

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

TELEPHONE: RECTOR 2-5700, EXTENSION 286

ALLAN SPROUL, *Chairman*  
W. RANDOLPH BURGESS  
DR. ROBERT D. CALKINS  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

*With cooperation of*  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

March 31, 1954

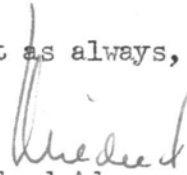
Dear Don:

You may remember that I told you I had had a most delightful letter from Mr. William McC. Martin, Sr. and we agreed that it should be circulated. When I got back to the office I found that the valuable Miss McKinstry had one of her remarkable hunches that this idea might have bugs in it. She knows the psychology of this complex so well that I hesitated to over-ride her.

We finally worked out a process by which the letter was sent to Chairman Martin with the suggestion that it be circulated. I am enclosing Chairman Martin's reply which confirms Miss McKinstry's hunch.

For your private information and because I still am delighted with the original letter, I am sending you a copy. This is not, however, being circulated generally.

Best as always,

  
Mildred Adams  
Research Director

Enc.

Mr. Donald B. Woodward  
122 East 42nd Street  
New York 17, N. Y.

MARTIN, PEPPER AND MARTIN  
Attorneys at Law  
407 North Eighth Street  
St. Louis 1, Mo.

March 18, 1954

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

Dear Miss Adams:

I was delighted to learn from your letter of February 23 that there is a "Committee on the History of the Federal Reserve System" working on the collection of facts in the development of the System.

Of the twelve Chairmen and twelve Governors in office at the inauguration of the System, I perhaps am the only one still living. I do not know for certain, but it may be that Mr. Frederic Curtis of Boston, who was the first Chairman of the Federal Reserve Bank of Boston, may be living. In recalling men in this district, I am sorry to say that few, if any, of those interested in discussing the bill authorizing the System are still living.

Has the scope of the inquiry been determined? Would it take in the work of the "Monetary Commission", the Aldrich Bill and the Aldrich-Vreeland Bill? The bankers all liked the Aldrich Bill and it was discussed in a much different way from the bill establishing the Federal Reserve System. Perhaps something will have to be covered in regard to this attitude as a preliminary to information resulting in the Federal Reserve Act. There were many speeches and some books, I believe, written in behalf of the Aldrich Bill. These I take it are at your disposal either in the files of the Board or the Congressional Library.

I remember a speech by Senator Glass in defense and explanation of the Federal Reserve System delivered to the Senate, which I believe would give a very good outline of what you want. I know about this because the Senator was good enough to discuss some portions of it with me. I cannot recall the exact date, but it was in the early years of the establishment of the System and, as I remember it, was an explanation of the Federal Reserve Act and in its defense.

A great deal could be written about the services of the System from 1920 through the thirties, but the names of member banks would have to be mentioned. Some of them are still in existence and it might be unwise to mention the times of their trouble.

Page two  
March 18, 1954  
Miss Mildred Adams, Research Director  
Committee on the History of the Federal Reserve System

I have a number of memoranda and talks which I will be extremely glad to let you go through to see if there is anything that can be used.

In the early days of the System, stenographic records were made of the conferences of the Chairmen and conferences of the Governors. These doubtless are in the files of the Federal Reserve Board and, if you have not already known about them, going through them may give you some pretty good ideas of the problems that were being faced.

I notice you have on your Committee, Mr. Burgess, who wrote a book which I know you have on "The Reserve Banks and the Money Market." If he was not in the System at the beginning, he became part of it soon after the Federal Reserve Bank of New York was opened. He can give you a great deal of guidance, I am sure, about the conditions in the East. He would know that New York started out to dominate the System and he edited some of the addresses by Governor Strong of the New York Bank. I am sure he can be of the greatest help in outlining what is wanted. You of course know that the Federal Reserve Board published "The Federal Reserve System -- Its Purposes and Functions." Its purposes stated in the foreword were intended primarily for students, bankers, etc., and it was neither a primer nor an exhaustive treatise.

I am going through my old papers, which from time to time I have tried to clear out, and getting some of the records which may be of help to you.

The last request I received for papers in regard to the System came from some Professor of the University of Illinois. I never complied with any of these requests.

I, of course, will be glad to do anything in my power to be of help.

Yours sincerely,

/s/ Wm McC. Martin

W.McC.Martin  
ga

BOARD OF GOVERNORS  
of the  
FEDERAL RESERVE SYSTEM  
Washington

March 29, 1954

Dear Miss Adams:

Thank you for your nice letter of March 26 enclosing a copy of the letter from my father.

I am inclined to think it would be unwise to circulate this to the rest of the members of the Committee as they all know him and would expect this type of response from him. Inasmuch as there is a bit of nepotism involved, I would suggest we do not highlight it.

With all good wishes,

Sincerely yours,

/s/ Wm. McC. Martin, Jr.  
Wm. McC. Martin, Jr.

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



COMMITTEE TO STUDY THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Skeleton List of Works to be Proposed

March 23, 1954

To: Messrs. Allan Sproul, Chairman  
W. Randolph Burgess  
Robert D. Calkins  
William McC. Martin  
Walter W. Stewart  
Donald B. Woodward, Secretary

The pilot project for which Rockefeller funds were granted and work begun on January 15th has now come to the point of preparation for the second phase. Progress reports have indicated that the assumptions on which work was started have proven fruitful. More survivors of early Federal Reserve experience have been located than we dared hope - they have without exception been generous with their time and willing to promise further and more detailed conversations about matters of such interest. More papers have been uncovered than we dared anticipate - their finding poses new problems of handling, editing and deposit. We are developing data files to serve as research tools which, we hope, will have value for qualified persons working in this field.

Meanwhile, the field itself has continued to broaden and deepen as the work has gone ahead. Now that the time has come to block out the second and major phase, we are still conscious of areas left unexplored, but at least the main proportions do begin to loom.

The proposal for the main project toward which this pilot project has been leading must be in the hands of Dr. Willits of the Rockefeller Foundation by April 18th. This means that a draft will need to be considered by the Committee early in April.

As a preparatory step, and to obtain Committee guidance, we are now submitting to you a skeleton list of proposed work which, if approved, will be amplified in the full proposal. The comprehensive design has, from the beginning, implied a research and writing project of considerable dimensions. We suggest to the Committee that it should include the preparation and publication of a body of works such as the following:

A. Books by and for scholars and technicians

I. Documents and papers

1. The classification and indexing of papers pertinent to an understanding of the Federal Reserve System

including highly important collections discovered in the course of the pilot project.

2. The continuing capture of personal knowledge of the System's early days, as remembered by distinguished participants. The pilot project has only made a beginning in a very rich field.
3. The compiling and editing of documents basic to an understanding of the System and its functioning - not only legislation but also speeches, memoranda, policy decisions. (The British established a useful pattern in Gregory's Select Statutes, Documents and Reports Relating to British Banking, 1832-1938.)
4. The compiling and editing of selected papers of one or two outstanding leaders in Federal Reserve thought. (Mr. Burgess set a pattern for this in his Interpretations of Federal Reserve Policy in the Speeches and Writings of Benjamin Strong. The publishing of the papers of later men would amplify the picture and bring it closer to modern struggles.)

## II. History and analysis

1. A definitive and objective history of the Federal Reserve System from its inception.
2. An analysis of the inter-relationship between the System and the economy in which it functions.
3. A history of the development and relationship between the Board and the regional banks, and of the relationship of the regional banks to each other.
4. An analysis of the Federal Reserve System as an important instrument of the government, with particular emphasis on its techniques of decision-making.
5. An account of the international operations of the Federal Reserve System and its banks with the foreign banks of issue.
6. The encouragement and perhaps the publication of expert technical monographs such as Carl Parry's half-finished book on Selective Credit Controls.

### B. Books for the intelligent lay reader (non-technical)

1. A volume of essays on crises in the banking world, domestic and international, how they arose, how they were handled by the Federal Reserve, how their occurrence

and treatment brought about System modifications in an attempt to guard against their repetition.

2. A volume of biographic essays showing the growth and functioning of the System and its place in American life, through the lives, aims and surrounding circumstances of the men who helped make it what it is.
3. A couple of good full-length biographies of leaders among the bankers who have helped to shape the System.
4. A simplified account of the System's development and functioning in this democracy, designed for supplementary reading for high school students of civics or first year college students of economics and political science. (This to be checked with school experts.)

#### C. New York Federal Reserve Projects

(These have been a subject of study in the pilot project. They form a special group within the main project; whether or not their financing is separately arranged they will benefit by a continuing position within the whole, and vice versa.)

1. The compiling and editing of documents basic to an understanding of the development of the Federal Reserve Bank of New York and its place in the System.
2. A history of the Federal Reserve Bank of New York which will be useful in the training of young executives and is so planned that it can from time to time be brought up to date.
3. A pattern for the creation of Bank Archives in the Federal Reserve Bank of New York. (This appears to have been started in 1927, reactivated under the influence of Mr. Warren in 1944, but not yet realized.)

The preparation of such a considerable body of work, grouped around a subject of such high import as the Federal Reserve System, obviously calls for scholars of the first ability and for an adequate operating organization. We are gathering the names of scholars, and we will have operating suggestions ready for a later draft.

Meantime may we ask the Committee's consideration of this skeleton list. Any suggestions, whether as to content or form, will help in the formation of the draft proposed itself. We will be grateful for your reactions by Monday, the 29th, if possible.

Mildred Adams<sub>mm</sub>

Mildred Adams  
Research Director

March 10, 1954

Dr. Robert Calkins  
Brookings Institution  
722 Jackson Place  
Washington 6, D. C.

Dear Dr. Calkins:

You will remember that we have been trying to find out about the papers of Dr. Adolph Miller and the last time I talked with you the general belief was that he had left nothing.

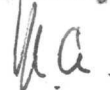
Now his sister-in-law, Mrs. Wesley Mitchell, tells me that she has found, in an unused closet in the Miller house, a collection of letters, reports and pamphlets, which she would like to turn over (she has power of attorney for her sister, who is not at all well).

It seems to me that considering all the circumstances, the simplest thing to do is to get the collection to the Brookings Institution and then devise means of sorting to find out what there is of value. I do not think there is a greater mass than could be accommodated in the office which you have put at my disposal. I have told Mrs. Mitchell that I hope to make arrangements for a porter from the Brookings Institution to come with me to the Miller house. The date is Saturday morning, March 20th.

I recognize that Saturday morning may make difficulties of its own, but it seemed the only time we could set.

I think this information should be kept confidential at the moment. I will hope to discuss it with you in person later, meantime, I am sure you are as pleased as I at having found that there were papers left.

Very sincerely yours,



Mildred Adams

c.c. - Mr. Donald B. Woodward  
% Vick Chemical Corporation  
122 East 42nd Street, N. Y., N. Y.

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THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

March 9, 1954

Dear Don:

I am enclosing with this a first draft of the proposal put together with the expectation that it will be heavily changed and perhaps greatly amplified.

Would you look this over and let me know what you think of it? I am sending a copy at the same time to Dr. Calkins, and perhaps the three of us might get together on the telephone within the next few days to talk about it. The Bank can set up a three-way conference for us.

I haven't set a date for this three-way conference for I know you are on jury duty. Perhaps you will telephone me when you read this, and we can make an appointment with Dr. Calkins.

Best,

As always,

*Woodward*

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

enc.

## COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

PROPOSAL

The pilot project for which funds were granted to begin January 15, 1954, has uncovered a wealth of material, both in the form of unpublished papers and in the interested cooperation of men who have played (or are playing) an important part in the Federal Reserve System. A report of the work done under the terms of that preliminary grant is appended.

That work was designed to be exploratory only. Its results have more than justified that approach to the larger project.

The Committee's first statement that the System, built and rebuilt during the past four decades, has not been adequately analyzed or its history and influence sufficiently recorded must be repeated with added emphasis. The correlative statement that the work of examining what has been done, and of setting it down in readable form must be started soon lest a vital section of financial and economic history be lost has been reinforced: during the very process of the pilot project one collection of papers of a Board member was destroyed before they could be reached, one retired officer of the New York Bank whose experience went back to early days died before his memories could be gathered.

The exploratory process, superficial though it has had to be in the time allotted, and as yet incomplete, has yielded a gratifying harvest. The appended report shows how rich is the material located, and how valuable the memories. The interviews, though hardly more than introductory, show without exception an enthusiastic interest in a further development of the project, and a willingness to give further time for more extensive interviews and to put at the Committee's disposal



(surrounded of course with due safeguards) the use of papers when such can be found. This cooperation on the part of men who are leaders in the banking world is not only gratifying in itself, but it also gives a measure of the values which lie in carrying this project into a second and more intensive phase.

When the pilot project was first set forth, the Committee outlined as the desired end-product "a comprehensive history of the Federal Reserve System, including the editing for publication of certain source materials, the writing of biographic sketches of some of the most important figures, the composing of books, monographs and articles on special facets of the structure of particular interest, and perhaps a popular history or two designed for wide public reading." "Obviously," said the Committee, "such a comprehensive design would be a considerable undertaking, to be carried on over time by experienced specialists in this field."

Though the exploratory work is by no means finished, it is now possible to see in greater detail the comprehensive design which is its goal.

The main elements in that design continue to be those set down in the first statement, but their outlines are now clearer, and we now know that to them should be added other works which give the structure substance and balance. The Committee has from the beginning held firmly to the belief that one of the most important factors in the strength of the System is the fact that, like every other structure in Government, its ultimate power lies in its acceptance by the American people. Because the American people, in the last analysis, created it and can undo

it, its continuing vitality depends on as much understanding of its value as can be achieved by laymen. The institution is complicated, but it must not therefore be allowed to seem so far above the heads of its ultimate masters as to arouse their distrust and animosity. Where there is no vision, it is not only the people who perish; so also do the objects of that lost vision. The national banking system will live and flourish only while the people trust in its ways, and there are numerous examples in modern life to prove that they do not long trust blindly.

For these reasons, the Committee has from the beginning seen its ultimate objective as the production of two kinds of publications: scholarly and technical studies on the one hand; and, on the other, works designed for more popular use. The first group would include the writing of a definitive history and analysis and the publication of basic documents; the second calls for banking biographies so framed as to interest the lay reader in both the people portrayed and the work they have done as well as the publication of important papers which throw light on the questions at issue and reveal the final outcome of such debates in a manner that would make the controversies come alive to the non-specialist.

The following list is not necessarily complete (the vitality of this whole field is attested by its impulse to grow), but the Committee believes this is the minimum that is needed:-

A. Scholarly Group

I. History and Analysis:

1. A definitive history of the Federal Reserve System, from its inception in 1907 to the latest date for which records can be made available. This should be



a full-bodied job, written against the background of economic growing pains from which the System sprang. It should cover a discussion of what the proponents of the System thought central banking was and would do, an account of the handicaps imposed by lack of knowledge of how central banks could or should operate, a description of the changes which have come about in the American concept of central banking after forty years of experience with the developing American type. It should cover policies and procedures as well as operations; legislative changes and their effects; Treasury-Federal Reserve relations; as well as the straight history of the System in war, peace, and crises.

2. An analysis of the operation of the System within the economy and of the inter-relationship between the System and the economy. This would include the history of an awareness within the System that some shaping of the economy was part of its function; the attempts made, the forms they took, the successes or the failures.
3. An analysis of the Federal Reserve System as an instrument of Government. This volume would be the work of a political scientist interested in the whole problem of the methods and mechanisms which this democracy develops and through which it functions. (Dr. Calkins is particularly interested in this.)

## II. Documents and Papers:

1. The compiling and editing of documents basic to an understanding of the System and its functioning. These would include not only the relevant legislation with an indication of the changes brought about by amendment, but also such speeches, memoranda, executive decisions, excerpts from hearings, and so on as have affected both policy and function. The British established a pattern for this in Gregory's Select Statutes, Documents & Reports Relating to British Banking, 1832-1923, and this model could usefully be adapted to American needs.
2. The compiling and editing of documents basic to an understanding of the Federal Reserve Bank of New York, its growth, development and influence. This leads to the writing of a history of the New York Federal Reserve Bank which will be useful for the training of young executives and which can be added to as occasion warrants. This, which is the other part of particular interest to Mr. Sproul, can be done in one of two ways once the job of locating documents is finished.

### B. Popular Group (Non-technical)

1. A volume of essays on crises in the banking world, how they were handled by the Federal Reserve, how their occurrence and handling modified the System in an attempt to guard against their repetition. This would include

the financing of World War I with its Liberty Loans; the aftermath of the war in the depression of 1921; the crash of 1929 with the failure of the System to prevent it and the work done by Federal Reserve bankers in mopping up after it; the financing of World War II and the long captivity of the Board. There is a great deal of drama in these, and their importance in the economy is tremendous. They should be written for popular reading, with due regard for their appeal to the wide audience that had experience with or tales of these crises.

2. A volume of biographic essays showing the growth and functioning of the System through the lives and aims of men who helped to make it what it is. This would include not only Governors, but staff men; not only the Benjamin Strong's but also the Leslie Roundses, not only the Adolph Millers but also the Rieflers, Goldenweisers, Stewarts, etc. There are various ways of planning this, various criteria for choice, but it should include as many kinds of men and as many phases of the Board's work as can be made to live by this method. It should be planned and written for popular, not technical, readers.
3. A couple of good biographies of leaders among the bankers who have helped to shape the System. Benjamin Strong of the New York Reserve Bank is the most obvious one, but there are other important candidates, such as Roy Young and Allan Sproul.

4. A popular history of the System designed for high school and first-year college history classes. This should be based on number (1) above, and, if possible, should be designed to appear shortly after the publication of the longer and definitive work. Popularizing is in itself no small art, and the services of someone who has proven himself expert in the exercise of that art should be sought.
  5. A half-technical, half-popular history of the New York Federal Reserve Bank designed for young executives.
- C. In addition to these two groups, a third is of great importance:
1. The assembling, classifying, and indexing of papers uncovered by the intensive search carried on in the pilot project is a vital part of the main project. In many instances, this must be done before the papers are usable. Yet because the disposition and arrangement of relevant papers is so important a part of the scholar's work, the two procedures cannot always be separated. Nor can the writing of volumes in this project be postponed until all relevant papers are in hand, or neither task would ever be finished. The two to a certain extent feed on and stimulate each other.
  2. The publication of selected papers of leading thinkers on the pattern of, say, Mr. Burgess's Interpretations of Federal Reserve Policy in the Speeches and Writings of Benjamin Strong.

3. A pattern for the creation of Bank Archives in the New York Federal Reserve Bank. This means, first, location of pertinent historical material which is buried in the great sea of bank files, and which does not jump to the eye from any perusal of the subject catalogue. Second, it implies the continuance of any system of location for historical purposes so that its history function may continue.
4. Continuation of the search for papers and intensification of the process of interview. The search must go on for papers. The process of interviewing must continue as a stimulant to men's memories and a reminder that their papers are valuable to the writing of history in this democracy.

## APPENDIX

### Work done in the course of the pilot project

#### List of Papers Uncovered

#### List of Introductory Interviews Held (Person and Number)

#### List of Files Compiled -

As visible evidence of work accomplished during the pilot project we set ourselves to create the following group of files which we considered essential for the use of anyone starting work on Federal Reserve matters. They are by no means finished, but enough have been done to show this function. They have been set up in such a form that they can be photostated at a moderate cost for the use of scholars. These files are meant to serve as a basis for research and as usable models for the further work in specialized fields to which individuals direct themselves.

1. A file of persons active in the System. This includes the Federal Reserve Board--the Chairman, members of the Board, and senior officials; the Presidents (or Governors), the Chairmen, the Federal Reserve Agents in each District Bank.
2. A bibliography of unpublished papers uncovered during the first phase. This is in some instances merely a bulk list, with an indication of where the papers are, and who must be consulted concerning their use; in some instances, we have also a register of items.
3. A chronological file (known to the Committee's Research Director as the "Time File"), starting with 1907, which keys together persons, legislation, litigation, and outstanding events within the System and in the economy.

4. A subject file.
5. A bibliography of published works which bear on the project.  
(This we intended to postpone until a later phase, but it gathered itself as we worked. It includes a list of the material basic to any extensive study of the System, such as legislation, minutes, records, etc.)

## OPERATION

There are various ways of setting up the operational end of the main project. The best would seem to be to keep intact the existing Committee, with its able men and its cooperative attitudes. The staff would of course be enlarged. The present Research Director, who has accumulated a valuable amount of information as to people, policies and events, might be persuaded to stay under modified conditions. She would need an administrative assistant as well as a research assistant (the hope would be that Miss Katherine McKinstry could be persuaded to continue in this latter capacity), and adequate secretarial and stenographic help.

The Committee, through its staff, would exercise a general watchful supervision over the various parts of the project. It would accept and act on applications for subsidies on the various parts of the project, contract with authors and with publishers, establish time schedules. It would arrange for photostatting its set of research file guides (compiled during the pilot project) for the use of writers.

## FUNDS

Whether a grant should be made directly to the Committee, or whether the Brookings Institution would be willing to act in its present administrative and consultative capacity remains to be explored. The relationship which has existed between the Committee and the Institution to date has been most fortunate for the Committee; the need for consultation and the load of bookkeeping will both be heavier in the second phase than in the first.



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*With cooperation of*  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

March 3, 1954

Dear Mr. Woodward:

On behalf of Miss Adams, I am enclosing her personal check for five dollars to cover the cost of her luncheon yesterday, which she will charge to Brookings in the usual manner as a business expense on the next monthly statement.

She asked me to mention also that she has submitted her February expense account (as of March 2d) and will reimburse you for your outlay in connection with the February 4-5 trip to Washington when she receives the check from Brookings.

Sincerely yours,

*Katharina McKinstry*

Secretary

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

enc.

March 3, 1954

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

Dear Mildred:

The attached letter signed 'Ed' from Miller & Rhoads is from Mr. Edwin Hyde who is the President of Miller & Rhoads which is the leading department store in Richmond. He is and has been for several years a member of the Board of the Richmond Federal Reserve Bank and is an old friend of mine. I thought you might be interested in the attached which need not be returned.

Cordially,

DEW:lw  
Enclosure

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WASHINGTON 6, D. C.

March 2, 1954

Dear Don:

Here is the letter to Dr. Willits which we discussed this noon and the progress report with insertions.

I am not sure whether copies ought to go to the other members of the Committee. My own choice would be not to send this but to prepare another report to go out about the 15th which would include the later developments we talked about. Will you let me know what you think about this?

As usual, I have no pride of authorship, and if you want to change this letter, you will please feel free to do so as long as you send us a copy.

Thanks for a stimulating lunch. *Check will follow!*

Best, as always,

*Woodward*

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

P. S. Mr. Burgess is off Saturday to Caracas for three weeks. This rather upsets our plan, but I will talk to you about it over the phone, and I am getting at the framing of the project.

M.A.

encs.

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WASHINGTON 6, D. C.

March 2, 1954

Dr. Joseph Willits,  
Rockefeller Foundation,  
49 West 49 Street,  
New York 20, New York.

Dear Dr. Willits:

It is six weeks since we started work with Rockefeller funds on this pilot project to map and survey men's memories and unpublished material which would be needed for a definitive study of the Federal Reserve System. In another six weeks we hope to have ready for your consideration the proposal for the main project toward which this pilot project leads.

At this mid-point we thought you might like to know how the pilot project is going, and how the main project begins to shape up. For the first of these we are enclosing excerpts from a progress report made to the Committee on February 8th and brought up to date for you.

The main project is taking on form in some of the terms we discussed with you, with both size and importance greatly heightened. The enthusiasm in both academic and banking circles which mention of the project has evoked is an earnest of the need for it. The further we go in investigating what exists, the more apparent become the gaps which must be filled.

We have talked in terms of

a two-volume definitive history of the Federal Reserve System;  
an analysis of the operation of the system within this economy and its effect in shaping the economy;  
an analysis of the Federal Reserve System as an instrument of government;  
the compiling and editing of documents basic to the system;  
a couple of good banking biographies;  
a volume of biographic essays on Federal Reserve bankers;  
a volume of essays on banking crises;  
a popular history designed for high school and first year college reading.

To this should be added a consideration of the part played by regional banks and their relationships both with each other and with the Federal Reserve Board. Also there is the double wish expressed by Mr. Allan Sproul for an internal history of the New York Federal Reserve Bank and a plan by which the Bank's files might be rendered available as archives.

In short, there is now apparent a complex of at least ten studies which are at once separate and interrelated, and toward which this pilot project leads.

Very sincerely yours,

Donald Woodward  
Secretary

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

TELEPHONE: RECTOR 2-5700, EXTENSION 286

ALLAN SPROUL, *Chairman*

W. RANDOLPH BURGESS

DR. ROBERT D. CALKINS

WILLIAM McC. MARTIN, JR.

WALTER W. STEWART

DONALD B. WOODWARD, *Secretary*

MILDRED ADAMS, *Research Director*

*With cooperation of*

THE BROOKINGS INSTITUTION

722 JACKSON PLACE, N. W.

WASHINGTON 6, D. C.

February 26, 1954.

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

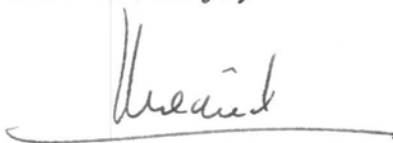
Dear Don:

I took the liberty of opening the enclosed letter from Mr. Scott and I am glad to note that he is still interested.

I talked with Roy Young in Boston on Wednesday and found him amiable and full of anecdotes. He has promised that a newspaper friend should write his life but stoutly insists that he has no diaries. A second interview may yield more.

I hope to have talked to you by telephone before this reaches you to report other Boston developments.

Best as always,



Mildred Adams:

MA:ek

Encs.

HARCOURT, BRACE AND COMPANY, INC.

PUBLISHERS

383 MADISON AVENUE, NEW YORK 17, N.Y.



February 25, 1954

Mr. Donald B. Woodward, Secretary  
Committee on the History of  
the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Mr. Woodward:

It was good to get your letter of February 23rd and to see the heading of your stationery, "Committee on the History of the Federal Reserve System." We won't make a spot for your output on our present publishing schedules because I know how long it takes to do the thorough job which needs to be done, but I am glad to hear Miss Adams has taken on the job of Research Director and that you are the Secretary. We shall follow your progress with real interest.

I hear Mrs. Woodward was in to see Mrs. Walbridge. Did she find anything that fitted into your plans?

With best wishes,

Sincerely,



S. Spencer Scott

SSS:mc

COPY

FEDERAL RESERVE BANK  
OF DALLAS

February 24, 1954

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

Dear Mr. Sproul:

I have read your letter of February 18, relating to the establishment of a Committee on the History of the Federal Reserve System with much interest. I have often thought that there would be much value in well-founded studies covering the policies and practices of the Federal Reserve System as they have developed over the years.

We here at this bank will be very glad to give Miss Mildred Adams any assistance it is possible for us to provide.

Cordially yours,

(Signed) Watrous H. Irons  
Watrous H. Irons  
President

*This is  
interesting  
from a  
Regional Bank  
President  
H.C.*



THE CONTINENTAL NATIONAL BANK OF LINCOLN  
COMMERCIAL - TRUST - SAVINGS

LINCOLN, NEBRASKA

February 26, 1954

T. B. STRAIN  
CHAIRMAN OF THE BOARD

Mr. Donald B. Woodward, Secretary  
Committee on the History of the  
Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Don:

Thanks so much for your letter of the 23rd  
advising me of the work that is contemplated as the  
result of the grant from the Rockefeller Foundation.  
It seems to me this surely is a great project and I  
would like to have a copy of it when it is completed.  
Also glad to know you are keeping your hand in points  
of interest of this kind.

Sincerely,

Chairman

TBS:lt



Columbia University  
in the City of New York

(NEW YORK 27, N. Y.)

GRADUATE SCHOOL OF BUSINESS

BENJAMIN HAGGOTT BECKHART  
PROFESSOR OF BANKING

February  
twentyfourth  
1 9 5 4

Mr. Donald B. Woodward,  
Chairman, Finance Committee,  
Vick Chemical Company,  
122 East 42nd Street,  
New York City.

Dear Don:

Please find attached a copy of a telegram I received from Woody Thomas. Inasmuch as Woody's telegram implied that our meeting at the Board of Governors of the Federal Reserve System was at best very doubtful, I took the liberty of sending a letter to the Secretary of Defense. A copy of this is also enclosed. It occurred to me that an afternoon at the Pentagon would be extremely interesting.

With kind regards, I am

Sincerely yours,

Haggott

## MEMORANDUM

C O P Y telegram from W. Thomas - Washington D. C. dated February 19, 1954

B. H. Beckhart  
Graduate School of Business Columbia University

POSSIBILITY OF LUNCHEON FOR BUSINESS ECONOMISTS AT  
BOARD IN JUNE UNCERTAIN AND PERHAPS UNLIKELY. SUGGEST  
OMISSION FROM PROGRAM. AFTERNOON SESSION AT BOARDS  
OFFICES SHOULD ALSO BE INDICATED AS TENTATIVE. NOT  
POSSIBLE TO MAKE COMMITMENT THIS EARLY

CC Messrs. Donald B. Woodward  
Wayne L. McMillen

February  
twentyfourth  
1 9 5 4

The Hon. Charles E. Wilson,  
Secretary of Defense,  
The Pentagon,  
Washington, D. C.

Dear Mr. Wilson:

You may remember me as the chairman of the round table of which you were a member at the conference of the American Assembly on inflation. I was chairman for one and a half days and then succeeded by Arthur F. Burns, in order that I would have time to work on the final statement issued by the Assembly.

I am writing you now in my capacity as Chairman of the Conference of Business Economists. This is a group of fifty economists associated with important industrial and financial concerns. A list of our membership is enclosed.

We meet three times a year and are holding our next meeting in Washington, on Friday and Saturday, the 11th and 12th of June.

We all feel that we are insufficiently informed on the economic impact of our defense and mutual security programs. This feeling on our part, emboldens me to write to inquire if we might go to the Pentagon on Friday afternoon, the 11th of June, to be briefed by your associates on this problem.

We plan to spend Friday morning at the United States Chamber of Commerce. Then after eating lunch somewhere in the neighborhood we could, if you think the project feasible, go to the Pentagon.

Such problems as the effect of the security program on the level of industrial activity, on the demand for materials and labor, on stockpiling demands, as well as questions of offshore procurement and the control of military inventories greatly interest us. I don't believe that the advantage would be one sided as an understanding of these problems, within the scope of security regulations, would assist the economists as advisors to their particular concerns.

Sincerely yours,

Same letter to Mr. Louis W. Dawson, Mutual Life Ins. Co.  
Mr. Roger Hull, Exec. Vice Pres., Mutual Life of N.Y.  
Mr. T.B. Strain, Continental National Bank, Lincoln, Nebraska

February 23, 1954

Mr. Lewis W. Douglas, Chairman  
Mutual Life Insurance Co. of N.Y.  
1740 Broadway  
New York, N.Y.

Dear Lew:

This stationery involves a remarkably interesting endeavor about which you might like to know. We have a grant from the Rockefeller Foundation for an exploratory project to try to discover something of what materials are available and we think this will be succeeded this summer by a major endeavor covering several years and utilizing a very large amount of hitherto unpublished and even uncollected materials. It is pleasing too to have the chance to keep my hand in this point of interest.

With warmest regards.

Cordially,

Donald B. Woodward  
Secretary

DBW:lw

## THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

1740 BROADWAY AT 55TH STREET

NEW YORK 19, N.Y.

ROGER HULL  
EXECUTIVE VICE PRESIDENT

TEL. JUDSON 6-4000

February 25, 1954

Dear Don:

Thanks ever so much for your note of the  
twenty-third.

It proves that you are keeping your interests  
on a broad base and I am sure your experience will be  
a most interesting one.

Most sincerely,



Mr. Donald B. Woodward  
Chairman of the Finance Committee  
Vick Chemical Company  
122 East 42nd Street  
New York, New York

Same letter to HSR, Jr.

February 23, 1954

Mr. E. L. Mabry, President  
Vick Chemical Company, Inc.  
122 E. 42nd Street  
New York, N.Y.

Dear Ed:

This stationary shows the existance of the Committee about which I spoke some time ago. We have a grant of \$10,000.00 from the Rockefeller Foundation for an exploratory project and this probably will be succeeded by a large grant covering several years to provide for study, interpretation and publication of materials. We are already discovering important collections of diaries, scrapbooks, collections of memoranda and files locked away in attics, basements, storage warehouses, unexplored corners of libraries and the like.

In view of the great and growing importance of the Federal Reserve System, this project is likely to arouse very great interest in the banking and financial community over the next two or three years.

Cordially,

Donald B. Woodward  
Secretary

February 23, 1954

Mr. John W. Hooper, President  
Lincoln Savings Bank of Brooklyn  
531 Broadway  
Brooklyn, New York

Dear John:

This stationary bespeaks an activity connected with banking in which I am engaged and about which I thought you might like to know. This Committee has just recently been formed and is operating with a small grant from the Rockefeller Foundation to explore what materials may be available. If there appear to be sufficient materials - and it already appears that there are - the Committee expects to embark on a project covering several years to collect, study, publish and interpret the materials affecting the Federal Reserve System. Long association over the years with the System makes this a most interesting activity pro bono publico in which to participate.

With warmest regards.

Cordially,

Donald B. Woodward  
Secretary



February 23, 1954

Dr. David C. Mearns  
The Library of Congress  
Reference Department  
Manuscripts Division  
Washington, D. C.

Dear Dr. Mearns:

Thank you very much indeed for your letter of February 15. The Committee does very much appreciate your courtesy to Miss Adams on our behalf. We shall hope not to impose on you but we do appreciate your generous offer.

Very truly yours,

Donald B. Woodward  
Secretary

DBW:lw



THE LIBRARY OF CONGRESS  
Washington, D. C.

REFERENCE DEPARTMENT  
MANUSCRIPTS DIVISION

February 15, 1954

Dear Mr. Woodward:

I am glad to say, in response to your letter of February 2nd, that Miss Mildred Adams has now been given permission to consult the Woodrow Wilson Papers in connection with her research on behalf of the Committee to Study the History of the Federal Reserve System.

Letters have gone out today asking, on behalf of the Committee, that Miss Adams be permitted to consult the papers of Nelson W. Aldrich, Charles Evans Hughes, and Newton D. Baker. We will let Miss Adams know the decision in each case as soon as we know it.

I am interested to know of the Committee's project. Please let us help wherever we can.

Faithfully yours,

(Signed)

DAVID C. MEARNS  
David C. Mearns  
Chief  
Manuscripts Division

Mr. Donald Woodward, Secretary  
Committee to Study the History  
of the Federal Reserve System  
33 Liberty Street  
New York 45, New York

C  
O  
P  
Y

February 23, 1954

Mr. S. Spencer Scott, President  
Harcourt, Brace & Co.  
385 Madison Avenue  
New York, N.Y.

Dear Mr. Scott:

This stationary will let you know that with your encouragement action has occurred. This Committee is now in being with an office in the New York Federal Reserve Bank, the Federal Reserve Board in Washington and the Brookings Institution in Washington with a grant from the Rockefeller Foundation to explore the availability of historical materials; ~~and~~ there is an intimation that the Foundation will welcome the submission of a major project for the analysis and interpretation of materials if sufficient is found. It now appears that there are important amounts of materials unutilized and uncollected. Accordingly I hope that one or more projects for scholars to persue over the next two or three or more years will be submitted to the Foundation this Spring or Summer.

Whatever the result your wise counsel has been extremely helpful.

With warmest regards.

Cordially,

Donald B. Woodward  
Secretary

DBW:lw

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK  
TELEPHONE: RECTOR 2-5700, EXTENSION 286

D.B.W.  
FEB 24 1954

ALLAN SPROUL, *Chairman*  
W. RANDOLPH BURGESS  
DR. ROBERT D. CALKINS  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

With cooperation of  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

February 23, 1954

Dear Don:

I have your letter of February 15th about charges for the February 4-5 trip. The enclosed copy of a letter to Mr. Akers takes care of that.

I understand that Miss McKinstry has the kind of skill it takes to read your mind and mine. She has already sent you a supply of Committee stationery. If you exhaust this and want more, please let us know.

The trip to Washington and Charlottesville from which I returned Friday night yielded good dividends. The Carter Glass papers occupy 216 boxes and are only roughly sorted--roughness being measured by the fact that in a box marked 1913 I found papers dated 1930. Bills, family notations, letters from constituents, spare copies of speeches are all in together with much more important material.

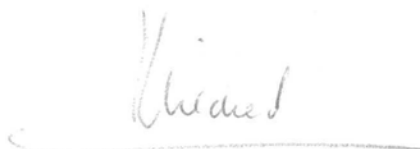
The cheerful side of this is that Professor Elbert Kinkaid of the University of Virginia is about to be retired on account of age, and nothing would please him better than an assignment to classify and index the Glass papers. I think this may be one of the things that the Committee will want to recommend for the future.

You will be glad to know that Helen is completely stymied by your reference to "the Harlem agreement." She hasn't the vaguest idea what you meant, and neither have I. Both of us are consumed with curiosity.

Best, as always.

Sincerely yours,

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



encs. (2)

P.S. Mr. Sproul has been kind enough to send out letters introducing the Committee's work to the Presidents of the eleven Federal Reserve Banks. This should be a great help. I am enclosing a copy.

## FEDERAL RESERVE BANK OF NEW YORK

Similar letter to all other Presidents

February 18, 1954

Mr. Malcolm H. Bryan, President  
Federal Reserve Bank of Atlanta  
Atlanta 3, Georgia

Dear Malcolm:

As an outgrowth of conversations between interested parties, there has recently been established a Committee on the History of the Federal Reserve System. I was asked to serve as Chairman, and the following have agreed to serve as members of the Committee: W. Randolph Burgess, Deputy to the Secretary of the Treasury; William McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System; Walter W. Stewart of the Council of Economic Advisers; Robert D. Calkins, President of the Brookings Institution; and Donald B. Woodward, Chairman of the Finance Committee of the Wick Chemical Corporation, Secretary.

With the aid of a grant from the Rockefeller Foundation, a pilot project has been organized to interview people who have had something to do with the development of the Federal Reserve System, and locate and catalogue information and material which might form the basis for later studies and publications with respect to the Federal Reserve System. Miss Mildred Adams has been appointed Research Director of this pilot project, with an office in this Bank.

Miss Adams is already engaged in this work, and I think it is likely that, as the work proceeds, she will want to communicate with you concerning things you may have stored in your head or materials you may have in your files. The Committee will appreciate it if you will respond to such requests by giving her such information as you think may be useful in the project. If the pilot project is successful, we believe that it may lay the foundation for historical studies, which could extend over several years, and which will be of interest to the Federal Reserve System, to economists, and others. The present phase, however, is largely exploratory.

Yours faithfully,

(Signed)

ALLAN SPROUL  
Allan Sproul,  
President.



For the Information of:  
Mr. D. B. Woodward

February 23, 1954

Dear Mr. Akers:

Mr. Donald Woodward, Secretary of this Committee, and I both came to Washington on the evening of February 4th and stayed through the 5th. Mr. Woodward finds that in adjusting his expenses as between this Committee and the Brookings Institution, whose Finance Committee meeting was the primary reason for his trip, he is going to charge the Committee for the railroad fare alone.

This railroad fare, along with mine, was charged to the Committee when purchased for me, and it will come to you in the regular monthly statement which the Bank sends you. My other expenses will be included in the monthly statement. I hope this is satisfactory to you.

Very sincerely yours,

Mildred Adams

Mr. Sheldon B. Akers  
Executive Manager  
The Brookings Institution  
722 Jackson Avenue, N. W.  
Washington 6, D. C.

MA:km

76-3/1

February 15, 1954

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

Dear Mildred:

Enclosed is an itemized statment for \$13.15 of expenses I paid for you during our trip to Washington, February 4 and 5. I shall do whatever you wish: send this through to Mr. Akers directly for reimbursement or let you handle it.

As for my own expenses I am going to let the Committee pay the railroad fare which it already has done and charge the balance here. Could you perhaps let Mr. Akers know that the railroad fare is the only charge that he will have from me for that trip - and the fare should be paid by the Committee on Federal Reserve History and not on account of Brookings own funds.

I enjoyed the trip very much. I promise if you will let me travel with you again to try to make it less exhausting.

By the way, when you get some of the Committee stationery may I have a supply?

Cordially,

DEW:lw

DONALD B. WOODWARD

EXPENSES - COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
Washington, D. C., February 4-5, 1954.

Thursday, Feb. 4.

Dinner	6.75
Pullman Porter	.50
Taxi	1.20

Friday, Feb. 5.

Taxi	.40
Taxi	.65
Taxi	.40
Dinner	2.75
Pullman Porter	.50

\$13.15

Expenses of Washington Trip Feb. 4-5, 1954  
Chargeable to FR History Committee

~~Expense of M. Adams~~

Paid by DBW who should be repaid

~~Jan 195 Postage~~

Thursday Feb. 4

Dinner	6.75
Pullman Porter	.50
Taxi	1.20

Friday Feb. 5

Taxi	.40
Taxi	.65
Taxi	.40
Dinner	2.75
Pullman Porter	.50

13.15

~~13.60~~



COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

TELEPHONE: RECTOR 2-5700, EXTENSION 286

ALLAN SPROUL, *Chairman*  
W. RANDOLPH BURGESS  
DR. ROBERT D. CALKINS  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

*With cooperation of*  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

February 11, 1954.

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

Dear Don:

The stationery on which this is written has just this minute  
(4 p.m.) arrived. I thought you ought to have the first used sheet and  
I hope you approve of the way it looks.

Hurriedly,



Mildred Adams.

MA:ek

THIRTY THREE LIBERTY STREET  
NEW YORK 45, N. Y.

February 10, 1954.

Mr. Donald Woodward,  
122 East 42nd Street,  
New York 17, New York.

Dear Don:

Here is the draft of a Progress Report which I should have done yesterday. If you can look it over and phone me any changes or suggestions tomorrow (Thursday morning) before 11 we ought to be able to get it in the mail tomorrow night.

The Ogden Mills information came by way of a telephone call from his widow after I had spoken to Mr. J. H. Case about them. She also told me that Nicholas Roosevelt has recently asked about them in connection with a book he is doing. We should probably find someone who knows Roosevelt better than I do so as to check on this too.

Hurriedly,

Mildred Adams. *Mildred*

Enclosure  
MA:ek

*It is a quiet and wonderful world!*  
*MA*

D R A F T

Committee to Study the History of the Federal Reserve System

Progress Report

February 8, 1954

To: Messrs. Allan Sproul, Chairman  
W. Randolph Burgess  
Robert D. Calkins  
William McC. Martin  
Walter Stewart  
Donald Woodward

The first three weeks of this Committee's work have yielded good returns. Housekeeping details are well in hand, with offices made available in the Federal Reserve Bank of New York (room 807), the Board in Washington and the Brookings Institution; in New York a research assistant (Miss Katherine McKinstry) and a secretary (Mrs. Edna Karius) are at work. Cooperation has been established in both Bank and Board, with officers and staff in both institutions very helpful.

Interviews

At least one interview has been held with each of the following (in chronological order)-

Harold Roelse, William Trieber, Thomas Waage, George Harrison, Thomas Lamont, Russell Leffingwell, Gordon Wasson, Robert Roosa, Sam Carpenter, Winfield Reifler, Walter Stewart, Leslie Rounds, Arynness Wickens, Walter Logan, Dr. John Williams, Dr. Robert Calkins, Randolph Burgess, Carl Parry, Walter Wyatt, J. H. Case.

Also with Library and File Department heads - in New York Miss Burnett, Miss Dillistin, Miss von Reuschlaub; in Washington, Miss Sutherland, Miss Poeppel; Dr. Powell and Miss Katherine Brand of Recent Manuscripts Division, Library of Congress-

The average thus far seems to run about ten interviews per week.

Papers

As for discovery of documents and papers, we now know that;- The diaries of Charles Hamlin, Board member from 1914 to 1936, are at the Library of Congress. The collection consists of 365 volumes, of which 25 are diaries. The papers of Governor Harrison, in seven file drawers, taken with him when he left the New York Federal Reserve Bank, have been listed and are to be handed over to us.

The papers of Carter Glass are at the University of Virginia, and will be listed.

The papers of Charles Dawes are at Marietta, Ohio.

Nelson W. Aldrich papers (in 12 boxes) are at the Library of Congress. So are the Woodrow Wilson papers, the George Norris papers, those of Newton D. Baker, those of Charles Evans Hughes.

The papers of Dr. Edwin Kemmerer are with the Benjamin Strong Collection at Princeton.

The papers of John Skelton Williams are in the possession of his widow, still living, in Richmond.

The papers of Ogden Mills (in 25 boxes) are in his stepson's garage at Brookville, Long Island, and will be made available.

The papers of Paul Warburg are in the Greenwich house of his son James, and may be seen.

### Timing

For the next three weeks this double process of introductory interview and discovery of papers will go forward. After that we must start to prepare first a preview of the main project to which this survey of material is leading (to be in Dr. Willitts' hands by April 1st) and then a statement of the main project itself, in as much detail as possible. (This should be ready for Committee Members by April 10th—it is due to be in Dr. Willitts' office by April 18th.)

Committee members have been generous with individual help and advice. It may be necessary to ask for a joint meeting in March, but we will try to keep the committee process as occasional as possible.

Mildred Adams,  
Research Director.

February 9, 1954

Mr. W. Randolph Burgess  
Deputy to the Secretary  
Treasury Department  
Washington, D. C.

Dear Randy:

The best way for me to comply with Steele Gow's request is to enclose his letter. May I add the same sentiments.

Thank you for breakfast on Friday. Subsequent conversations with Bob Calkins and Walter Wyatt were very stimulating. And I saw the Hamlin diaries! The diaries and their index plus the scrap-books and their index total about 365 volumes. It is an almost incredible job. If you haven't seen them I suggest that you might like to do so at some time.

Cordially,

DEW:lw

*L. J. [unclear]*  
*[unclear]*

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

# The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

February 5, 1954

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

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

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

Dear Mr. Woodward:

Herewith some Travel Expense forms which you may use in connection with the work you are doing for us on the History of the Federal Reserve System.

Sincerely yours,

*Sheldon B. Akers*  
Executive Manager

Encls.

**THE BROOKINGS INSTITUTION**  
**MONTHLY TRAVEL EXPENSE REPORT**

To the Executive Manager: \_\_\_\_\_

Date \_\_\_\_\_

For the Month of \_\_\_\_\_

To be submitted to the Executive Manager upon return from travel, or at the end of the month in which official travel occurs, for which reimbursement of expenses essential to the transacting of official business has been authorized, or for which funds were advanced before departure. (Advances should be accounted for together with return of unused funds at the earliest possible time after return.)

A chronological account is recommended but not required (see reverse side for form), but expenditures should be classified and should bear reasonable relationship to the distance, duration, and purpose of the trip.

Project: \_\_\_\_\_  
 (If more than one indicate portion of expense applicable to each.)

Trip from: \_\_\_\_\_ to \_\_\_\_\_

Purpose: \_\_\_\_\_

Authorized by: \_\_\_\_\_

Date and time of departure: \_\_\_\_\_ of returns: \_\_\_\_\_

Objects of expenditure:

Hotel..... \$ \_\_\_\_\_

Meals..... \_\_\_\_\_

Transportation (except portion bought by or charged to Institution)

Distant (rail, air, etc.) \_\_\_\_\_  
 (Indicate mode of travel)

Local (taxi, bus, streetcar, etc.) \_\_\_\_\_

Baggage and Tips..... \_\_\_\_\_

Tel. and Tel. (official business)..... \_\_\_\_\_

Miscellaneous (Explain) \_\_\_\_\_

Total amount expended..... \$ \_\_\_\_\_

Less amount advanced for expenses (if any) .....

Amount due Brookings Institution or ..... \$ \_\_\_\_\_

Amount due employee ..... \$ \_\_\_\_\_

I certify that the foregoing expense account is correct.

Approved by \_\_\_\_\_

Signature \_\_\_\_\_

MEMORANDUM ACCOUNT

Month \_\_\_\_\_

Transportation

Day	Hotel	Meals	Transportation		Baggage & Tips	Tel.& Tel.	Misc.	Total
			Distant (Rail, air, etc.)	Local (Taxi, bus, streetcar, etc.)				
1								
2								
3								
4								
5								
6								
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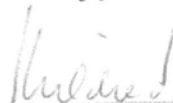
Mr. Donald Woodward,  
Vick Chemical Company,  
122 East 42 Street,  
New York, New York.

Dear Don:

The enclosed letter which needs your signature speaks for itself. The reason for writing it now is that it identifies us to the Library and make it possible to ask permission to see other things which we may need earlier than we need the Wilson Papers.

It was Miss Katherine Brand of the Recent Manuscripts Division who suggested that this be done now.

Hurriedly,



Mildred Adams.

February 2, 1954

Mr. David C. Mearns,  
Chief of the Manuscripts Division,  
Library of Congress,  
Washington 25, D. C.

Dear Mr. Mearns:

This letter is a request on the part of the Committee to Study the History of the Federal Reserve System for permission to see that portion of the papers of the late President Woodrow Wilson which concern the creation of the System and its development during Mr. Wilson's lifetime.

The Committee was recently created for the purpose indicated by its title. Mr. Allan Sproul, President of the Federal Reserve Bank of New York, is its chairman, its members include Chairman William Martin of the Federal Reserve Board, Mr. W. Randolph Burgess of the Treasury, Mr. Walter Stewart of the Council of Economic Advisors. The Brookings Institution is acting in an administrative and consultative capacity for us.

Our present work is that of surveying the materials, and particularly those not published, which any comprehensive history of the Federal Reserve System must take into account. Mr. Wilson played so important a part, first in creating and then in defending the System, that such a survey as we are making would be incomplete without a listing of his papers which are pertinent to this inquiry. No publication is contemplated in this phase and we understand that further permission would have to be sought by any writer.

We would be grateful if permission could be granted to allow the Committee's research director Miss Mildred Adams access to the Wilson Collection in the Library.

Very truly yours,

Donald Woodward, Secretary,  
Committee to Study the History  
of the Federal Reserve System.

DW/MA/el

January 29, 1954

Reference: GA SS 5405

Miss Flora M. Rhind, Secretary  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Miss Rhind:

I should like to acknowledge and thank you for your letter of January 21 advising us that the Rockefeller Foundation has made available the sum of \$10,000 for an exploratory study of historical materials relating to the Federal Reserve System. This grant is to be used during the period ending April 30, 1954 and will be administered by The Brookings Institution in collaboration with the Committee on the History of the Federal Reserve System.

We shall be glad to have you make a payment at this time of the full sum of \$10,000 with the understanding that any unexpended balance will be refunded to the Foundation.

We are very grateful to the Foundation for this grant and we feel confident that a very worth-while exploration of these materials can be made during the next few months.

Sincerely yours,

**ROBERT D. CALKINS**

President

CC: Dr. Donald B. Woodward  
Miss Mildred Adams



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

OFFICE OF THE CHAIRMAN

January 29, 1954

Dear Don:

Thank you for your letter of January 18 and, as I understand, you have already heard from Win Riefler that the Board has agreed to my serving on the Committee.

I certainly have no objection to Bob Calkins being included and think he would be of real value.

With all good wishes,

Sincerely yours,

A handwritten signature in cursive script that reads "Bill".

Wm. McC. Martin, Jr.

Mr. Donald B. Woodward  
Secretary  
Committee on History  
of the Federal Reserve System  
33 Liberty Street  
New York, N.Y.

THIRTY THREE LIBERTY STREET  
NEW YORK 45, N. Y.

January 29, 1954

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

Dear Don:

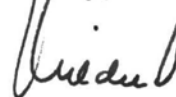
I am enclosing a letter from Mr. Sproul which speaks for itself.

Mr. Burgess, also, approves of asking Robert Calkins to join the Advisory Committee, and so does Walter Stewart. I am trying to reach Mr. Riefler this afternoon to find out whether he also will approve, but I think there is no doubt about it. Under those circumstances, would it be a good idea for the Secretary to write Mr. Calkins?

In the matter of the stationery, Mr. Sproul questions whether there should be mention of the Rockefeller grant. I am doubtful as to how that might be done in this form. What do you think?

I am holding out the sheet in which he has checked people to see, and am keeping that file here.

Hurriedly,



Mildred Adams  
Research Director

Committee on the History of the Federal Reserve System

enc.

Received  
Jan. 26, 1954

ALLAN SPROUL  
THIRTY THREE LIBERTY STREET  
NEW YORK 45, N. Y.

January 26, 1954

Mr. Donald B. Woodward, Secretary,  
Committee on History of the  
Federal Reserve System,  
33 Liberty Street, New York 45.

Dear Mr. Woodward:

I am sorry to have been slow in answering your  
letter of January 18.

Answering your question about adding Robert Calkins  
to the Advisory Committee, I am heartily in favor of it. While he  
was a director of the Bank I consulted with him about work in this  
general area and I know he is interested. Our relationship with the  
Brookings Institution now makes his appointment a "natural".

I am enclosing the sheet labelled "Matters Requiring  
Committee Opinion" with my opinions.

In the report of Miss Adams there is a reference  
under "Headquarters" to a charge to be made by the Federal  
Reserve Bank of New York for equipment. The figure of \$10 which  
is mentioned is just an estimate, and telephone service and toll  
calls will also be charged. The arrangement will still be economical  
and satisfactory, I am sure.

Sincerely,



Enclosure

January 26, 1954

Dr. Flora M. Rhind  
Rockefeller Foundation  
49 West 49th Street  
New York 20, N.Y.

Dear Dr. Rhind:

It is a pleasure indeed to receive the carbon of your letter to Dr. Calkins regarding the \$10,000. grant for study of Federal Reserve Historical Materials. I believe this is an extremely worthwhile project which the Rockefeller Foundation will not regret having encouraged.

Very truly yours,

DBW:lw

COPY

THE ROCKEFELLER FOUNDATION  
49 WEST 49TH STREET  
NEW YORK 20, N. Y.

January 21, 1954

Dear Dr. Calkins:

I have the honor to inform you that action has been taken by the officers of The Rockefeller Foundation making available the sum of \$10,000, or as much thereof as may be necessary, to The Brookings Institution for an exploratory study of historical materials relating to the Federal Reserve System. This grant is for use during the period ending April 30, 1954, and it is our understanding that it will be administered by The Brookings Institution in collaboration with the Committee on the History of the Federal Reserve System, of which Mr. Allan Sproul is chairman.

We shall be glad to make payments to meet your convenience. Arrangement for this may be made by writing to our Comptroller. Any balance of the funds unexpended on April 30, 1954, will revert to the Foundation. At the end of the period for which the fund has been made available we shall appreciate receiving a statement of receipts and expenditures. May we request that when communicating with the Foundation concerning this grant, you quote the reference number "GA SS 5405."

A brief public announcement of this grant will be made in the next quarterly report of the Foundation. We are enclosing, as



Dr. Robert D. Calkins

- 2 -

January 21, 1954

a matter of routine, a printed statement of Rockefeller Foundation policy respecting 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.

Enclosure

Copies to: Mr. Donald B. Woodward  
Miss Mildred Adams

# THE ROCKEFELLER FOUNDATION

## *Announcement of Grants*

The Rockefeller Foundation is primarily a grant-making organization. Except to a limited extent, in public health and agriculture, the Foundation does not itself engage in research and experimentation, or furnish services in particular fields; rather it seeks to advance its charter purpose "to promote the well-being of mankind throughout the world" chiefly through grants to universities, research institutes, and other qualified agencies conducting work within the scope of the Foundation's program.

Since its establishment, the Foundation has followed the practice of recording its grants in an Annual Report that appears early each year. More recently this has been supplemented by Quarterly Reports in which brief announcements of grants are published soon after they have been made. Through these reports the Foundation seeks to fulfill its responsibility of accounting to the public for the current use of funds it holds in trust.

Consequently, the Foundation has no reason to ask recipients of its grants to make any announcement of them. Recipients who do wish to acknowledge publicly receipt of funds may do so, either by routine reference or by similar listing in their Annual Reports. If occasionally special circumstances make desirable some further announcement that involves interpretation of the Foundation's action in making the grant, the officers of the Foundation will appreciate the opportunity of seeing such announcements before they are made public.

Since the Foundation neither expects nor desires that the results obtained in research or other projects supported by its grants should be submitted to the Foundation for approval, there should be no acknowledgment of the grants in prefaces of books or in similar usages which might imply or suggest that those results carry the specific approval of the Foundation.

While the Foundation's action in making a grant carries implicit approval of the proposal for which the grant is made, the recipient, and not the Foundation, is responsible for giving effect to the proposal and for its results. Therefore, no reference of any kind should be made by the recipient implying that the Foundation has control over the project or any responsibility for its results.

The Foundation requests particularly that its name should not be used on jackets or in any advertising of books or in designating projects, fellowships, laboratories or buildings toward which it has contributed.

January, 1953

340 EAST 72<sup>ND</sup> STREET

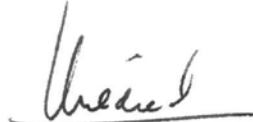
New York 21, N.Y.  
January 19, 1954

Dear Don:

This is just to reassure you on the matter of the Rockefeller grant. After talking with you I called Miss Patricia Harris, and found her apologetic that there had been some slight technical delay in getting the grant to Brookings. She expects to have the final paper signed by to-morrow and she will telephone Dr. Calkins that the money is on its way.

Under those circumstances I think I shall go out and buy a roll of stamps!

Best, as always,



Mildred Adams

P.S. I also called Winfield Riefler and am expecting to spend Tuesday, Wednesday, Thursday of next week (January 26-28) in Washington - most of the time at the Federal Reserve. I am checking up this week not only on Governor Strong's papers but on those of Pierre Jay, and on the memories of Mr. Leffingwell. No comments about smugness.

*u*

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

THIRTY THREE LIBERTY STREET  
NEW YORK 45, N. Y.

January 14, 1954

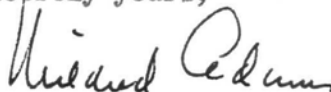
Messrs. Allan Sproul, Chairman  
William M. Martin  
W. Randolph Burgess  
Walter W. Stewart  
✓ Donald B. Woodward

Dr. Robert Calkins

Gentlemen:

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

Sincerely yours,



Mildred Adams  
Research Director

Committee on the History of the Federal Reserve System

Temporary address -

340 East 72nd Street  
New York 21, N.Y.  
January 13, 1954

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

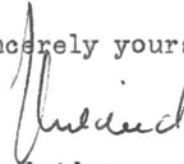
Dr. Robert Calkins

Gentlemen:

I am glad to be able to tell you that with some slight changes the material sent Dr. Willetts on January 5th has been approved. In order to get matters moving quickly a slightly smaller sum which could be granted without waiting for Board action was immediately set aside. The Brookings Institution, which will act in a consultative and disbursing role, expects to receive it this week or early next week.

Under these circumstances, we would like to ask the Committee's early consideration of working policies and details. A meeting, which will include Dr. Calkins, President of the Brookings Institution, has therefore been called for 3:00 P.M. Tuesday, January 19th, in the office of Mr. William Martin at the Federal Reserve Board in Washington. We trust that date will prove convenient to you all.

Very sincerely yours,



Mildred Adams  
Research Director

Committee on the History of the Federal Reserve System

*you see I copy your device -*  
*ll*

The Brookings Institution

Washington 6, D. C.

*M. Woodward*

January 7, 1954

Dr. Joseph H. Willits  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Dr. Willits:

On January 4, Mr. Donald B. Woodward submitted to you a proposal for an exploratory project intended to collect, appraise, and edit historical materials on the Federal Reserve System, and to design a longer-range research project in this field.

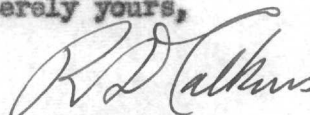
The Brookings Institution is very much interested in this project, and will be very glad to receive a grant for the proposed exploration and to participate in formulating and conducting the larger research project which is contemplated. We shall be glad to have you make the grant to the Brookings Institution, with the understanding that we will administer it in collaboration with the Committee on the History of the Federal Reserve System, of which Mr. Allan Sproul is chairman.

The request submitted contemplated an exploration over a period of six months at an estimated cost of \$16,000. It is my understanding that in your discussions today with Mr. Woodward it was agreed that the grant would be made for the period extending from now until May 1, and that the sum of the grant for that period would be \$10,000. This change contemplates the formulation and submission of a longer-run research project by late April, which might be considered by you at the May meeting. This change in the original plans fully meets with my approval. We shall be glad to receive the grant under these terms. Arrangements are made to proceed promptly as soon as the grant is made.

Let me say again that I deeply appreciate your interest in this subject. Brookings is glad to cooperate in this undertaking.

With very best wishes,

Sincerely yours,



President

cc: Dr. Willits  
The Rockefeller Foundation  
56 Curzon Street  
London, W.1  
England

January 5, 1954

Messrs. Allan Sproul, Chairman  
William H. Martin  
W. Randolph Burgess  
Walter W. Stewart

Gentlemen:

With your approbation and the minor changes you have suggested the original of the attached material was today sent to Dr. Willits at the Rockefeller Foundation.

Dr. Calkins, the President of the Brookings Institution is writing to Dr. Willits to say that the Brookings Institution wishes to act as disbursing agent for our Committee and to take an interest in the project.

I presume that it might be desirable for the Committee to have a brief meeting at some time as soon as reasonably may be to consider its operations. Perhaps on some day when Mr. Sproul is in Washington it might be easiest for the group to assemble.

I suggest that Miss Adams establish operating details with the Brookings Institution and develop with Dr. Calkins and others an agenda for such a meeting. If there are other suggestions I hope you will let me know.

With high hopes for great success in this endeavor,

Cordially,

---

Donald B. Woodward  
Secretary

cc: Dr. Robert D. Calkins  
Miss Mildred Adams

DBW:lw  
Enclosure

PROPOSAL

FOR AN EXPLORATORY PROJECT LOOKING TOWARD  
THE COLLECTION, APPRAISAL, EDITING AND USE  
OF HISTORICAL MATERIALS ON THE FEDERAL  
RESERVE SYSTEM

---

SUBMITTED BY THE COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Alan Sproul, Chairman  
Donald Woodward, Secretary ~~FRASER~~



## PROPOSAL

### FOR AN EXPLORATORY PROJECT LOOKING TOWARD THE COLLECTION, APPRAISAL, EDITING AND USE OF HISTORICAL MATERIALS ON THE FEDERAL RESERVE SYSTEM.

The rapid changes which are now characteristic of the American economy make it difficult for useable records, much less readable history, to keep up with them. Yet it is more than ever vital that not only should results be known and understood, but that the path by which those results were reached be made clear. This truism is nowhere more important than in the case of the Federal Reserve.

The Federal Reserve System's functions are essential to efficient operation of the American economy, yet the System is less understood than the industrial, commercial and financial operations which it so much influences. The System has been built and rebuilt during the past four decades, but what happened has not yet been adequately recorded. Unless this work of examining what has been done and setting it down in readable form is begun soon, a vital section of financial and economic history in the United States will be lost.

The papers which would be needed as source material in writing an adequate history are scattered between government, banking and private files. It is not even known what exists, nor where some of what exists could be found. The men who have acted as architects and builders of the present Federal Reserve System are already beginning to disappear. Carter Glass and Governor Strong, for example, are dead. Others are reaching retirement. Those living, whose memories form a most valuable supplement to any papers which they may have, should be approached and asked to contribute personal knowledge and access to papers before it is too late.

Only exploration can reveal what can be made available. But a number of important possibilities exist. Governor Strong's papers have been worked to only a very limited degree, and can yield much more. There may exist at J.P. Morgan some papers of S. Parker Gilbert, and possibly others. E. A. Goldenweiser may have left an important collection. Charles Hamlin left a collection of diaries which have not been examined. Congressional hearings and debates can yield much material and probably important clues.

Among the living there are important memories and doubtless important collections of papers. Those who would certainly be included are Walter M. Stewart, George L. Harrison, Roy A. Young, Robert ~~N.~~<sup>V.</sup> Fleming, Eugene Meyer, Marriner Eccles and Daniel W. Bell.

Investigation would go much farther.

The end product toward which this project is directed would be a comprehensive history of the Federal Reserve System, including the editing for publication of certain source materials, the writing of biographic sketches of some of the most important figures, the composing of books, monographs and articles on special facets of the structure which emerge as of particular interest, and perhaps a popular history or two designed for wide public reading. Obviously such a comprehensive design would be a considerable undertaking, to be carried on over time by experienced specialists in this field.

Meanwhile a great deal of preparatory work is needed before such a comprehensive study of the Federal Reserve System could be started. It is that preparatory work which is the subject of this proposal. Papers which will form the source material should be located, classified, and roughly analyzed. Important characters in the drama should be sought out, their cooperation asked, and their interest enlisted. The dimensions and

proportions of the comprehensive study should be sketched and its possibilities bulked out.

The exploratory study would at least hope to answer the basic questions, "What?", "Where?" and "Whom?".

Genesis of the project

An added factor which presses for a quick start is that such a project has, in one form or another, been quietly simmering in the minds of several persons. Its present active form <sup>grows from discussions which have involved</sup> ~~began with Mr. Donald Woodward,~~ ~~recently Vice President of the Mutual Life Insurance Company, present Finance Chairman and Director of the Vick Chemical Company. Mr. Woodward, whose~~ ~~career includes work for and about the Federal Reserve Board,~~ <sup>System,</sup> ~~discussed the~~ ~~issue with~~ <sup>(3)</sup> ~~Mr. W. Randolph Burgess,~~ <sup>(7)</sup> ~~Mr. Winfield Riefler,~~ <sup>(1)</sup> ~~Mr. Wm. McC. Martin, Jr.,~~ <sup>(2)</sup> ~~Mr. Allan Sproul and Mr. S. Spencer Scott,~~ <sup>(6)</sup> ~~president of Harcourt Brace & Co.,~~ <sup>(1)</sup> ~~all of whom strongly favored it. Mr. Woodward enlisted the interest of~~ ~~Miss Mildred Adams, a journalist trained in the handling of economic subjects~~ ~~who is now reporting matters at the United Nations for The Economist of London.~~ ~~Out of these and other discussions has come this proposal.~~

Work Plan

The work plan calls for a staff member, a bibliographer and a secretary to work with the advice and collaboration of a small committee of advisors. This advisory committee will be headed by Mr. Allan Sproul who has consented to serve as chairman. It includes Mr. W. Randolph Burgess, and Mr. Donald Woodward; the latter will act as Secretary-~~Responsible~~. Other members will be added. The services of Miss Mildred Adams, whose schedule calls for more free time after January 1st, may be secured for the post of active staff member in charge of research. *Miss Adams is a journalist trained in the handling of economic subjects who is now reporting matters at the United Nations for The Economist of London.*

(5)  
Dr. Robert Collins,  
Mr. Walter W. Stewart  
(1) Mr. Donald S. Woodward, and Miss Mildred Adams



The work will be done under the name of the Committee on the History of the Federal Reserve System. Arrangements for tax exemptions and the disbursement of funds are under way. It is hoped that a beginning may be possible as of January 15, 1954. *Desk space will be provided without cost in the quarters and now the library of The New York Federal Reserve Bank.*

Time and Costs

For an exploratory project of this kind a period of six months should be sufficient. At the end of that time the staff member, working with the advisory committee, should have the major areas of the larger project blocked out, a biographic index of personalities prepared and tests made of their cooperative willingness, a bibliography of basic materials and a map of source papers ready. With those in hand, it will then be possible to attack the problems of the larger project.

A budget for this exploratory work should be simple but adequate. The plan includes the hiring of one staff member for six months, a bibliographer and a capable <sup>research</sup> secretary familiar with bibliographic methods. There should be a fund for necessary expenses incurred in travelling to interview key figures not in New York, and a fund to cover the cost of committee meetings. The following figures are proposed:

	Compensation of staff member - 6 months at the rate of \$10,000 a year.....	\$ 5,000.
<i>Research</i>	Salary of Secretary .....	2,500.
	Salary of Bibliographer .....	3,500.
	Expense Funds .....	5,000.
		<u>\$16,000.</u>

End Product - The Larger Design

This proposal concerns only the preparatory stages, during which materials needed for further study of the Federal Reserve System will be surveyed and the cooperation of key persons enlisted. But a pilot project of this type is pointed toward a far wider end product.

The Committee cannot at this time make more than a rough estimate as to how long the larger project may take or how much it might cost. The work toward which this pilot effort leads is of such great value and has such wide ramifications that any attempt to draw its limits now would be revised six months from now. Much more than pure history is involved. The Federal Reserve System is part of the governing structure of the country, and as such its functioning and its effects bear upon the continuing success of this democracy. They need study from many more angles than are ordinarily contemplated, and they demand far wider understanding than has hitherto been granted.

With this in mind it seems clear that at least five years' work would be involved in producing and publishing such works as a definitive history of the Federal Reserve System, an analysis of its place in the American economy, several volumes of pertinent papers to be collected and edited, <sup>one or two key</sup> ~~a couple of key~~ biographies, at least one popular account useable in high school and freshman college courses, articles and monographs in periodicals. Such a comprehensive design might need funds not less in amount than \$300,000, and might well attract scholars from several disciplines. It would spur research and writing in a field rich in possibilities, inadequately covered by present publications, and of vital concern to the country.

C  
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P  
Y

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
33 Liberty Street  
New York, N.Y.

January 4, 1954

Dr. Joseph H. Willits  
Rockefeller Foundation  
49 West 49th St.  
New York, N.Y.

Dear Dr. Willits:

There is submitted herewith a proposal for an exploratory project looking toward the collection, appraisal, editing and use of historical materials on the Federal Reserve System.

A grant of \$16,000. is requested to cover the expenses of this exploratory project. It is requested that the grant be made effective January 15, 1954.

The Committee expects to function with an existing research organization having tax exempt status and discussions are now going forward with an institution on this point; we will communicate with you as soon as arrangements are made which will, we believe, be shortly.

Mr. Allan Sproul, the Chairman of this Committee, had expected to sign this letter also, but illness has kept him at home today.

Thank you for your consideration of this request.

Very truly yours,

---

Donald B. Woodward  
Secretary

PROPOSAL

FOR AN EXPLORATORY PROJECT LOOKING TOWARD  
THE COLLECTION, APPRAISAL, EDITING AND USE  
OF HISTORICAL MATERIALS ON THE FEDERAL  
RESERVE SYSTEM

---

SUBMITTED BY THE COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Allen Sproul, Chairman  
Donald Woodward, Secretary



## PROPOSAL

### FOR AN EXPLORATORY PROJECT LOOKING TOWARD THE COLLECTION, APPRAISAL, EDITING AND USE OF HISTORICAL MATERIALS ON THE FEDERAL RESERVE SYSTEM.

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The papers which would be needed as source material in writing an adequate history are scattered between government, banking and private files. It is not even known what exists, nor where some of what exists could be found. The men who have acted as architects and builders of the present Federal Reserve System are already beginning to disappear. Carter Glass and Governor Strong, for example, are dead. Others are reaching retirement. Those living, whose memories form a most valuable supplement to any papers which they may have, should be approached and asked to contribute personal knowledge and access to papers before it is too late.



Only exploration can reveal what can be made available. But a number of important possibilities exist. Governor Strong's papers have been worked to only a very limited degree, and can yield much more. There may exist at J. P. Morgan some papers of S. Parker Gilbert, and possibly others. E. A. Goldenweiser may have left an important collection. Charles Hamlin left a collection of diaries which have not been examined. Congressional hearings and debates can yield much material and probably important clues.

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Meanwhile a great deal of preparatory work is needed before such a comprehensive study of the Federal Reserve System could be started. It is that preparatory work which is the subject of this proposal. Papers which will form the source material should be located, classified, and roughly analyzed. Important characters in the drama should be sought out, their cooperation asked, and their interest enlisted. The dimensions and proportions of the comprehensive study should be sketched and its possibilities bulked out.

The exploratory study would at least hope to answer the basic questions, "What?", "Where?" and "Whom?".

#### Genesis of the project

An added factor which presses for a quick start is that such a project has, in one form or another, been quietly simmering in the minds of several persons. Its present active form grows from discussions which have involved Mr. Wm. McG. Martin, Jr., Mr. Allan Sproul, Mr. W. Randolph Burgess, Mr. Walter W. Stewart, Dr. Robert Galkins, Mr. S. Spencer Scott, president of Harcourt Brace & Co., Mr. Donald B. Woodward, and Miss Mildred Adams.

#### Work Plan

The work plan calls for a staff member, a bibliographer and a secretary to work with the advice and collaboration of a small committee of advisers. This advisory committee will be headed by Mr. Allan Sproul who has consented to serve as chairman. It includes Mr. W. Randolph Burgess, and Mr. Donald Woodward; the latter will act as Secretary. Other members will be added. The services of Miss Mildred Adams, whose schedule calls for more free time after January 1st, may be secured for the post of active staff member in charge of research. Miss Adams is a journalist trained in the handling of economic subjects who is now reporting matters at the United Nations for The Economist of London.

The work will be done under the name of the Committee on the History of the Federal Reserve System. Arrangements for tax exemption and the disbursement of funds are under way. It is hoped that a beginning may be possible as of January 15, 1954. Desk space will be provided without cost in the quarters and near the library of the New York Federal Reserve Bank.

Time and Costs

For an exploratory project of this kind a period of six months should be sufficient. At the end of that time the staff member, working with the advisory committee, should have the major areas of the larger project blocked out, a biographic index of personalities prepared and tests made of their cooperative willingness, a bibliography of basic materials and a map of source papers ready. With these in hand, it will then be possible to attack the problems of the larger project.

A budget for this exploratory work should be simple but adequate. The plan includes the hiring of one staff member for six months, a bibliographer and a capable research secretary familiar with bibliographic methods. There should be a fund for necessary expenses incurred in travelling to interview key figures not in New York, and a fund to cover the cost of committee meetings. The following figures are proposed:

Compensation of staff member - 6 months at the rate of \$10,000 a year.....	\$ 5,000.
Salary of Research Secretary.....	2,500.
Salary of Bibliographer.....	3,500.
Expense Funds.....	5,000.
	<u>\$16,000.</u>

End Product - The Larger Design

This proposal concerns only the preparatory stages, during which materials needed for further study of the Federal Reserve System will be surveyed and the cooperation of key persons enlisted. But a pilot project of this type is pointed toward a far wider end product.

This Committee cannot at this time make more than a rough estimate as to how long the larger project may take or how much it might cost. The work toward which this pilot effort leads is of such great value and has such wide ramifications that any attempt to draw its limits now would be revised six months from now. Much more than pure history is involved.

The Federal Reserve System is part of the governing structure of the country, and as such its functioning and its effects bear upon the continuing success of this democracy. They need study from many more angles than are ordinarily contemplated, and they demand far wider understanding than has hitherto been granted.

With this in mind it seems clear that at least five years' work would be involved in producing and publishing such works as a definitive history of the Federal Reserve System, an analysis of its place in the American economy, several volumes of pertinent papers to be collected and edited, one or two key biographies, at least one popular account useable in high school and freshman college courses, articles and monographs in periodicals. Such a comprehensive design might need funds not less in amount than \$300,000, and might well attract scholars from several disciplines. It would spur research and writing in a field rich in possibilities, inadequately covered by present publications, and of vital concern to the country.