or three years, they are going to be invaluable to whomever is writing the comprehensive history, because he will know where he wants to ask questions and what original documents he wants to examine.

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COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Memorandum Notes of Executive Committee Meeting
Washington, June 11, 1954

The Executive Committee, consisting of Mr. Burgess, Dr. Calkins and Mr. Woodward, met in Washington at breakfast; their discussion was based on a prepared agenda, a budget and a budget statement.

Chandler and Kincaid Projects

It was agreed that Dr. Calkins should frame agreements for both the Chandler biography of Benjamin Strong and the Kincaid examination of the Carter Glass papers on a contract, not a grant, basis. Dr. Calkins is quite firm that quality of work must be taken into consideration in judging how much the Committee should promise to pay. He has decided that Dr. Chandler should get \$17,000 including both compensation and expenses for the work he is to do. He thinks there must be a sub-committee of scholars set up to read and evaluate the work, much as is done by Brookings in the grants which it makes.

Publication

The question came up as to whether the Committee should try to persuade one press to publish the whole list of works which it hopes to have done, or should let individual authors deal with individual publishers. The matter was raised in regard to Professor Chandler, an author very popular with Harper Brothers. It also may affect others. It was decided that Miss Adams should see Harper, Harcourt Brace, the Princeton University Press, the Brookings procedures, and the Johns Hopkins Press. Dr. Calkins expressed the opinion that Princeton would probably expect a high rate of subsidy, whereas Johns Hopkins might be cheaper because it is a new press and eager to make its reputation. Princeton now publishes the work of the National Bureau of Economic Research.

Committee Expansion

Several names have been mentioned as possible additional members who might be invited to sit on the Committee in the effort to widen its scope. Frederick Lane

of Johns Hopkins, an historian, and Dr. Cyril James of McGill belong on this list. It was agreed that Mr. Woodward would speak to Mr. Sproul concerning Dr. James. Mr. Burgess asked that something which Mr. Lane had written be found and sent to him as he is not familiar with the work of this historian. (Mr. Sproul was satisfied that Dr. James would be a good addition. He had recently heard Dr. Lane speak at Columbia and admired him.)

The composition of the Executive Committee was discussed. It was agreed that Mr. Sproul should be invited to join the Executive Committee.

Space

Mr. Burgess brought up the matter of a private office for Miss Adams. It was agreed that Mr. Woodward would speak to Mr. Sproul about this detail.

Personnel

The matter of staff was discussed in some detail. It was understood that Miss McKinstry would not be available for much time, and would probably be moved to another post in the Bank when Dr. Williams leaves. The use of Miss Burnett was greatly favored.

Budget

In going over the budget figures, the Executive Committee cut out the item of understudy for Miss Adams, reduced the money available for a secretary's salary, and increased the contingency fund.

The suggestion was made the Mrs. Aryness Wickens, who was on the Board's staff in the late 1920's, might be interested in doing a monograph in this project. This was to be discussed with Dr. Stewart and Mr. Riefler.

It was also agreed that Miss Adams, who has been serving as Research Director of the pilot project, be made Executive Director of the larger history project.

No Minutes were written after this meeting. The memorandum notes appearing here were communicated to Miss Adams by telephone after the meeting. They are included in the Minute Book because of their importance in the shaping of policy for the Committee.

Mildred Adams

The Rockefeller Foundation
49 West 49th Street
New York 20, N.Y.

May 24, 1954

Dear Dr. Calkins:

I have the honor to inform you that at a meeting of the Executive Committee of The Rockefeller Foundation on May 21, 1954, action was taken providing up to \$310,000 to The Brookings Institution for the preparation of a history of the Federal Reserve System. This grant is in addition to the Foundation's grant No. GA SS 5404, and the combined sums are available for the period ending May 31, 1959.

It was the understanding of our Trustees that the project for which these funds were appropriated would be administered jointly by The Brookings Institution and the Committee on the History of the Federal Reserve System.

If it meets with your convenience, we shall be glad to make payments on this appropriation on a semi-annual basis upon receipt at the beginning of each year of a budget for the project. We shall appreciate receiving also annual statements of receipts and expenditures. Any balance of the fund unexpended on May 31, 1959, will revert to the Foundation.

A brief public announcement of this grant will be made in the next quarterly report of the Foundation. There is, however, no objection on our part to your announcement of the grant prior to the issuance of the Foundation's report if for any reason this appears to you desirable. In this connection we are enclosing, as a matter of routine, a printed statement of The Rockefeller Foundation policy regarding the announcement of grants.

It is a pleasure to report this action to you.

Sincerely yours,

Flora M. Rhind
Secretary

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

Copy to Dr. Donald B. Woodward

PROPOSED RELATION BETWEEN THE COMMITTEE ON
THE HISTORY OF THE FEDERAL RESERVE SYSTEM AND
THE BROOKINGS INSTITUTION

1. The Committee on the History of the Federal Reserve System and the Brookings Institution will assume joint responsibility for the administration of the proposed project on the History of the Federal Reserve System and the expenditure of funds that may be granted by the Rockefeller Foundation for this activity. The proposed grant will be made to the Brookings Institution for the administration jointly by the Committee and the Institution.
2. The Committee will enlarge its present membership and provide for the replacement of members as agreed upon by the Committee and the Brookings Institution.
3. To facilitate the administration of the project, the Committee will designate an Executive Committee with power to make administrative decisions jointly with the Brookings Institution on matters that may require action, and a member of this Executive Committee will be designated and empowered to act for the Committee in accordance with general policies established jointly by the Committee and the Brookings Institution.
4. The Committee, directly or through its designated representatives, and the Brookings Institution, through the President, will jointly determine the research and related activities to be undertaken, the allocation of funds, the manner in which these activities shall be pursued, the personnel to be engaged, the contracts, grants, or other commitments that may be made.
5. The administrative arrangements and the payment of funds will be handled by the Institution on the authorization of the President in accordance with procedures approved by the Committee and the Institution.

6. Employees engaged for work on the project shall be appointed by the President of the Institution in consultation with a designated representative of the Committee, and they shall be joint employees of the Committee and the Institution for specified periods, and not regular employees of the Brookings Institution.

7. Contracts or grants for writing, research, or other services shall be arranged by the President of the Institution in consultation with a designated representative of the Committee. These contracts or grants, as the circumstances may require, shall specify the obligations of the parties, the amount and manner of payment, the responsibility for supervision, and the responsibilities respecting reading and criticism of manuscript, editorial work, approval for publication, and publication arrangements. Such contracts or grants may be entered into with the Brookings Institution itself for portions of the work on terms that comply with the Institution's usual operating practices.

8. The Institution will keep a record of its overhead and other expenses incurred in administering the project, and render an accounting to the Committee annually. Such expenditures up to \$3,000 per year (as provided in the request) shall be charged against the funds for the project. Any expenditures beyond \$3,000 per year shall be subject to reimbursement with the approval of the Committee.

9. These arrangements shall apply for the duration of the project over the next five years, unless altered with the approval of the Committee and the Brookings Institution.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Notes of a Committee Meeting in Washington
April 7, 1954

The meeting was convened in the office of Mr. Burgess at the Treasury and chaired by him. Those present in addition to Mr. Burgess were Dr. Calkins, Mr. Riefler appearing for Mr. Martin, Dr. Stewart, Mr. Woodward. Miss Mildred Adams also attended in her capacity as Research Director. Mr. Sproul was unable to attend.

The meeting was called primarily to consider and comment upon a draft of the Report of the Pilot Project, and Proposal for the larger history project, which are to be presented to the Rockefeller Foundation on April 18th. Hitherto, reports on what was happening under the pilot project have gone to the Committee in the form of progress reports. Almost three months have elapsed since the office first opened, and a great deal of work has been done, but this is the first time that all the men on the Committee have met together. Previously, smaller groups met on specific topics of discussion.

Mr. Woodward presented the draft Report and Proposal. He described the proposed study as that of an institution which men invented and men operate, but which, like all man-made institutions of stature, takes on values and imperatives of its own. The study therefore becomes in part a probing into those values and imperatives and the policies they dictate.

The following important points were made:

First, some doubt was expressed that Mr. Sproul and Mr. Martin would want to stay on the Committee in the history writing stage, if they found themselves put in the position of having at the same time to rule on the use of hitherto confidential material.

Second, when Mr. Martin accepted membership on the Committee, a condition of his participation was the acceptance of a cut-off date of 1935, after

which no history would be written. If the Committee does not accept this cut-off date, he (or Mr. Riefler for him) must go back to the Board to ask further consideration of their decision in this matter.

Third, it was stated that the Brookings Institution would present the proposal to the Rockefeller Foundation in its name, rather than have it go in as a Committee proposal. The reasoning was that Mr. Sproul and Mr. Martin could not very well ask for Rockefeller money to study the System. They had not come on the Committee until after the pilot grant had been made, and it was assumed that, by the same token, they would prefer not to be making the request for the main grant. It was stated that Committee participation in the longer project would be similar to the way things had gone in the pilot project.

Fourth, after lengthy discussion of the draft report and proposal, an expression of general approval was given, with the understanding that notice would be taken of comments and criticisms made in the course of the discussion.

No formal minutes of this meeting were kept by the Chairman. The above record is taken from notes made by the Research Director and included in the Minute Book as an important early statement of policy and opinion.

Mildred Adams