

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.

May 26, 1954

Dear Mr. Woodward:

This note is to thank you for your statement of expenses for your trip to Washington, D.C., on May 11th, which we had not previously received from Mrs. Williams.

I expect to submit Miss Adams's expense account for the month of May next Tuesday and will include the items on your account as well, so that she may reimburse you shortly for them when the regular monthly check comes in from Brookings. I trust this arrangement will suit you.

Sincerely yours,

Katherine McKinstry

Research Assistant

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

May 24, 1954

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

Dear Mildred:

1. I agree with virtually all of the suggested changes in the letter to Riefler. As Mrs. Williams is away and we are overwhelmed, I wonder if you could have this letter typed in your office and sent to me for signature.
2. In looking over the papers, I find the item of my expenses for the trip to Washington, Tuesday, May 11 in the file. Could you tell me if Mrs. Williams typed this and sent it to you or if you have not yet received such a statement?

Cordially,

Donald B. Woodward

DBW/bam
att.

May 17, 1954

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

Dear Mildred:

1. I return herewith your minutes of the meeting on May 11. I have suggested a small change on Page 2 and another on Page 3. It seemed to me you did an admirable job, quite unimpaired by the difficulties under which you labored. On further thought it seems to me these minutes had just as well go out as soon as you can conveniently get them out. The Committee should have a record of what it did, whatever it may wish to do after May 21.
2. I enclose a draft of a letter to Win Riefler in accord with our telephone discussion on Saturday. Won't you please delouse it and return to me whereupon I will get it out.
3. I enclose a note on expenses for the trip May 11.

With melting admiration.

Cordially,

DEW:lw
Enclosures

May 25, 1954

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

Dear Randy:

I talked to Mr. Sproul who is dubious of the matter or availability of Roelse but will explore the matter with him and will let me know.

Cordially,

Donald B. Woodward

DBW/bam

The Brookings Institution

Washington 6, D. C.

May 25, 1954

**To: Messrs. W. Randolph Burgess
William McC. Martin, Jr.
Walter W. Stewart
Donald B. Woodward, Secretary ✓
Miss Mildred Adams, Research Director**

From: Robert D. Calkins

Herewith is a letter from Mr. Sproul approving the arrangement between the Brookings Institution and the Committee.

In order that everyone be reminded of the understanding that the Board and the Reserve Banks may refuse to make available any material which in their judgment should not be published, I am sending herewith a copy of Mr. Sproul's letter.



Enclosure

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FEDERAL RESERVE BANK
OF NEW YORK

New York 45, N. Y.

May 21, 1954

Mr. Robert D. Calkins
The Brookings Institution,
Washington 6, D. C.

Dear Bob:

The memorandum of agreement between the Brookings Institution and the Committee on the History of the Federal Reserve System, which you sent me under cover of your note of May 14th, seems to me to carry out the decisions of the Committee at its recent meeting, and I have no changes to suggest.

Just to be on the safe side, however, I repeat a statement which appears in our application for a grant from the Rockefeller Foundation: "It should be made clear, however, that neither the Federal Reserve Board nor any of the Reserve Banks are committed to make available any material which in their judgment should not be published." While we want to cooperate in the discovery, classification, and indexing of materials in our records and files, and in their use, we shall have to retain a veto over the publication of confidential information, particularly when it relates to persons or actions in recent years.

Sincerely,

[signed] ALLAN SPROUL

Allan Sproul

May 24, 1954

Miss Mildred Adams
340 East 72nd Street
New York, 21, New York

Dear Mildred:

I have just found what looks like another interesting individual with memories of two interesting phases of the Federal Reserve history. His name is Carl Prickett, now retired and living in Greensboro, North Carolina. In the early days of the system, Mr. Prickett was one of the prominent individuals, I believe, in establishing the examination system and as you know, bank examinations have been one of the critical spots ever since the establishment of the system. Then later he occupied a critical role in the examination of branches of member banks located in foreign countries during the early days of the depression. This may be the place to get a good deal of light on that great problem of the system "its relations abroad". Would it be worthwhile to put one of your sleuths on the job of getting a more detailed identification of Mr. Prickett?

I talked with him briefly and he is enormously interested in the project. He is in New York intermittently and would be very happy to talk with you.

I can make arrangements as may be desired.

Yours,

Donald B. Woodward

P.S. Mr. Prickett says that the early members of the Board made it a practice to hire very competent make secretaries (perhaps the idea came from Justice Holmes, though I didn't ask). He says that there are several of these individuals now in prominent positions in Federal Reserve Banks and elsewhere. He thinks that it would be fruitful to check the names of secretaries and assistants to the Board members and this sounded interesting to me.

DBW.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

May 24, 1954

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

At the meeting on May 11th two possible projects were given provisional approval with the understanding that the Research Director would get more details for Committee consideration after May 20th.

Requests from Professors Chandler and Kincaid giving details of their respective projects are enclosed.

The Chandler project for a study of "Benjamin Strong--Central Banker", as approved provisionally on May 11th, was then explained as including "a possible subvention of \$12,000 to \$15,000 plus typing costs and publishing aid; it would begin in February 1955 and continue for at least a year". In his detailed presentation Mr. Chandler asks for \$17,000 which includes estimates for typing and publishing costs. He would like to start work in September 1954 and would hope to do the job in two years time.

The Kincaid project for sorting and classifying the Carter Glass papers, as provisionally approved, was seen as "a summer's work of arrangement and inventory by a graduate student under the supervision and with the advice of Dr. Kincaid". Dr. Kincaid's proposal for using three students is more expensive, but it would seem more realistic, and with a better chance that the sorting, classifying and listing could be finished this summer.

I have checked independently on the students Dr. Kincaid has suggested. Mr. Edel is writing his thesis on Parker Willis, and in the process has been looking through some of the Glass papers. He is very familiar with the events and the period they cover, and is believed to work well under Dr. Kincaid's guidance. Miss Thomas has a good reputation for intelligence, ability and persistence. Mr. Cardwell is teaching outside the University of Virginia, but writing his thesis for submission to the Economic Department there. Otherwise he is not known to my informant. All three are believed to have studied under Dr. Kincaid.

The sums he mentions are solely for costs of personnel, including his own services. Assuming a three months period running from June 15th to September 15th (which covers the vacation stretch during which this work is projected) the costs as given total as follows--

	Totals for 3-month period
1 student at \$225 per month	\$ 675
1 student at \$250 per month	750
1 student at \$80 a week	<u>1040</u>
	\$2465
Services of Dr. Kincaid	2400
Stationery and incidentals	<u>135</u>
	\$5000

Professor Chandler leaves for Europe June 22nd and would appreciate a decision before then.

Dr. Kincaid's project ought to be started by June 15th. Meanwhile he is holding his chosen assistants by force of persuasion.

Under these circumstances a speedy decision, particularly on the smaller Kincaid matter, would be greatly appreciated. We have three weeks in which to get further details from Professor Chandler or suggest revisions of his plan, but Dr. Kincaid would like to be able to give his assistants a final answer this week.

Mildred Adams
Research Director

Enc.

UNIVERSITY OF VIRGINIA
James Wilson School of Economics
McIntire School of Business Administration
University Station
Charlottesville, Virginia

May 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:

You desire me to submit an estimate of the probable cost of sorting and classifying the Glass papers, and I am now submitting what may be considered a progress report.

I have tentatively engaged the services of the following:

1. Miss Anne Thomas, a graduate student. She will undertake the work of sorting and classifying, and in addition will do some typing. She would require a compensation of [REDACTED] per month.
2. Mr. Samuel P. Cardwell, a second year graduate student, who would expect a salary of [REDACTED] per month.
3. Mr. William C. Edel who has just completed his work for the Masters degree, and has taken a position for the summer. He is willing to give up this position and work with me this summer for a period of at least ten weeks for [REDACTED] per week. Moreover, he is willing to continue the work, if need be, after the opening of the fall term in September. However, it would be necessary for him to have a leave of two weeks during July or August because of military service. He is the most experienced of the three and is most familiar with the Glass papers. I could rely upon him to serve in my place in a pinch.
4. I am uncertain what price to place upon my own services. The nearest approximation is the salary I would have earned had I taught in the summer school. In that work I could have earned [REDACTED] for the first term, and probably a like amount for the second. (Total, [REDACTED]).

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5. There will be some incidental expenses for certain supplies and materials to be obtained from the University Library. Mr. Edel can also do typing so I doubt if I will have to hire another person for typing.

I cannot make an estimate of the duration of this undertaking but I have the impression that the major part of it will be completed by the opening of the fall term. If there are some odds and ends remaining then, the three persons mentioned above could, under the guidance of Mr. Berkeley of the Library, probably clean up the job. Do you contemplate any sort of deadline? It is possible that I could find one more additional person to work on this project, if necessary, though I doubt if that would expedite the work proportionally. I have not actually engaged the three persons named above because I will not know until after your meeting on the 20th what the outcome of the project will be.

Sincerely yours,

/s/ E. A. Kincaid

E. A. Kincaid,
Associate Director,
School of Business Administration.

EAK:lc

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PRINCETON UNIVERSITY
Princeton, New Jersey

Department of Economics and Social Institutions

May 18, 1954

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

Dear Miss Adams:

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

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

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

Sincerely yours,

/s/ Lester V. Chandler
Lester V. Chandler

LVC:J
enc.

A PROPOSED STUDY, TENTATIVELY ENTITLED,

Benjamin Strong--Central Banker

By Lester V. Chandler

SCOPE OF THE STUDY

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

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

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

Though Benjamin Strong will be its focal point, this study will clearly have to touch on many things that will also be covered by the projected over-all history of the Federal Reserve and by the more specialized studies.

This, however, I consider an advantage, for it will permit readers to compare the points of view of more than one writer.

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

PLAN OF STUDY

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

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

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

FINANCIAL MATTERS

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

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Estimated Costs of the Project

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

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

Respectfully submitted,

/s/ Lester V. Chandler
Lester V. Chandler

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Memo from MILDRED ADAMS

To

Don.

May 26/54

This letter was addressed
to you at this office. We
opened it, but lost by mistake!
A copy has been sent to
Committee members today
M.

COPY

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

May 24, 1954

Dear Dr. Calkins:

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

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

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

A brief public announcement of this grant will be made in the next quarterly report of the Foundation. There is, however,

Page 2

May 24, 1954

no objection on our part to your announcement of the grant prior to the issuance of the Foundation's report if for any reason this appears to you desirable. In this connection we are enclosing, as a matter of routine, a printed statement of The Rockefeller Foundation policy regarding the announcement of grants.

It is a pleasure to report this action to you.

Sincerely yours,

FLORA M. RHIND
Secretary

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

Copy to Dr. Donald B. Woodward

The Brookings Institution
Washington 6, D. C.

722 Jackson Place, N. W.

May 20, 1954

Dear Don:

I had sent copies of the proposed arrangement between the Brookings Institution and the Committee on the History of the Federal Reserve System to all members of the Committee.

Sincerely yours,

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

May 20, 1954

Mr. R. D. Calkins, President
The Brookings Institution
722 Jackson Place, N.W.
Washington, D. C.

Dear Bob:

This will confirm in writing what I told you orally at the Board Meeting that I approve of the statement "Proposed relations between the Committee on the History of the Federal Reserve System and Brookings Institution."

Cordially,

DSW:lw

The Brookings Institution

Washington 6, D. C.

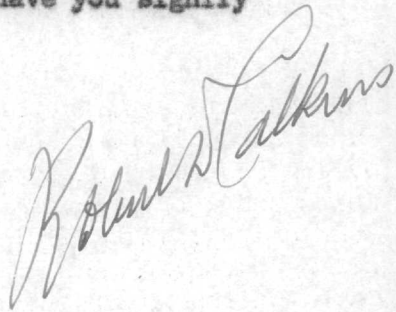
May 14, 1954

To: Allen Sproul, Chairman
W. Randolph Burgess
William McC. Martin, Jr.
Walter W. Stewart
Donald B. Woodward, Secretary ✓
Mildred Adams, Research Director

From: Robert D. Calkins

Enclosed is a statement of the proposed arrangement between the Committee on the History of the Federal Reserve System and the Brookings Institution. Mr. Burgess has approved the statement with a slight modification in item 5 - a change that has been made in this draft.

If you have modifications to suggest, I shall be glad to receive them; if not, I shall be glad to have you signify your approval.



enc.

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

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

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

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

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

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

TRUSTEES

WILLIAM R. BIGGS, *Chairman*
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The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

HONORARY TRUSTEES

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

OFFICERS

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

Dear Don:

Here is a draft of the statement.
Randy approved it, but suggested
a change in item 5 - among the
lines recorded on this.
I shall hope to see you tomorrow
a little before 10 am.

Randy
Bh

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

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

5. The administrative arrangements and the payment of funds will be handled by the Institution on the authorization of the President in accordance with procedures approved by the Committee and the Institution.

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

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

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

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

TRUSTEES

WILLIAM R. BIGGS, *Chairman*
HUNTINGTON GILCHRIST, *Vice Chairman*
ARTHUR STANTON ADAMS
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LEWIS L. STRAUSS
LAURENCE F. WHITTEMORE
DONALD B. WOODWARD

The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

May 7, 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 Don:

I am sending you herewith a tentative draft of three alternative plans covering the arrangements that might be established between the Brookings Institution and the Committee on the History of the Federal Reserve System. Under Plan I the Committee would assume responsibility for the project directly. Plan II provides for a joint responsibility by the Committee and the Institution. Plan III provides for an assumption of the responsibility by the Institution, with the Committee serving in an advisory capacity.

When a choice has been made among these three basic plans certain further details can be agreed upon.

This matter will be a subject for discussion at our luncheon next Tuesday, here at the Brookings Institution at 1 o'clock. Luncheon will be served in the West Alcove.

Sincerely yours,



President

enc.

May 7, 1954

SUGGESTED RELATIONSHIP BETWEEN THE BROOKINGS INSTITUTION
AND THE COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Last December the Brookings Institution was asked by the Committee on the History of the Federal Reserve System whether it would be willing to cooperate with the Committee and administer a prospective grant from the Rockefeller Foundation for the development of a research program. The Institution expressed its interest in the project, and indicated its willingness to receive and administer a grant in collaboration with the Committee for the proposed exploration of research possibilities and formulation of a research project.

The grant of January 21, 1954 was made to the Brookings Institution to be administered by the Institution in collaboration with the Committee. At the request of the Committee the Institution appointed Miss Mildred Adams as a member of its staff and paid her out of the Foundation grant and disbursed other funds for expenses incurred in connection with the exploratory project.

On April 20, 1954 the Committee submitted to the Rockefeller Foundation a request for a five-year grant. A supporting letter from Mr. Calkins on April 26 expressed the willingness of the Brookings Institution to act as sponsor and as fiscal agent for this research undertaking and reported that the proposed arrangement would be presented to the Trustees for formal approval on May 14.

The request itself recommended a continuation of the association between the Committee and the Brookings Institution, and pointed out that the relationship would need clarification, particularly when the publishing stage was reached.

This memorandum is intended to suggest the relationship that should prevail, as I see it, from the point of view of the Brookings Institution and of the Committee.

Three plans of cooperation are presented herewith for consideration.

Plan I

Under this plan the Committee will assume direct responsibility for the project and the grant, and the Brookings Institution will act only as fiscal agent, paying sums from the grant on the authorization of the Committee for purposes and by methods that are acceptable to the Brookings Institution as meeting its obligations to handle the funds prudently within the terms of the grant.

Under this plan the Committee will assume full responsibility for the project, select personnel, supervise the work, edit and finally approve manuscripts for publication, arrange for publication, and take financial and other responsibility for the outcome. The Brookings Institution will assume none of these responsibilities, but, in the capacity as fiscal agent, will merely pay funds from the grant upon authorization of the Chairman, the Research Director, or Secretary, as determined by the Committee, and as approved by the Institution.

Plan II

Under Plan II the Committee and the Institution will assume joint responsibility for the project and the expenditure of funds. The Committee and the Brookings Institution, through its President, will agree jointly on the character of the program and the purposes for which the funds are expended, and the Institution will pay out sums from the grant on the joint authorization of the Committee and the

Institution by methods to be specified, and the two parties will assume responsibility for the results as specified below.

The Committee and the Brookings Institution will jointly make contracts with individuals, organizations, or the Brookings Institution to complete portions of the program and these contracts will specify the obligations of the parties and the amount and manner of payment. Payments will be made on the joint authorization of the Chairman, Research Director, or Secretary of the Committee and the authorization of the President of the Brookings Institution. These contracts will specify the ultimate responsibility respecting editorial work, approval for publication, and the publication arrangements.

It is understood that any contract research undertaken by the Brookings Institution itself will delegate to the Institution, in accordance with the customary practice, the final decision respecting editing and publication unless otherwise expressly provided. Under such contracts the Committee's advice will of course be sought and considered in the conduct of the research.

Part III

Under Plan III the Institution will assume responsibility for the project and the administration of the funds by agreement with the Committee, and the Committee will become an Advisory Committee to the President respecting the project and the allocation of the grant. Under this arrangement the President of the Brookings Institution will have final decision respecting all aspects of the program, but will give due consideration to the advice and recommendations of the Committee. Editorial responsibility, acceptance of manuscripts for publication, and publication arrangements will be determined finally by the Institution.

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.

May 13, 1954

Dear Don:

Dr. Calkins' draft of the proposed relationship between the Committee and Brookings will be waiting for you at the Cosmos Club tonight. I talked to Mr. Burgess by phone about my objections to paragraphs 6 and 7 on page 2. Unhappily, ^{he} had just talked to Calkins, and told him that the draft was all right to circularize, with the exception of paragraph 5 in which he wanted to give Brookings more power. He was not impressed by my suggestion that paragraphs 6 and 7 be changed to give them less.

This is in line with Mr. Burgess' statement at the meeting that he was in favor of Plan II, with modifications leaning toward III. Burgess' argument is that things get done better if only one person is responsible rather than though they must be initialed by two. I grant they may get done faster. But I still think the point worth making that if we give Brookings the power implied in those two paragraphs, with "consultation" the only control left to the Committee, we will find the Brookings routine taking over. It seems to me that the time to set up safeguards is now when they aren't needed, rather than later when they may be needed and we can't get them so easily.

The draft will be circulated, and the Committee will have an opportunity to comment. I am therefore still raising the question with you - Wouldn't the clear desire of the Committee for ad hoc decisions be better preserved if paragraphs 6 and 7 were amended? At present paragraph 6 reads (underlining mine):

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

I would suggest that this read ".... shall be appointed by the President of the Institution or by a designated representative of the Committee, provided that such appointment is made only after consultation and agreement between these two....."

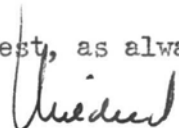
Paragraph 7, reads:

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

To this arrangement my objection is even stronger in that the present wording of the first sentence, combined with the last, seems to leave Brookings free to make contracts with itself. This seems to me dubious practise, and I am reminded of Walter Stewart's statement in another connection "He needs another employer than himself". Also I do think there may be instances in which the Committee can do better with publishers than can Brookings, and I am not sure that "consultation" is enough to secure such ad hoc treatment.

Therefore I suggest that the first sentence of paragraph 7 be amended to read "Contracts.... shall be arranged either by the President of the Institution or by a designated representative of the Committee, depending on the character of the work and provided that such contracts are made only after consultation and agreement between the two..."

Best, as always


Mildred Adams

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

TRUSTEES

WILLIAM R. BIGGS, *Chairman*
HUNTINGTON GILCHRIST, *Vice Chairman*
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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.

May 19, 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 Don:

I have had a telephone call from Walter Stewart indicating his approval of the proposed arrangements between the Brookings Institution and the Committee on the History of the Federal Reserve System. Mr. Riefler replies by letter that the proposal has the approval of Mr. Martin. We have not yet heard from Mr. Sproul. Mr. Burgess had given his previous approval. Mr. Woodward expressed his approval orally, and it has my approval. Accordingly we have a unanimous vote of the Committee with the exception of Mr. Sproul, who is not yet heard from.

I am glad to report also that the proposed arrangements were approved by the Trustees of the Brookings Institution at their meeting last Friday.

Sincerely yours,

President

cc: Miss Mildred Adams

Thank you for your letter regarding the insurance. Bill Biggs wishes me to thank you for your letter about this to him.

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*
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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.

May 18, 1954

Dear Don:

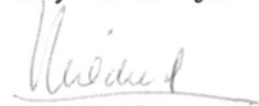
I have read your letter to Win and made some small suggestions. The only important one is that three sentences on page 2 might come out. You may have some reason for restating that point of argument which I don't know, but I question whether it is wise in what is, after all, a gesture intended to placate.

On the same page you will find that I suggested putting between parenthesis the sentence about protective possibilities. That is so as not to lessen the effect of the sentence immediately preceding it.

I certainly hope that this will clear the air. Meanwhile, I will do my best toward the same end.

Thanks for editing the minutes. I will try to get them out today. Also I will see that your expense account is incorporated into the May account to Brookings.

Best, as always


Mildred Adams

enc.

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

May 17, 1954

Mr. R. D. Calkins, President
The Brookings Institution
722 Jackson Place, N.W.
Washington, D. C.

Dear Bob:

I understand that you will send to all members of the Committee the copy of the statement on "Proposed Relations Between the Committee on the History of the Federal Reserve System and the Brookings Institution." This is just a note to be sure that it goes - and if you would prefer that this office send it out please don't hesitate to say so.

Cordially,

DEW:lw
cc: Miss Mildred Adams

Note to LV on Dutellehm 5-15-54 or Mrs

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM
33 LIBERTY STREET, NEW YORK 45, NEW YORK
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MILDRED ADAMS, *Research Director*

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

May 13, 1954

Dear Don:

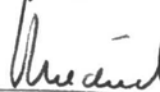
In checking expense accounts for the month of April I seem to find no record from you about incidental expenses for the trip we made on April 7th. According to my records we went down on the 8:30 A.M. train. The Bank bought transportation; we had coffee in the middle of the morning; you tipped the porter and paid taxi fares. At the end of the day you returned to New York; you must have had taxi fares and a dinner charge.

We have no record of any of these expenses for you except for the cost of your seat on the train (\$2.30), for which I am enclosing my check. You may already have charged them to Brookings yourself, but if you have not arranged otherwise, I can send them in a supplemental account if you will give us the details.

The May account will not go in until the end of the month, but we will, at that time, need your record of expenditures for both of us on May 11. If I remember correctly these include - breakfast, coffee and dinner for the two of us, as well as taxis and tips.

If there are charges I have forgotten you will, of course, let me know. Thanks for acting as disbursing agent.

Best, as always



Mildred Adams

enc.

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

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

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MILDRED ADAMS, *Research Director*

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

May 13, 1954

Dear Don:

I have only tried one telephone call to a publishing house on the matter of reading fees, but the response was such that I am convinced that world has not changed as much as we were led to believe.

This information was secured on a confidential basis. Norton is publishing a textbook on Money and Banking which will run close to 250,000 words. Karl Bopp read manuscript on it, and criticised it in such detail that the promised fee of \$100 was raised to \$200. A Pennsylvania professor turned in 50 pages of critical and analytical notes on a book on National Income Analysis; the job was so detailed and so good that his promised fee of \$50 was raised to \$100. In both cases the work done was so extensive that the pay received must have fallen far short of any \$50 a day rate.

Fees for reading technical economic books vary from \$50 to \$200, depending on length, difficulty, reputation of the reader and so on. Lesser works are still read for as little as \$35. My informant in the publishing house asked me to let him know if I found any \$50 a day reading jobs around - he'd like one himself!

Best, as always


Mildred Adams

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

TRUSTEES

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ROBERT BROOKINGS SMITH
LEWIS L. STRAUSS
LAURENCE F. WHITTEMORE
DONALD B. WOODWARD

The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

May 12, 1954

HONORARY TRUSTEES

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

OFFICERS

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

Dear Don:

I am sending you a draft of the memorandum which was sent today to Randy Burgess. On further reflection it seemed to me advisable to make the employees joint employees of the Committee and the Institution since they will inevitably be regarded in some degree as institutional employees in any case. I would like to have them designated as joint employees, however, in order to distinguish them from regular employees of the Institution and in order to avoid any moral obligation for employing of the staff when the budget is completed, unless such commitments are explicitly made by the Institution.

Sincerely yours,

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

enc.

The Brookings Institution

Washington 6, D. C.

May 12, 1954

Dear Randy:

I am submitting herewith a statement of the proposed arrangement between the Committee on the History of the Federal Reserve System and the Brookings Institution. I will call you tomorrow to inquire whether this meets with your approval. If it does, I shall send it out to the other Committee members for their approval, and I shall present it to our Trustees on Friday for approval here.

Sincerely yours,

President

Mr. W. Randolph Burgess
Department of the Treasury
Room 3434, Main Treasury Building
Washington 25, D. C.

enc.

cc: Miss Mildred Adams
Mr. Donald B. Woodward ✓

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

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

5. The administrative arrangements and the payment of funds will be handled by the Institution on the authorization of the President with the approval of a designated representative of the Committee.
6. Employees engaged for work on the project shall be appointed by the President of the Institution in consultation with a designated representative of the Committee, and they shall be joint employees of the Committee and the Institution for specified periods, and not regular employees of the Brookings Institution.
7. Contracts or grants for writing, research, or other services shall be arranged by the President of the Institution in consultation with a designated representative of the Committee. These contracts or grants, as the circumstances may require, shall specify the obligations of the parties, the amount and manner of payment, the responsibility for supervision, and the responsibilities respecting reading and criticism of manuscript, editorial work, approval for publication, and publication arrangements. Such contracts or grants may be entered into with the Brookings Institution itself for portions of the work on terms that comply with the Institution's usual operating practices.
8. The Institution will keep a record of its overhead and other expenses incurred in administering the project, and render an accounting to the Committee annually. Such expenditures up to \$3,000 per year (as provided in the request) shall be charged against the funds for the project. Any expenditures beyond \$3,000 per year shall be subject to reimbursement with the approval of the Committee.

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

Expense Statement to

Committee on Federal Reserve History

Trip to Washington for Committee Meeting
Tuesday ~~May~~ 11, 1954

Taxi

Breakfast - Self + Miss Adams

Pullman Rate

Taxis

Dinner - Miss Adams + Self

	-90
2.20	3.60
	2.00
	1.50
	4.75

May 10, 1954

Dear Joe:

Don Woodward suggested it might be helpful if I wrote you direct about my connection with the project for the History of the Federal Reserve System. I have been interested in this general field for many years and, from time to time, have put into it substantial amounts of labor and love.

I have always believed that, on my retirement, my major interest would be writing in this general area, and I am now of the same disposition.

Therefore, when the members of the Committee inquired, I indicated my willingness to associate myself actively with the history project when I have completed my present task.

My assignment at the Treasury has no precise terminal point, so I cannot predict how long I shall be here, and it has the first call on my time and energy. We are offered here a great opportunity to re-establish both in practice and in people's minds the principles of sound money, including the possibility of aiding in the re-establishing of currency convertibility in Europe.

In the meantime, I would plan to maintain contact with the history project, spending, as I do, several days a month at the Federal Reserve Bank of New York.

With my best regards,

Sincerely yours,

Randy

W. Randolph Burgess

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

CC: Mr. Donald B. Woodward

May 6, 1954

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

Dear Randy:

Chairman Sproul, Dr. Calkins and Walter Stewart will lunch at Brookings at 1:00 on Tuesday, May 11 to discuss the urgent questions in my memo. Either Governor Martin or Win Riefler will be present and I have high hopes of getting there, but in any event Miss Mildred Adams will be there.

This probably will be the only meeting of the Committee that need be held for a considerable time. I do very much hope that you can make it - or at very least come in for dessert with us.

Cordially,

Donald B. Woodward
Secretary

DBW:lw

May 6, 1954

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

Dear Walter:

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

Cordially,

Donald B. Woodward
Secretary

DEW:lw

May 6, 1954

Mr. W. W. Riefler
Federal Reserve Board
Washington, D. C.

Dear Win:

Best of all, could both you and Governor Martin attend? Very few meetings have been necessary and I think even fewer may be suggested if we do get the grant but this one does seem to me urgent.

Cordially,

Donald B. Woodward
Secretary

DEW:lw

May 6, 1954

Governor William McC. Martin, Jr.
Board of Governors
Federal Reserve System
19th & Constitution Ave.
Washington, D. C.

Dear Governor:

Most of the Committee can, it appears, make lunch at Brookings at 1:00 Tuesday, May 11. It does seem pretty important for the Committee to have some conversation as a group on the urgent questions covered in my letter and I do hope that if at all possible you can make it. I understand that Win Riefler can be present if you are unavailable and he has done a splendid job in your stead and I am sure will do so again.

We are trying very hard to carry this project forward with as little inroad on the time of Committee members as possible.

Very truly yours,

Donald B. Woodward
Secretary

DEW:lw
cc: W. Riefler
Miss Adams

May 6, 1954

Governor Allan Sproul
Federal Reserve Bank
33 Liberty Street
New York, N. Y.

Dear Governor:

Thank you so much for your letter of May 4. On the strength of it I have arranged lunch at Brookings Tuesday, May 11. It does seem highly important from all standpoints for the Committee to have a meeting.

Miss Mildred Adams will also attend along with the others.

Very truly yours,

Donald B. Woodward
Secretary

DBW:lw

May 6, 1954

Mr. R. D. Calkins, President
The Brookings Institution
722 Jackson Place, N.W.
Washington, D. C.

Dear Bob:

I am very happy that the Committee can have lunch together next Tuesday, May 11 or at least that you and Walter and the Chairman can talk together. I think I can make it though I am not absolutely sure but Miss Adams will be there. Riefler, I understand will be present if Governor Martin can't make it but I am writing Governor Martin a letter urging that he attend. Randolph Burgess as you know is away but I hope on return he will agree to the date. In any event a conversation with most of the Committee with the Chairman seems especially important.

If it isn't convenient for lunch at Brookings I would suggest a private room at the Haye-Adams, Carlton or Statler.

Dr. Willits might find it very useful if the Committee could have even a partial meeting of mind on the points covered in my letter.

Cordially,

Donald B. Woodward
Secretary

DEW:lw
cc: Miss Adams

May 6, 1954

Mr. F. Cyril James
Principal & Vice Chancellor
McGill University
Montreal 2, Canada

Dear Cyril:

I am very happy that you can meet Miss Adams and me at the University Club at 4:00 Thursday, May 13. I think you may find some of the progress we have made of interest.

With warmest personal regards.

Cordially,

DEW:lw

cc: Miss Mildred Adams

PRINCIPAL AND VICE-CHANCELLOR
F. CYRIL JAMES



MCGILL UNIVERSITY
MONTREAL, 2

May 3rd
1954

Dear Don,

Thank you very much indeed for your letter of April 28th and its suggestion that we might have lunch together on Thursday, May 13th. Unfortunately I am already booked at lunch for a discussion with the people at the Rockefeller Foundation, but I should be delighted to meet you and Miss Adams at the University Club around 4 o'clock so that we might have a chat about the History of the Federal Reserve System. The whole project certainly interests me considerably.

With best personal wishes meanwhile, I remain,

Cordially yours,

A handwritten signature in dark ink, appearing to read 'D. Woodward', with a horizontal line underneath.

Donald B. Woodward, Esq.,
Secretary, Committee on the History of the Federal Reserve System,
33 Liberty Street,
NEW YORK 45, N.Y.

copy to Miss Adams

April 28, 1954

Dr. F. Cyril James
Principal & Vice Chancellor
McGill University
Montreal, Canada

Dear Cyril:

Miss Mildred Adams, the Research Director for the Committee on the History of the Federal Reserve System of which I have the honor to be Secretary tells me that you will be in New York Thursday, May 13 and that you might have time for some discussion of possibilities for Bob Warren's papers and other matters in which the Committee is interested. I am delighted to hear this for I have thought about you several times in connection with the Committee.

Could you by chance have lunch with Miss Adams and me on Thursday, May 13? If that is not possible could we meet in the late afternoon perhaps 4:00 or 4:30 for tea or other refreshment to your taste? I would suggest the University Club if you expect to be up-town or the City Midday Club if you will be downtown.

I think you may be interested in several aspects of the Federal Reserve History project - and it will be a great pleasure to see you again.

With regards.

Cordially,

DBW:lw
cc: Miss Mildred Adams



TREASURY DEPARTMENT
WASHINGTON

May 5, 1954

Dear Mr. Woodward:

In Mr. Burgess' absence in Paris attending OEEC meetings, I am taking the liberty of acknowledging your letter of May 3rd.

Looking at Mr. Burgess' calendar, I see nothing to conflict with your proposed meeting in Washington on May 13th. I believe, however, that Mr. Burgess would prefer having the meeting at 2:30 rather than at lunch, since he usually tries to keep free to lunch in the Treasury with the Secretary and other officials so they may discuss current matters.

In any event, Mr. Burgess will be in touch with you, probably by phone, when he returns to the office on Monday.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Mrs. Alexander".

Secretary to
Mr. W. Randolph Burgess

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

FEDERAL RESERVE BANK
OF NEW YORK

NEW YORK 45, N. Y.

May 4, 1954.

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

Dear Mr. Woodward:

The date you suggest in your letter of May 3rd for a meeting of the Committee on the History of the Federal Reserve System finds me with a meeting of my own directors and an engagement which I have already changed once to suit my convenience. I cannot be in Washington on Thursday, May 13th, therefore, and if that is the only day you can get the others together, we shall have to go it alone here. Could you come in on Monday morning, May 10th, say, at 11 o'clock?

I am sorry again not to be able to fit my schedule to the date suggested for a meeting of the Committee, the more so since you have been so good about carrying the load without coming to me or the Committee except when absolutely necessary. I am going to be in Washington on Tuesday, May 11th, and if a luncheon meeting could be arranged on that day, I could be present.

With best regards,

1:00 at Brookings

Yours sincerely,



Allan Sproul,
President.

*Mr. Bergson - Let us know on Mon
Mr. Callahan - yes
Mr. Spraul - yes
Mr. Stewart - yes
Mr. Martin cannot make at definite
on 11 or 13 - if not Mr. Bergson
will represent him*

*Should confirm by mail
DBW*

May 3, 1954

Mr. Allan Sproul, President
Federal Reserve Bank
33 Liberty Street
New York 45, N.Y.

Dear Mr. Sproul:

I have tried hard to carry on without coming to you as was your instructions. The questions and the meeting referred to in the attached seem quite vital and I do hope that the Committee members can meet and talk to each other about them.

If it doesnot coincide with your schedule to attend this meeting could I come to see you prior to it?

Very truly yours,

Donald B. Woodward
Secretary

DEW:lw

May 3, 1954

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

Dear Bob:

I understand the attached is agreeable to you and I know that the memorandum you expect to circulate in advance will be very helpful. Please telephone me if there are any questions.

Cordially,

Donald B. Woodward
Secretary

DEW:lw

May 3, 1954

Mr. W. W. Riefler
Federal Reserve Board
Washington, D. C.

Dear Win:

I hope that the attached together with the memo that you will receive from Dr. Calkins will serve sufficiently as an annotation agenda which I understood you wished to have for such a meeting for discussion with Governor Martin. If you need more than what is hear could you give me a ring?

Cordially,

Donald B. Woodward
Secretary

DBW:lw

May 3, 1954

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

Dear Walter:

I understand that you will be leaving town on the afternoon of May 13. But if you possibly can do so, I hope you will let us have the wisdom of your council on the matters referred to herein. They are highly important for future actions and may be highly important for Dr. Willits.

If it does prove impossible for you to be with us, I do hope you will convey your thoughts through someone of us on these points.

With warmest regards.

Cordially,

Donald B. Woodward
Secretary

DBW:lw

May 3, 1954

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

Dear Randy:

I am afraid this may be crowding you a little in view of your trip abroad. I do hope you can make it however as it combines importance over the long run with importance in connection with our application immediately. Please do let me have any wishes you may have in the matter and I'll attempt any changes you may indicate.

Cordially,

Donald B. Woodward
Secretary

DBW:lw

May 3, 1954

Mr. Ralph A. Young, Director
Division of Research & Statistics
Board of Governors
Federal Reserve System
Washington 25, D. C.

Dear Ralph:

Many thanks for the new booklet on the System. I'll go over it with much interest. You probably will recall that I always write when I have something in mind - and sometimes when I don't.

Warmest regards.

Cordially,

DBW:lw



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 28, 1954.

Mr. Donald B. Woodward,
Chairman of Finance Committee,
Vick Chemical Company,
122 E. 42nd Street,
New York City 17, New York.

Dear Don:

The new Federal Reserve booklet explaining the System's purposes and functions has just been released and a copy is enclosed for your examination and interest. Any reactions or suggestions which you may have as to format, content or organization will provide us with an inventory of improvements which we may want to consider in a next edition. I sincerely hope that you will find it a useful and helpful item of fuller explanation.

With kind regards.

Sincerely,

A handwritten signature in cursive script, reading "R. Young".

Ralph A. Young, Director,
Division of Research and Statistics.

Enclosure

May 3, 1954

Messrs. Allan Sproul, Chairman
W. Randolph Burgess
Robert H. Calkins
William McC. Martin, Jr.
Walter W. Stewart

Since submission of our application to the Rockefeller Foundation I have talked twice with Dr. Willits to clarify a few of the points made in it. He feels that the Committee's proposal was well prepared, and - while nothing is certain until the meeting on May 20 - the application thus far appears to be on the right track.

In view of the possibility that in late May we will receive word that funds are available and work may proceed, I suggest that the Committee might well begin to consider certain elements in our future procedure. Three items are of especial importance, a fourth one calls for preliminary discussion. If the Committee could meet and reach a consensus of opinion on these before mid-May their conclusions might provide supplemental information for Dr. Willits in case he should be questioned on them.

The three points presently important are:

1. Finding a major staff man (or woman)
2. Clarifying the relationship which is to exist between Brookings and the Committee.
3. Assuring breadth of viewpoint on major subjects of inquiry.

The fourth point concerns the question of aiding Dr. Kinkaid and a graduate student to organize the Carter Glass papers, and encouraging Lester Chandler to embark on a study of "Ben Strong, Central Banker". Obviously no action can be taken until the grant comes through, but in planning ahead it would be helpful to know whether the Committee is agreed that these are projects which might be approved and supported.

These three items, and a possible consideration of the fourth, would form the agenda for a meeting. Could the Committee meet on Thursday, May 13 in Washington, either for lunch at 1:00 P.M. or at 2:30 P.M.? I think the former would be desirable if possible. In advance of the meeting two memoranda will be circulated for Committee consideration - the first by the Secretary covering points 1 and 3, with further light on point 4; the second by Sr. Calkins on Brookings - point 2.

Could you let me know at your early convenience?

Very sincerely yours,

Donald B. Woodward, Secretary

cc: Miss Adams (3) + 1 copy to Miss Adams % Brookings
DEW

DEW:lw

April 29, May 1
Thursday 6 PM Washington
Saturday 9:30 AM Charlottesville

Dear Don-

I am enclosing a copy of a short memorandum to be sent out as a call to meeting on May 13th. Washington members have that date on their calendars, but most of them are not firmly committed. For instance, Burgess goes abroad on Saturday (today) and will return Monday the 10th; Reifler wants an annotated agenda in time to discuss it with Martin; Steward wants to go up to Princeton that afternoon and doesn't want to say he will be present - he might, I'm sure, be open to urging by you.

We might be able to take care of Stewart by calling a luncheon meeting - you and I could make it by taking the 8:30 AM train - but I didn't have time to find out. You might suggest both 1 PM and 2:30 and see what happens. Brookings, of course, has a small private dining room, I could find out about the Hay Adams or the Carlton if when I get back on Friday if lunch seems best.

I'd think there would be little chance of Sproul coming, but it might be well to send him a special note with the call saying that if he can't come, perhaps he will let us come and talk with him in advance of ~~your~~ the Washington meeting so we can know his views; Wednesday the 12th should be all right.

In the light of conversations held in Washington on Thursday it seemed to me best to handle the thing this way, rather than to send the Committee your memo as is. Calkins will have his, on the proposed relationship between the Committee and Brookings, for me to see when I get back to Washington Friday May 7th, and the two of them can go out about the same time on, perhaps, Monday so as to reach the Committee ahead of a May 13th meeting.

I didn't see either of your friends in Richmond - Boushall and Hyde were both out of town. I did see Mrs. Seay - a pathetic old lady living in the past. Also I talked to both Leach and Storrs about Kinkaid - he is very beloved in the Richmond Bank, Storrs says his teaching is slowing down, (which may have been what inspired Abbott's negative report to you) but that with a good graduate student furnishing the drive, and Kinkaid furnishing the judgement, the result ought to be worth whatever money we want to put into it.

the

I'd like to put both Kinkaid and Chandler projects on the agenda for discussion, on the ground that if the ~~xxx~~ grant should come through, we might get Kinkaid to work this summer, and assure Chandler (who sails the 26th for a summer in Europe) that he can plan to start work in February when he goes on a six months' leave. Obviously such a discussion is "if/-y", but there seems to be general approval of both men, and it's getting later by the minute.

Best as always - Miss McKinstry knows where I
can be reached.



Messrs

Allan Sproul, Chairman
W. Randolph Burgess
etc

(or written in the form of an individual letter as you think best)

Since submission of our application to the Rockefeller Foundation I have talked twice with Dr. Willits to clarify a few of the points made in it. He feels that the Committee's proposal was well prepared, and- while nothing is certain until the meeting on May 20th - thus far the application appears to be on the right track.

In view of the possibility that in late May we will receive word that funds are available and work may proceed, I suggest that the Committee might well begin to consider certain elements in our future procedure. Three items are of especial importance, a fourth one calls for preliminary discussion. If the Committee could meet and reach a consensus of opinion on these before mid-May their conclusions might provide supplemental information for Dr. Willits in case he should be questioned on them.

The three points presently important are:

1. Finding a major staff man (or woman)
2. Clarifying the relationship which is to exist between Brookings and the Committee, in terms of administration and reciprocal (or mutual, or joint) responsibilities.
- 3/ Securing breadth of viewpoint on major subjects of inquiry.

This needs your choice of words

The fourth point ~~is~~ concerns tentative agreement ~~on~~ ^{adding} Dr. Kinkaid and a graduate student to organize the Carter Glass papers, and ~~on~~ ^{concerning} Lester Chandler to embark on a study of "Ben Strong, Central Banker". Obviously no action can be taken until the grant comes through, but in planning ahead it would be helpful to know whether the Committee is agreed that these are

the question of

either for lunch at 1 PM or
at 2:30 PM? I think the former
would be desirable if possible.

projects which might be approved and supported. (~~It is the
probability factor which we would like to know.~~)

These three items, and a possible consideration of the fourth,
Could the committee meet in Washington Thursday May 13
would form the agenda for a meeting, ~~to be held at 2:30 (or at
1, subject to DW's judgement) in Mr. Burgess' office in Washington.~~
In advance of the meeting two memoranda will be circulated ~~by the~~
for Committee consideration - the first by the secretary covering
points 1 and 3, with further light on point 4; the second by
Dr. Calkins ~~setting forth the Brookings point of view on point 2.~~

Very sincerely yours,

Donald Woodward, Secretary

→ *JD* Could you let me know
at your early convenience?

April 28, 1954

DRAFT FOR CONSIDERATION BY DR. BURGESS
AND DR. GALKINS - TO BE SUBMITTED, AFTER
THEIR COMMENTS, TO THE COMMITTEE:

Donald Woodward

Since submission of our application to the Rockefeller Foundation I have talked twice with Dr. Willits at his request to clarify a few of the points. He feels that the Committee's proposal was well prepared and, while nothing is certain until the meeting on May 21, the application thus far appears to be on the right track.

In view of the possibility that in late May we will receive word that funds are available and work may proceed, I suggest that the Committee might well begin to think about future procedure. Two points are of especial importance; if the Committee could reach a consensus of opinion on these two before the Rockefeller meeting (which takes place May 20th) the conclusions might provide supplemental information for Dr. Willits in case he should be questioned on them.

The two chief problems are as follows:

1. Finding a major staff man.
2. Identifying major problems and securing representation of all points of view.

1. Finding a major staff man. Our proposal stated (Page 19) "the Committee's aim is to find a well equipped and exceptionally able Research Assistant, with the necessary academic training in monetary matters and some experience in administration who has the capacity to play a major role in the project. Such a person would, after a year or so as administrative assistant take charge and carry forward. Miss Adams would then be in a unique position to embark upon a major writing part of the project". This individual will be a highly significant factor in the work of the Committee. Therefore he will need to be most carefully chosen.

I should think there are several possible avenues of approach. One would be to seek an individual sufficiently close to retirement and with sufficient qualifications as to be interested in moving to this job in the near future. Such a person might be George B. Roberts of the National City Bank or W. A. Berridge, Economist of the Metropolitan Life Insurance Company or J. H. Riddle recently retired from the Bankers Trust Company after some time at the Federal Reserve Board.

Another approach would be to seek a presently established person who would want to do the job and might be able to get a leave of absence, or who might see this as a big enough opportunity to wish to take it and hope to find another post at its termination. (If there were the possibility of an appointment at Brookings following experience with this project, this might also be a factor.) Ralph Young of the Reserve Board staff has excellent qualifications and so I should think does Donald

Thompson of the Cleveland Federal Reserve Bank, R. J. Saulnier of Columbia, Lester Chandler of Princeton, or Burton Hallowell of Connecticut Wesleyan - to name a few. (Other names follow this memo.)

Yet another approach would be to seek a good young person who might hope to make this the springboard for a major career and who has already demonstrated marked capacity. The office has a list of younger scholars, compiled by Miss McKinstry from experience with Dr. John Williams, which may be useful. Probably Ralph Young, or Saulnier, or Dr. Williams or a number of others could suggest names. (Other names follow this memo.) Perhaps the Committee would wish to have prepared a statement of its objectives and the kind of person it is seeking, and to send such a statement to a number of Economists in this field with a request for their suggestions.

Your preferences in these possibilities and your suggestion of names would be helpful. From responses a concensus might evolve for further consideration by the Committee.

2. Identification of major problems, with representation of all points of view: One of the first problems for the research director, in passing from the exploratory phase to the main project, will be that of knowing, in so wide a field, which subjects and which points of discussion are in need of the added light that further research may bring. What do the experts want to know? What most puzzles the historians? What is it about the System that informed men have never really understood? To obtain ^{focus} forces on key points

is of the first importance. It should be the kind of focus that comes from coordinating various points of view - from men in and out of Board and Banks, from teachers and students of finance and business, from economic historians and political scientists.

In order to help obtain focus, and to get rounded representation, the Committee might care to ask a dozen or so persons, particularly interested and qualified, for a thoughtful statement on the questions concerning the history, development and functioning of the Federal Reserve System which seem to them most important and most puzzling. This method of enriching the research ^{content} ~~ideas~~ of a project has been tried elsewhere with success; it seems to prove the more successful when an honorarium of \$100 or \$200 for thoughtful suggestions is offered with the request. The Committee might like to consider such an idea. (A list of occasional advisers or consultants on a fee basis follows at the end of this memo.)

After this original approach, the Committee might wish to establish a procedure for intermittent consultations with such a representative group in the future. The same group, or some selected individuals from it, might be formed into an advisory group for the Committee; this might be done directly or through the facilities of Brookings. Indeed it might be desirable to have such a Committee meeting perhaps semi-annually to review progress. For the political scientists Dr. V. L. Key of Harvard or Arthur McMahan of Columbia might be suitable. Among

the historians Fred Lane of Johns Hopkins and who has been spending some time with the Rockefeller Foundation might be helpful and so also Arthur Cole. On this group there might well be some of the names mentioned as possibilities for Committee staff above and with the addition of perhaps such as Dr. John Williams, Dr. C. C. Abbott, newly named Dean of the Graduate School of the University of Virginia, F. Cyril James, Principal of McGill University, Roland Robinson of Northwestern University, etc.

In this, as in the previous case, responses by the Committee could possibly provide a concensus for further discussion.

Suggestions compiled from Staff lists

Occasional Advisers or Consultants (On fee basis)

FIRST PREFERENCE LIST	SECOND CHOICE
John H. Williams -	HARVARD - Arthur Smithies or Edward S. Mason
Howard S. Ellis -	CALIFORNIA - Norman S. Buchanan
John W. Clark -	COLUMBIA
W. W. Rostow -	M.I.T.
	CHICAGO - Earl J. Hamilton
G. Griffith Johnson-	GOVT. SERVICE
J. Viner -	PRINCETON
Paul Homan -	UCLA
F. W. Fetter -	NORTHWESTERN
Fritz Machlup -	JOHNS HOPKINS
P. T. Ellsworth -	WISCONSIN
L. W. Watkins -	MICHIGAN
H. M. Somers -	BUFFALO

Qualified persons, presently in active service, who might be persuaded to get leaves from present posts to serve as Research assistant and eventually Director of Research (providing salary was scaled to their current levels):

Karl R. Bopp - Philadelphia
H. S. Ellis - California
Elmer Wood - University of Missouri
L.V. Chandler - Princeton
Bray Hammond - Living temporarily in Italy
Harold L. Reed - Cornell (now about 66 years old)
F. Cyril James - McGill
Richard Musgrave - Michigan

Competent younger men who might be considered as Research Assistant and eventually Director of Research, (in order of preference): - * Fed. Res. connection

1. Paul W. McCracken *Minneapolis Bank, former
U. of Michigan director of research
2. John Lintner or Harvard Graduate School of
Lawrence E. Thompson Business Administration
3. Victor M. Longstreet *Federal Reserve Board
MSA mission abroad
4. Harry G. Johnson
Cambridge University (also Univ. of Toronto)
5. James W. Ford
Vanderbilt University
6. Guy Frestel St. Louis Bank
Washington U., St. Louis
7. Wm. C. Bradford
Northwestern University
8. Warren L. Smith
U. of Virginia
9. Donald C. Miller, Div. of R. & S.
Federal Reserve Board
10. James Tobin or New York Bank
H. C. Wallich, Yale University

April 28, 1954

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

Dear Randolph:

The Committee's application is being carefully considered at the Rockefeller Foundation and my impression from the discussions with Dr. Willits who has asked some clarifying questions is that the reaction is favorable thus far. Of course nothing is certain until final action is taken.

It is desirable to do everything reasonably possible to anticipate any questions that might arise during the course of consideration. You are the most significant figure in the entire matter, yet there is no communication from you directly: there are only some statements made about you in a document filed with my signature as Secretary to a Committee of which you are a member. If you feel that you could reasonably do so, a letter from you expressing desire for the project to go forward and committing yourself to major responsibility and time on a not too distant (but not specifically identified) occasion it might be helpful. This would simply amount essentially to saying directly what you have authorized to be said in the report. And it may be unnecessary and may never be used. But if the need arose it could be quite useful.

If you care to write such a note you might address it to Dr. Willits and either send it directly to him or let me have it to be used only in the event of need. In the latter case I should of course want the permission to let Dr. Willits know of its existence and contents.

This letter is not written out of my unstimulated imagination; on the other hand it is in no sense imposed as a condition nor a formal request.

Cordially,

Donald B. Woodward
Secretary

April 27, 1954

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

Dear Mildred:

This is just as it was dictated - and that was done with several interruptions. Why don't you make a respectable product of it. With what you accomplished in making a great document out of the proposal for funds you can do it with ease.

Yours,

DEW:lw

DRAFT FOR CONSIDERATION BY MISS ADAMS OF A DRAFT FOR
CONSIDERATION BY DR. CALKINS AND DR. BURGESS OF A
DRAFT FOR CONSIDERATION BY THE COMMITTEE!

Since submission of our application to the Rockefeller Foundation I have talked twice with Dr. Willits at his request to clarify a few of the points. He feels that the proposal was well prepared and, while nothing is certain until the meeting on May 21, the proposal thus far appears to be on the right track.

Consequently I suggest that the Committee might well begin to think about procedure to be followed in the event that we receive word in late May that the application has had favorable action and that the funds are available. There are two points which are of especial importance. Furthermore if the Committee does reach any consensus of opinion on these matters before the Rockefeller Foundation meeting, the conclusions might provide interesting supplemental information for Dr. Willits in the event questions arose. The two chief questions are as follows:

1. Finding a major staff man. Our proposal stated (Page 19) "the Committee's aim is to find a well equipped and exceptionally able Research Assistant, with the necessary academic training in monetary matters and some experience in administration who had the capacity to play a major role in the project. Such a person would, after a year or so as administrative assistant take charge and carry forward. Miss Adams would then be in a unique position to embark upon a major writing part of the project. This individual will be a highly significant factor in the work of the Committee. Therefore he will need to be most carefully chosen."

I should think there are several possible avenues of approach. One would be to seek an individual sufficiently close to retirement and with sufficient qualifications as to be interested in moving to this job in the near future. Such a person might be George B. Roberts of the National City Bank or W. A. Berridge, Economist of the Metropolitan Life Insurance Company or J. H. Riddle recently retired from the Bankers Trust Company where he was after some services with the Federal Reserve Board. Another approach would be to seek a presently established person who would want to do the job and who might be able to get a leave of absence or who might see this as a big enough opportunity to wish to take it and hope to find another post at its termination. (If there were the possibility of an appointment at Brookings this might also be a factor.) Ralph Young of the Reserve Board staff has excellent qualifications and so I should think does Donald Thompson of the Cleveland Federal Reserve Bank, R. J. Saulnier of Columbia,

Lester Chandler of Princeton, or Burton Hallowell of Connecticut Wesleyan - to name a few. Yet another approach would be to seek a good young person who might hope to make this the springboard for a major career and who has already demonstrated marked capacity. Probably Ralph Young, or Saulnier or a number of others could suggest names. Perhaps the Committee would wish to have prepared a statement of its objectives and the kind of person it is seeking and send such a statement to a number of Economists in this field and ask their suggestions.

Your preferences in these possibilities and your suggestion of names would be helpful. From responses a concensus might evolve for further consideration by the Committee.

2. Identification of major problems and representation of all points of view. In order to help obtain focus on the more important questions, and to obtain the interest and suggestions of a representative group of individuals interested in the endeavor, the Committee might care to ask a dozen - or fifteen or twenty - particularly interested ~~in~~ ^{and} qualified persons for a thoughtful statement from them on what questions seem most important about the history, development, functioning, of the Federal Reserve System. These individuals might be told in a memorandum of the Committee's existence and objectives and asked to write thoughtfully their suggestions; in order to make them more serious about it a fee of \$100. or \$200. might be offered. The group might be chosen from among the most qualified academic, financial and business students, and I should suggest it ought to include one or two economic historians and one or two political scientists.

After this original consultation, the Committee might wish to have the procedure for intermittent consultations with such a representative group in the future. The same group, or some selected individuals from it, might be formed into an advisory group for the Committee; this might be done directly or through the facilities of Brookings. Indeed it might be desirable to have meetings perhaps semi-annually of such a Committee to review progress. For the political scientists Dr. V. L. Key of Harvard or Arthur McMahan of Columbia might be suitable. Among the historians Fred Lane of Johns Hopkins and who has been spending some time with the Rockefeller Foundation might be helpful and so also Arthur Cole. On this group there might well be some of the names mentioned as possibilities for Committee Staff above and with the addition of perhaps such as Dr. C. C. Abbott, newly named Dean of the Graduate School of the University of Virginia, F. Cyril James, Principal of McGill University, Roland Robinson of Northwestern University, etc.

In this as in the previous case responses by the Committee could possibly provide a concensus for further discussion.

DEW:lw

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.

April 20, 1954

Messrs -

Allan Sproul, Chairman
W. Randolph Burgess
Dr. Robert W. Calkins
William Mc M. Martin Jr.
Walter W. Stewart
✓ Donald B. Woodward, Secretary

Enclosed is the document, revised in accordance with suggestions from Committee members, which went today to Dr. Willits of the Rockefeller Foundation, asking a grant of \$300,000 for the major project proposed by this Committee. A report of the pilot project, sent to Committee members earlier, is included. I am also appending the letter of transmittal which was signed by Donald Woodward, secretary of this Committee, and which notes that a supporting letter written by Dr. Robert Calkins as President of the Brookings Institution is to follow.

If, despite everyone's care, you find corrections which must be made will you let us know so that we may phone them to Dr. Willits office.

Mildred Adams

copy

April 20, 1954

Dear Dr. Willits -

Enclosed with this letter you will please find two copies of the report of the pilot project for which the Rockefeller Foundation made a grant to this Committee in January, and a proposal for a larger project, the possibilities of which the pilot study explored.

This proposal asks for the sum of \$310,000, to be expended over a period of five years for purposes concerned with the history of the Federal Reserve System and set forth in detail in the text.

A supporting letter from Dr. Robert Calkins, member of this Committee and President of the Brookings Institution to which we ask that the grant be made, will follow immediately.

Very sincerely yours,

Donald Woodward, Secretary

Enc.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

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ALLAN SPROUL, *Chairman*
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THE BROOKINGS INSTITUTION
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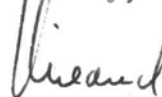
April 27, 1954

Dear Don:

I am inclosing copies of two letters from Dr. Calkins, one to me and one to Dr. Willits. These for your information.

I am also inclosing a letter to Mr. John Calkins of San Francisco, son of the man who was active in the early days of the San Francisco Federal Reserve Bank. Would you read the latter and let me know if you think changes should be made. I am abashed at having done so badly with the South and have no desire to create an incident in the West.

Gratefully,



Mildred Adams

enc.

Mr. Donald B. Woodward
Vick Chemical Company
122 East 42nd Street
NYC (17)

THE BROOKINGS INSTITUTION

Washington 6, D. C.

722 Jackson Place, N. W.

April 26, 1954

Dear Miss Adams:

I shall be glad to see you toward the end of this week. Enclosed is a copy of a letter to Joe Willits, reporting our endorsement of the request filed by the Committee to the Rockefeller Foundation.

I think you have done an excellent job in whipping this request and report into shape. It is a good statement.

Sincerely yours,

/s/ Robert D. Calkins

President

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

enc.

C
O
P
Y

THE BROOKINGS INSTITUTION

Washington 6, D. C.

April 26, 1954

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

Dear Dr. Willits:

I should like officially to record the Brookings Institution's wholehearted support of the request filed with you by Mr. Donald Woodward on behalf of the Committee on the History of the Federal Reserve System. The Committee requests a further contribution of \$310,000 for a continuation of the exploration and research on the history of the Federal Reserve System over the next five years. This request contemplates the continuation of the existing relationship between the Brookings Institution and the Committee.

The Brookings Institution is glad to act as sponsor and as fiscal agent for this research undertaking. In this I express the views of the Advisory Council, the President, the Chairman, and a number of the Trustees. Formal approval of this arrangement will be sought at the Trustees meeting on May 14, and I have every reason to believe that the arrangement will be formally ratified.

As pointed out in the submission, some of the arrangements with the Institution remain to be settled. We are confident that these matters can be handled to the mutual satisfaction of the Committee and the Institution.

Sincerely yours,

/s/ R. D. C.

President

cc: Mr. Akers
Miss Maroney
Mrs. Wilson
Miss Adams

C
O
P
Y

cc: Miss Adams

April 23, 1954

Mr. Edwin Hyde
Miller & Rhoads
Richmond, Va.

Dear Ed:

Miss Mildred Adams the Research Director of this project will be in Richmond to visit the Federal Reserve Bank on Friday, April 30 and Monday, May 3. In view of your interest in the subject I thought you might be willing to talk to Miss Adams a little if your time permits. She will telephone you soon after arrival.

The exploratory project of this Committee is nearing completion and we have just filed an application with the Rockefeller Foundation for a larger grant of funds to extend the Committee's activity for a considerable period. No one can be sure what will happen until the Foundation acts, but we have hopes.

May I add that Miss Adams is a most esteemed friend with whom I have had associations for a number of years on the London Economist and in other adventures.

With warmest regards.

Cordially,

Donald B. Woodward
Secretary

DBW:lw

April 23, 1954

Mr. T. C. Boushall
The Bank of Virginia
800 E. Main Street
Richmond, Virginia

Dear Tom:

I am not sure whether I have told you of this extra-curricular activity. It is operating as an exploratory project on a small grant from the Rockefeller Foundation; results have been so encouraging that the Committee has just filed an application with the Rockefeller Foundation for a larger grant to make activities possible for several years to come. No one can know what will happen to the application but we have hopes.

Miss Mildred Adams is the Research Director and will be in Richmond on Friday, April 30 and May 3, Monday for discussions at the Federal Reserve Bank. I have told her that your view of the Federal Reserve System and your position regarding it for many years has been one from the outside and seeing the desirability of membership. It would be very helpful to her if you could see her while she is there and afford her some greater familiarity with that view.

May I add that Miss Adams is a most esteemed friend with whom I have had associations for a number of years on the London Economist and in other adventures.

With warmest regards.

Cordially,

Donald B. Woodward
Secretary

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

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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.

April 22, 1954

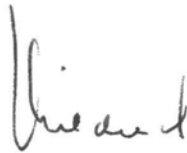
Dear Don:

I telephoned Mrs. Williams this morning to head off your kind suggestion that you remind Calkins about extending the pilot project grant through the month of May. When I came in I found on my desk a copy of a letter from Calkins to Willits which I am enclosing. As you will see he has taken care of the matter in complete detail.

It is always educational to see how foundations talk to each other.

On Friday I shall not however expect you to talk as one foundation to another.

Best as always.



Mildred Adams,
Research Director.

Enc.

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

COPY

April 20, 1954

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

Dear Dr. Willits:

On January 21 the Rockefeller Foundation made available \$10,000 to the Brookings Institution for an exploratory study of historical materials relating to the Federal Reserve System. This grant was for use during the period ending April 30, 1954, and was to be administered by the Brookings Institution in collaboration with the Committee on the History of the Federal Reserve System.

As you know, Miss Mildred Adams has been in charge of this exploratory work. As her progress reports have shown, she has turned up a great wealth of material and has important clues to further materials which we hope may be made available to the Committee. I shall not review in this statement the variety of materials which she has uncovered. Her own review is presented in earlier memoranda, which I believe you have received, and likewise in the document which the Committee is sending you today, requesting a further grant for the continuation of this work.

In this letter I should like to request formally an extension of the existing grant from the period April 30 to May 31, 1954. This request is being filed at the suggestion of the Committee in order that we may have the benefit of Miss Adams' services during the month of May and until the request for a supplementary grant can be acted upon. If a further grant is obtained we intend to continue Miss Adams on this assignment. For the next few months she would pursue her exploratory work, and thereafter be assigned to research activities. We believe there are distinct advantages in continuing her services without interruption. An extension of this grant for one month would permit us to take care of her salary and other expenses for that period. To date the Institution has expended only about half of the grant, so that there are ample funds for meeting the expenses in the month of May, if the extension can be granted.

4/20/54

A further reason for this extension is to permit Miss Adams to complete some of the work begun during the past few months. This she would need to do even though the funds for a continuation of this work were not forthcoming. In view of the possibility that the Foundation may be willing to make a supplementary grant for this work, we are suggesting an extension only for the month of May.

I have confirmed with Miss Adams and the Committee regarding the project which is being submitted to you today. As soon as I have received the final copy of this request I shall send you a formal statement expressing the willingness of the Brookings Institution to act as fiscal agent and to cooperate with the Committee in the continuation of this work. While a number of details regarding publication and operating practices have not yet been agreed upon, our informal discussions offer every indication that these matters can be settled without difficulty when the occasion arises. The Institution is very glad to cooperate in this undertaking, and in this expression I can report the views of both the Advisory Council of the Institution, the Chairman of the Board, and other members of the Trustees with whom I have had an opportunity to discuss the matter. The arrangement will be submitted formally for ratification to our Board of Trustees on May 14, and I have every reason to expect a complete endorsement of the actions taken.

Sincerely yours,

President

cc: Mr. Leland DeVinney

Mr. Akers
Miss Maroney
Mrs. Wilson
Miss Adams

April 20, 1954

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

Dear Dr. Willits:

Enclosed with this letter you will please find *two copies of the* report of the pilot project for which the Rockefeller Foundation made a grant to this Committee in January, and a proposal for a larger project, the possibilities of which the pilot study explored. This proposal asks for the sum of \$310,000.00 to be expended over a period of five years for purposes concerned with the History of the Federal Reserve System and set forth in detail in the text.

The supporting letter from Dr. Robert Calkins, a member of this Committee and President of the Brookings Institution to which we ask that the grant be made, will follow immediately.

Very sincerely,

Donald B. Woodward
Secretary

DRAFT

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

Dear Dr. Willits:

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the possibilities
~~With the report goes the Proposal for a larger project, toward~~
study approved,
of which the pilot ~~explorations were carried on.~~ This ~~Proposal~~ asks for the sum of \$310,000.00 to be expended over a period of five years for purposes concerned with the History of the Federal Reserve System and set forth in detail in the text.

The supporting letter from Dr. Robert Calkins, a member of this Committee and President of the Brookings Institution to which we ask that the grant be made, will follow immediately.

Very sincerely,

Secretary.

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W. P. MARSHALL, PRESIDENT

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			Vick Chemical Co., 122 E.42nd St., N.Y.C.	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

April 20, 1954

DR. WALTER W. STEWART
COUNCIL OF ECONOMIC ADVISORS
WASHINGTON, D. C.

APPLICATION TO ROCKEFELLER FOUNDATION FOR FEDERAL RESERVE HISTORY PROJECT FUNDS PREPARED AFTER CONSULTATION WITH DR. WILLITS HAS BEEN APPROVED BY ALL OTHER MEMBERS OF COMMITTEE WITH ONLY MINOR CHANGES. WE PLAN TO SUBMIT THE APPLICATION FORMALLY TODAY ASSUMING YOUR APPROBATION ON BASIS OF PREVIOUS CONVERSATION. IF YOU HAVE ANY QUESTION PLEASE TELEPHONE ME OR MISS ADAMS.

DONALD B. WOOLWARD

Date: 4/16/54

TO: Mr. Donald Woodward

For your information.

W.R.B.

FROM: W. RANDOLPH BURGESS

Ext. 2352

April 16, 1954

Dear Miss Adams:

The revised draft for the proposal to the Foundation arrived a few minutes ago and I have read it. In general it seems to me in fine shape.

In the paragraph of the document which relates to me, I should like to suggest some changes, and I attach a revised sheet for that purpose which I think is definite enough to do the job without putting all the nails in the coffin.

You will notice that I have taken out the sentence about its being a fulltime job, which I don't really believe it is, but I suggest wording it in a way that avoids a commitment on that matter.

Also, I am suggesting a revision of the paragraph relating to William Martin.

Otherwise, I have no suggestions to offer.

I am sending this along now since I shall be in White Sulphur on Monday.

Sincerely yours,

(Signed) W. Randolph Burgess

W. Randolph Burgess

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

Enclosures

C.C. to Donald B. Woodward

(b) Personnel

The major project will be put in charge of a scholar of wide experience and attainments who will have general supervision over its various parts and who will himself undertake some of the writing assignments which the Committee contemplates. Mr. W. Randolph Burgess, presently Deputy to the Secretary of the Treasury, has indicated his willingness to occupy this post when his present work at the Treasury is completed. An active member of this Committee, he can bring to the post an extraordinary combination of practical experience in monetary affairs and scholarly accomplishment. A graduate of Brown University, he earned his doctorate at Columbia in 1920 and went at once to the Federal Reserve Bank of New York. He became Deputy Governor of that Bank in 1930. To this experience in central banking he added fourteen years' experience in commercial banking as Vice Chairman of the National City Bank and then Chairman of its executive committee. In January 1953 he retired from the Bank to go to the Treasury as Deputy to the Secretary. The breadth of his scholarly interests is indicated by the fact that he has served as President of the American Statistical Association and the Academy of Political Science, as well as of the American Bankers Association. Mr. Burgess is editor of a volume of papers by Benjamin Strong, "Interpretations of Federal Reserve Policy", and author of "The Reserve Banks and the Money System", which has for years held an outstanding position as a text book and reference book in this field.

13-A (Continued)

He is a fellow of Brown University, a Trustee of Teachers College (Columbia), of Robert College (Istanbul), and of The Carnegie Corporation.

For obvious reasons this cannot yet be publicly announced. Mr. Burgess has from the beginning of the pilot phase been an active participant in Committee discussion and will so continue during the remainder of his service at the Treasury.

Revision on Page 14

. . . . Mr. William McChesney Martin, Jr., comes from St. Louis, where his father was the head of the Federal Reserve Bank of St. Louis. To a brief experience in the Federal Reserve Bank of St. Louis he added ten years of activity in the investment business. He was President of the New York Stock Exchange from 1938 to 1941; Chairman and President of the Export-Import Bank in 1946; U. S. Director of the Bank for Reconstruction and Development; Assistant Secretary of the Treasury in 1949. Since 1951 he has been Chairman of the Board of Governors of the Federal Reserve System.

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.

April 15, 1954.

Dear Don:

Here is the masterpiece. I would like to have been able to have you see it before it went to the other Committee members, but the changes are as we discussed them last night and I hope my pencil has not betrayed me.

We will, of course, have to do a complete retyping job and the proper setup for the Rockefeller Foundation. I will find out from Dr. Willits' secretary how many copies are usually prepared for them. It looks as though it would be both fat and impressive when finished. *We*

Best as always.

hope it will be successful!

Very sincerely yours,

Mildred

Mildred Adams,
Research Director.

Everybody make the picture

Enc.

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

*This arrangement to participate to
tell the story as they saw it.
George writing, which will not tell the departure,
but get those who saw it to tell story.*

PROPOSAL

Introduction

In January 1954 the Rockefeller Foundation made a grant for a pilot project leading toward a history of the Federal Reserve System. The immediate end was to find out what materials were available for such an undertaking, materials not only in the sense of papers, but also of the living memories of men active in the early days of the System.

That task has been carried on since January 15th. It has yielded extraordinarily good results (a report of its findings to April is appended), and there is every reason to believe that an even greater harvest of papers and memories lies waiting to be gathered. The Committee feels that this has proved to be in the best sense of the word a pilot project. In addition to exploring papers and memories, it uncovered that sense of personal struggle and accomplishment which is the living core of any institution. It enlisted interest and it ensured cooperation for the future. It points the way very surely to the next and much bigger task which lies ahead, and for which the Committee now asks the consideration of the Foundation.

I The Task

In calling itself the Committee on the History of the Federal Reserve System, the group presenting this proposal defined its primary purpose. But the discoveries, contacts and discussions made during the pilot project have deepened the content and widened the scope of that purpose. The Committee now knows that what needs to be done is much more than a single history of the Reserve System - it is an appraisal of one of the most extraordinary inventions in this democracy, a review of experience in its functioning, an analysis in terms of the memories of men who helped develop it and who took part in its operation. The episodes around which conflicts swarmed, and out

of which change came, the process by which decisions were made, the importance of personalities, the interplay between public policy and private needs - these various angles of approach and many more which have been suggested from time to time by Committee members testify to the vitality of the subject and to the lessons which can be learned for other democratic institutions by a detailed study of its experience.

II Why Important?

The importance of the subject is, however, greater than a matter of the material dealt with or the people dealing with it. It goes much farther than the task of history writing, vital as that is, and farther than what are commonly considered the somewhat narrow confines of the banking world.

(a) Of all the innovations in government mechanisms which Americans have brought about during the twentieth century the Federal Reserve System stands first, and not only because of the unprecedented functions which it is called on to perform. It operates with a high degree of autonomy linked with a fine sense of public purpose. To an extraordinary extent it has managed to preserve its freedom from both Congressional and Executive pressures, ^{as well as pressure for political compromise.} In periods when it has been forced to yield the public protests against such yielding have been continuous until the pressures have softened and the balance has been restored.

(b) Writing in 1946 about twentieth century monetary controls, Professor Robert Warren of the Institute for Advanced Study observed that in the nineteenth century there developed a new type of society, the money economy, which made new demands on those who administer Government control over the supply of money. "High and low, rich and poor, bond and free there had always been, but never before had there been an economy that expected the majority of its people to be totally dependent upon the continuity of a stream of money

income". Along with other observers Professor Warren interpreted the primary task of the Federal Reserve System as one of seeing that this continuity of the stream is not interrupted by monetary failures. To do this it bridges the gap between public and private efforts to influence the economy. The goal toward which it has been directed in these later stages is the stability of the economy for the public good; in that pursuit it has developed, tried and discarded one method after another, only to reach for a new one which promised better results. Analysis of these experiences form important chapters in both monetary and economic history.

(c) In the practise of the functions laid upon it, the System has enlisted and trained staffs whose skill and devotion to the System's work stands in notable contrast to that of certain other governmental institutions. Not only have they weathered forty years of political storms with a minimum of vulnerability; the System as a whole, by some curious magic, has withstood political attack from both parties. Tensions which in theory should have split it apart seem somehow to have been important factors in holding it together.

(d) An analysis of the changing experience in design and in operation of this unique governmental mechanism would have great value. It is important for the future performance of the System and of the American economy. There is reason to believe that such analysis may hold lessons of great value which can be applied to problems of organization in both governmental and private life, far removed from the process of monetary management.

III The questions which this study would illumine fall into two categories. There are in the first place what might be called the technical

issues, some theoretical and some matters of operating policy, which have absorbed the System's attention at one time or another in its life. These appear in annual reports, they are high-lighted in government hearings, but in both instances the questions which an informed and impartial student might ask are diverted by the exigencies of the moment. Enough time has elapsed, for instance, since control of the discount rate was first used by the System as a tool of monetary policy so that its importance under varying conditions can be weighed and studied. The same thing is true of changes in reserve requirements, and of the tool of open market operations. Yet a vast amount of controversy still surrounds them, some of which could be resolved by competent studies.

Beyond the technical points at issue (of which these are merely instances that come first to hand) lie broader issues both within and without the banking system. For example, how did it come about that so unique a mechanism of monetary control was established? By what methods and devices has it endured and thrived? How are the skill, competence and individual freedom of its staff, unusually high in government or in private bodies, maintained and encouraged? How has the relationship between staff and Board members been worked out? How can the System's role in the world of government and in the economic world be best defined and understood? What are the lessons of this role for other organizations, in or out of government? How are Board decisions, with their high degree of importance in American life, arrived at? How does the System influence the operations of monetary mechanism at moments of crisis? What lessons are there in the relations which prevail between Board, Reserve Banks and Member Banks, and how are those relationships evolving?

IV Scope and Method of Inquiry

The study which we propose would cover the entire Federal Reserve

System, including the Board and the twelve regional banks, from their inception. Much has been written on the events, crises and personalities which led up to the founding of the System, but even this needs re-studying in the light of newly discovered material.

We would therefore set out to make a complete search for the material and the people concerned in Federal Reserve legislation, theory and operation, going back at least to 1907 when the Aldrich Commission functioned. From 1913 forward we would undertake to discover the cast of influential characters in the System's growth, change and operation, including governmental figures in Congress and the executive branch; Members of the Board and influential men on the Board staff; Governors, Presidents and senior officers of Reserve Banks; Members of the Federal Advisory Council, the Open Market Committee and allied bodies; men in academic life (as for example, Oliver W. M. Sprague and John H. Williams) who have been in close and influential contact with the System during its years of growth.

The method to be used is that which has successfully been developed during the pilot project phase of this study. It includes visiting Board and Banks, both to search out men who remember early days, and to ascertain how records are kept and what local records are available; the establishing of the names of the dramatis personae, the recording of brief biographic data concerning them, the request for interviews if they are still alive, the search for their papers if they are deceased.

Experience in the pilot project, and consultation with those engaged in other attempts to chart and record the course of living institutions, have taught us that the comprehensive study of the Federal Reserve System which is the core of our endeavor divides itself into three steps; these for convenience may be called, the archival process, the interview process and

the writing process. Logically, these three appear to be separate, just as in the pilot project the process of discovery of papers, gathering of memories and building of card files appeared to be separate. Actually, each process in the pilot project fed and profited from each other. The success of that project was in no small part due to what seemed at times a handicap - namely, that all three processes were necessarily going on at once.

Were it advisable, in view of that experience, to try to carry on the archival, the interview and the history-writing processes of the main project one at a time, in series, we might propose that the grand design move forward in two phases. A reading of the report on the pilot project shows how much has been started, and how much remains to be done. For example, the research director hoped to visit all twelve Reserve Banks during the pilot phase, but the volume and variety of work under way forced postponement; most of those Banks distant from the Atlantic seaboard remain to be explored. The mapping and survey stage uncovered not only papers and memories. It also set the pattern for the study of those papers and those memoirs. A great deal more must be done along these lines before the master files of papers and other materials are ready for the student's use.

Not only must the master files be completed, but the papers which have been uncovered during the pilot project, and the collections still to be found, must be analyzed for pertinent material. The Hamlin diaries, recently released from a ten-year seal, stand alone in terms of the preparation and indexing lavished on them, but even the Hamlin diaries are new ground for the student. Someone must read those 26 volumes and evaluate them for the purposes of any comprehensive history of the System.

The work to be done on other collections, not yet sorted or classified, is more extensive. The National Records Management group stands ready to start a pilot study of a similar group of papers in order to chart costs and work out efficient methods of handling. Young Parker Willis would take time from his work at the Federal Reserve Bank in Boston to survey his father's papers if this were arranged. The Goldenweiser papers, the Adolph C. Miller papers are destined for this Committee's use. These and many more must be classified and set in order.

But even while setting down these small examples of the large amount of work which remains to be done in the first two processes we recognize how inextricably linked with them is the third process. During the pilot phase we became aware of writings under way and needing encouragement which would be valuable for our purposes and which would be finished the sooner if they could profit from the work we were doing. Research into the past is not well done in a vacuum or without the added spur of a person who wants to use its results. The historian who can work with researchers, using their data, stimulating and broadening their search by his questions, has a richer content to draw from than the one who starts after the research process is finished and filed away.

Proposal

We therefore propose to move forward with three groups of activities, all of them vital to the comprehensive study which is the core of this endeavor:

1. Archival

- (1) To continue and complete the visits to Board and banks, the search for records, the interviewing, the hunt for papers and the recording of discovered material which was

started during the pilot phase.

- (2) to continue and complete the biographic, bibliographic and chronological master files which were started during the pilot phase.
- (3) to make available to qualified students that part of the Committee's research material which is pertinent to their inquiries.
- (4) to work out problems of handling related collections of papers and putting them in usable shape for students. This may include financial aid in certain instances. (For example, the Carter Glass papers are at the University of Virginia as described in the report on the pilot phase. Their classification and study is essential, but funds would have to be provided).

2. Interview

To continue the interview process which has yielded such good results under the pilot project, and to enter on a series of further interviews with chosen individuals in the older group who have already shown themselves to have good memories and an interest in contributing all they can to this project. Such men as Roy Young and Walter Wyatt of the Board, George Harrison, J. Herbert Case and Leslie Rounds of the New York Bank, John Sinclair and Casimir Sienkiewicz of Philadelphia, are of this type, and there are many more. Just as the Harvard Business Studies group finds a tape recorder valuable for catching the living word in key interviews, so we might profitably avail ourselves of this technique in selected instances.

3. Writing

The writing and editing falls into three parts -

- (1) The monographs - in a study as extensive and important as this the monograph plays a key part. In some instances it stands by itself, as a definitive study of one part of a related whole. In others it acts as an introductory study and may later be incorporated into the whole. The pilot phase uncovered certain monograph ideas, some of them already started, others only in the planning stage. For example, Carl Parry, now retired from the Board staff, should be encouraged to complete his half-done monograph on Selective Credit Controls, a subject in which he has had active as well as theoretical interest. Gardner Patterson of the International Finance Section at Princeton University would like aid to write a study of Reserve International Financial Operations in the 1920s; Lester Chandler, also of Princeton, would like aid to write a long monograph or a short book on "Ben Strong, Central Banker"; two able men, Dr. Karl Bopp of the Philadelphia Federal Reserve Bank and Professor Edward Shaw of Stanford University are each interested in a study which might be called "The Art and Politics of Central Banking." No commitments have been made in regard to such work. These examples are, however, listed as showing the caliber of work which this Committee would like to encourage, and for which it would use funds.

(2) Major Works

Of these the definitive history is the core of the project and the one toward which we continue to point our endeavors. We believe that its writing will take a good three years on the part of a distinguished scholar who has already shown the skill and judgment which the creation of such a history demands. The task of exploration and recording of materials will be carried further and the field of possible scholars will continue to be canvassed.

Considering the high cost of subsidies for major works we would hesitate to name other volumes for which we are ambitious were it not for hopes that at least some of these might find publication through commercial channels and would need from this Committee little more help than can be provided through consultation, use of materials, perhaps a small subsidy for stenographic aid. We have from the beginning believed that the play of personalities would be an important factor in any governmental operation and that a volume of biographic essays on key figures could be written so as to illumine various facets of the System. We also think that a volume of essays on crises in the banking world, following the volume by Oliver M. W. Sprague on History of Crises Under the National Banking System would be an important contribution which might find publication through regular channels. There would be others as the project develops.

(3) Editing and Publishing of Documents

The Committee's staff has noted with interest the British example whereby documents basic to central banking in England, including key speeches and memoranda as well as legislation, were edited and published under the title Gregory's Select Statutes, Documents and Reports Relating to British Banking, 1832-38. Comparable material in American banking practise is scattered, and might well be gathered in some such volume. It has also been suggested that a comprehensive annotated bibliography covering both published and unpublished works bearing on the System would be a most useful contribution to research activities. In addition it is not improbable that selected papers from the various collections under survey may prove so valuable as to deserve publication. No decisions have been made in this field, but we list this activity as one in which the Committee may engage.

Use of Materials

The Board and the Reserve Bank of New York have been particularly interested in the work of this Committee; individuals from these institutions, both officers and staff have been actively participating in it. Both Board and Bank may face problems of participation when more recent events come to be discussed; the availability of confidential materials covering recent events may also present a problem. ~~_____~~

The existence of this problem must be recognized, but the Committee is confident that a solution will be found which will neither hamper the project nor strain either the willingness or the ability of individuals or institutions to continue their co-operation.

It should be made clear however that neither the FRB nor any of the banks are committed to such a study as intended unless the subject should not be published.

VI Organization, Personnel and Budget

(a) Organization

The grant for the pilot project was made to the Brookings Institution; an informal working arrangement was established whereby the President of Brookings became a member of the Committee, work was done under Committee supervision, and Brookings acted as disbursing and bookkeeping agent. That institution also furnished office space in Washington for the Research Director, as did the Federal Reserve Board.

Because the Committee was composed of busy men, the supervisory function fell most frequently to its secretary, Donald Woodward, at one time on the Board's staff, now Chairman of the Finance Committee of Vick Chemical. The other members of the Committee have also shown steady and vigorous interest in the pilot project and have been generous with time and advice when called on for consultation.

The daily work was carried on by a small staff headed by Mildred Adams as Research Director, assisted by Katherine McKinstry (who shared her skill as research assistant and her time between the work of this Committee and that of Dr. John H. Williams, consultant to the Federal Reserve Bank of New York) and two young typists. All these assistants were assigned by the Bank from its own staff, their salaries paid by the Committee. The Bank also supplied working space and furniture.

This same plan of organization, with some modifications, is the one we would recommend for the comprehensive study. The association between an ad hoc committee and Brookings Institution is unusual, it has values for both groups and we recommend that it continue. Certain problems in that relationship will arise when the publishing stage is reached. These problems do not, however, call for immediate solution and their resolving will not disturb the work of this Committee.

The Committee's functioning, and its relation to the small staff, would continue along established lines. Thus far the Committee has been kept informed of work accomplished through progress reports put out by the research director, through personal consultation, and by discussion in meetings. Meetings will be held when needed; they will be called by the Secretary with the consent of the Chairman. The identification of interests between the Committee members and the work being done will make for continuing oversight on the part of members.

(b) Personnel

The major project will be put in charge of a scholar of wide experience and attainments who will have general supervision over its various parts and who will himself undertake some of the writing assignments which the Committee contemplates. Mr. W. Randolph Burgess, presently Deputy to the Secretary of the Treasury, will occupy this post when his present work at the Treasury is completed. An active member of this Committee, he brings to the post an extraordinary combination of practical experience in monetary affairs and scholarly accomplishment. A graduate of Brown University, he got his doctorate at Columbia in 1920 and went at once to the Federal Reserve Bank of New York. He became Deputy Governor of that Bank in 1930, and Vice President in 1936. To this experience in central banking he added fifteen years' experience in commercial banking as Vice Chairman of the National City Bank and then Chairman of its executive committee. In 1953 he returned to the Federal Reserve Bank, only to go to the Treasury as Deputy to the Secretary. The breadth of his scholarly interests is indicated by the fact that he has been at various times President of the American Statistical Association and the Academy of Political Science, as well as of the American Bankers Association. Mr. Burgess is editor of a volume of papers by Benjamin Strong, "Interpretations of Federal Reserve Policy", and author of "The Reserve Banks and the

Money System", a classic in this field of literature.

For obvious reasons this cannot yet be publicly announced, but the commitment is firm. Mr. Burgess will give full-time to this project. He has from the beginning of the pilot phase been an active participant in Committee discussion and will so continue during the remainder of his service at the Treasury. During that interim he will continue to be assisted in Committee matters by Mr. Donald Woodward, Secretary of the Committee. Mr. Woodward's experience with monetary material includes insurance and investment finance, work on the Board staff and writing about System affairs for the Wall Street Journal, Business Week and The Economist (of London). He developed the research division of the Mutual Life Insurance Company and became First Vice President of that institution. He is now Chairman of the Finance Committee of the Vick Chemical Corporation.

The other four members of the Committee are, of course, experts in the monetary field. The Chairman, Mr. Allan Sproul, has spent his working life within the Federal Reserve System. Starting in 1920 in the Federal Reserve Bank of San Francisco he served there ten years and then moved to the Federal Reserve Bank of New York. He has been President of the New York Bank since 1941.

Mr. William McChesney Martin Jr. comes from a St. Louis family famous in central banking. To experience in the Federal Reserve Bank of St. Louis he added ten years of activity in the investment business. He was President of the New York Stock Exchange from 1938 to 1941; Chairman and President of the Export-Import Bank in 1946; U. S. Director of the Bank for Reconstruction and Development; Assistant Secretary of the Treasury in 1949. He is now Chairman of the Board of Governors of the Federal Reserve System.

Dr. Robert Calkins is now President of the Brookings Institution. He got his doctorate in 1933 with a thesis on banking, went at once into academic work, lecturing on economics both at Stanford and at the University of California

where he became Chairman of the Economics Department and then Dean of the College of Commerce. Between 1941 and 1947 he was Dean of the School of Business at Columbia University, and from 1947 on he was Vice President and Director of the General Education Board. Dr. Calkins served for five years as Director of the Federal Reserve Bank of New York.

Dr. Walter W. Stewart also has combined academic with banking and investment experience. Professor of Economics at Amherst College from 1916 to 1922, he then went to the Federal Reserve Board as Director of the Division of Research and Statistics. In 1928 he became Economic Adviser to the Bank of England; in 1931 he was appointed American Member of a special committee of the Bank of International Settlements to look into German reparation obligations under the Young Plan. He was for some time President of Case Pomeroy and Company, an investment house. Trustee of the Rockefeller Foundation, Chairman of the General Education Board, Professor at the Institute for Advanced Studies, he was in 1953 called to Washington to become a member of the Council of Economic Advisers.

As Research Director, Mildred Adams who initiated and carried through the work of the pilot phase, will continue during at least the early period of the main study. Miss Adams (in private life Mrs. W. Houston Kenyon, wife of a New York attorney) is an economist by education and a journalist by training. To experience in feature writing for the New York Sunday Times, Barrons Weekly and various other magazines she added editorial writing for Business Week, and for The Economist (of London). She has recently been United Nations correspondent for the latter publication.

In order to do the amount of visiting of Reserve Banks which the study needs, Miss Adams must have an assistant capable of accepting more responsibility for administrative detail than can be delegated to Miss McKinstry

if the part-time arrangement for the latter's services prevailing under the pilot project is to continue. The Committee's aim is to find a well-equipped and exceptionally able research assistant, with the necessary academic training in monetary matters and some experience in administration, who has the capacity to play a major role in the project. Such a person would, after a year or so as administrative assistant, take charge and carry forward. Miss Adams will then be in a unique position to embark on a major writing part of the project.

In addition we would need a secretary with research experience, (Miss McKinstry is so exceptional that we would like to keep her, even with the handicap of part-time service). It may be necessary to add secretarial help in Washington, and provision for this contingency will be made in the budget.

(c) Quarters

There is reason to believe that offices and equipment assigned for the pilot project by the Federal Reserve Board in Washington, the Brookings Institution and the Federal Reserve Bank in New York will continue to be available.

This provision of rent-free quarters and equipment (the Federal Reserve Bank imposes a very nominal fee for furniture rental which is more than counterbalanced by its many operating services) is a concrete instance of the interest which the System is taking in the entire project. Board and Banks are also making important contributions in the form of material and of research assistance. Their continued co-operation is of course a vital factor in the process.

(d) Budget

In the exploratory phase, personnel of Board and Banks have been helpful and co-operative with specialized knowledge and time for discussion.

The Committee's debt to librarians, heads of research departments, purchasing agents, secretaries who helped out is very real, and financially substantial.

Significant parts of the cost of this project will be provided by contributions from the System in the form of rent-free quarters, use of equipment, consultations with officers, hours of work on the part of librarians, research aides, purchasing agents, secretaries, and other staff members. The Board and the twelve Reserve Banks have evidenced continuing interest. The Treasury files are open to us, the manuscript division of the Library of Congress and interested people in the University libraries are rendering us all possible aid. The Committee members themselves are serving without compensation, and with no allowances except for occasional travel expense.

In addition to these large contributions from the System and other groups, contributions which in themselves attest to the importance of this project, further funds will be needed to carry on this study.

The costs which can be estimated are preponderantly for staff salaries, travel expenses, supplies (limited mostly to stationery and archival materials) and subventions to be used in three ways - to be paid for the study and evaluation of collections of papers, to assist the writers of monographs, to defray the cost of major works.

Based on experience in the pilot project, we have made estimates in two groups, one for an early period when research expenses and travel costs will be relatively high, the other for a later period when the heavy costs will take the form of subventions and other aids to writing and publishing which are the goals of this study. These budgets should be taken as estimates only, and we would ask that a high degree of flexibility be allowed the Committee in allocating the funds for which it asks. There may be instances in which provision for salaries will be transferred to grants-in-aid, and vice versa, depending on the situation.

Budget Estimates June 1, 1954 to May 31, 1959

<u>Earlier Period</u>		<u>Later Period</u>	
Salaries to provide a research director, administrative assistant, research secretary, secretary for the project head, typist	\$30,000	Salaries	\$40,000
Travel Costs	3,000	Travel Costs	2,000
Other expenses	1,500	Other expenses	1,000
Funds for writing	<u>15,000</u>	Funds for writing	<u>24,000</u>
Annual Total	\$49,500	Annual total	\$67,000
Totals for earlier period		\$ 99,000	
Totals for later period		<u>211,000</u>	
Total for five years		\$310,000	

The arithmetic in this table is worked out on a two and a three-year period. Actually we cannot tell at this moment exactly when people will be available or just how fast some steps can go. Therefore, we would ask that the expenditure curve be left flexible.

VII Request

In view of these estimates the Committee respectfully requests that for the purpose described in this proposal the Rockefeller Foundation grant \$310,000 to be expended in the five years between June 1, 1954 and May 31, 1959.

The grant should go to the Brookings Institution with the understanding that its responsibilities and those of the Committee toward the project are mutual, and that an informal relationship between the two bodies comparable to that which proved so satisfactory during the pilot phase is to continue.

The report of the pilot project, which reveals the wealth of materials found and indicates the richness yet uncovered, is appended.

Walter Bagehot said "Money will not manage itself". To which the late Emanuel Goldenweiser added his plea for "an understanding of this major force, of its causation and consequences". We are convinced that the role which central banking plays in the management of money will be even greater in the future than it is now. It is the hope of this Committee that the study proposed will contribute to its better understanding.

CONFIRMATION OF TELEGRAM

FEDERAL RESERVE BANK
OF NEW YORK

COPY FOR INFORMATION OF MR. D. B. WOODWARD

TO BE MAILED

Sent to Members of Committee on DAY LETTER
the History of the Federal Reserve System
WE HAVE TODAY TELEGRAPHED YOU AS FOLLOWS:

April 14, 1954

After consultations following discussion by Committee on History of Federal Reserve System at April 7 meeting, draft for presentation to Rockefeller Foundation asking \$300,000 now being finished STOP I believe the draft meets all points raised including personnel to be responsible and adequate latitude for arrangements suitable to Committee members regarding latter part of period and for working out of relations between Committee and Brookings STOP Draft will reach you Thursday or Friday and your suggestions essential not later than Monday, April 19 STOP Exploratory project has been remarkably successful and I am confident that the grant, if made, will produce an extremely important and valuable contribution.

Donald B. Woodward

To: Sproul
Burgess
Martin
Calbins
Mantor

Wm J. [redacted] to
New McKinstry W-1 April 14, 1954

After consultations discussed by Committee on History of Federal Reserve System at April 7 meeting, draft for presentation to Rockefeller Foundation asking \$300,000 now being finished. It is I believe the draft meets all points raised including personnel to be responsible and adequate latitude for arrangements suitable to Committee members regarding latter part of period and for working out of relations between Committee and Brookings. It. Draft will reach you Thursday or Friday and your work completed not later than Monday April 14.

To ~~Spauld~~
~~Burgess~~
~~Martin~~
~~Colburn~~
Martin

Wired

After consultations discussed by
Committee on the History of the Federal Reserve
System at April 7, ^{meeting} all obstacles to request
to Rockefeller Foundation for \$300,000 seem
to be resolved. ^(now being finished) ~~Step~~ Draft ^{for presentation}
in accord with discussion with Dr. Willette and
in terms regarding his future suitable to
Dr. Burgess and in terms allowing Committee
adequate latitude to handle in its own fashion
and ~~and suitable to its members~~
the problems of recent years and also relations
between Committee and Burkinigs. ~~Step~~ Draft
will reach you Thursday or Friday and your
replies ~~are~~ are essential not later than Monday April 19
in order to make presentation possible. ~~Step~~. Exploratory
project has been remarkably successful, and I am
confident that the grant for full project if ^{The other Committee} made will
produce an extremely important and valuable contribution

April 8, 1954

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

Dear Dr. Willits:

Attached hereto is the draft proposal of which we talked on the telephone this morning and let me emphasize again, that it is a rough draft.

There are several points on which elaboration is being developed at present:

1. The extent and method of treating more recent history,
2. Relations between the Committee and the Brookings Institution, and
3. Methods to develop the history.

You will doubtless have further suggestions which I hope you can give me on Monday.

I will be in your office at three o'clock Monday afternoon.

Cordially,

Donald B. Woodward

DBW/bam

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.

Thursday

Dear Dan -

I'll be seeing Burgess tomorrow
afternoon before setting out on the hills
(Adolph, not Helen) pilgrimage.

This business of framing the proposal
is a tough one. I'll try to have something
for you to read by the week-end, if my
typing aids hold out, but it will still
bear that menacing word "Draft".

(Carpenter's secretary has been helping today)

Best in a hurry

Wendell

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

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

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MILDRED ADAMS, *Research Director*

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

April 2nd

Dear Don -

You certainly chose the best woman to be away -
I hope the spring was lovely in Mobile, and that
watching was all the guide books say it is.

As for me, I have now engrained on my
mind for ever your admonition "Roll with the
pencils" - the rolling has been fine. The process
of trying to get a prearrangement on anything, including
a meeting date, has been fantastic. We are now
working for April 7th, and I dare you to say you can't!
(no I don't - I hope you can.)

The latest is enclosed in the form of a copy of
a letter to Callins, on whom I've been leaning in
your absence. As long as I can find support,
we keep moving.

Moved by telephone - Best to
Jean + Penny
Mildred

Copy for D Woodward

April 2, 1954

Dear Dr. Calkins:

The meeting with Dr. Burgess and Mr. Sproul today came to the following conclusions:

1. that a proposal which was too elaborate or too specific would defeat itself either through becoming too ponderous and expensive, or through inability to get agreement on details;
2. that the best way to proceed was to agree in general on what were the important things to be done, namely (this is in substance A.I. of the skeleton of 3/23)
 - (a) to continue the work done during the pilot project;
 - (b) to edit and publish certain documents (see A.I. 3 and 4);
 - (c) to find and hire the proper scholar for the history which is the core of the project;
 - (d) to make the Committee's research facilities available for students and provide help perhaps in the form of small subventions or secretarial assistance.

For this Dr. Burgess proposes asking for \$250,000 to be spent over five years (which would give us \$50,000 a year). This would be supposed to support a small office, the editorial and research work, and leave room for some peripheral subventions. The office would be allowed \$20,000 a year, which is based on the original estimate of \$10,000 for six months. The writing of the history would cost perhaps \$20,000 a year (it is assumed that the bank will continue to house the Committee although this has not been specifically stated), leaving \$10,000 for printing, subventions, travel, etc.

This is a rough summary of an interested and interesting meeting. The other two points made were that the proposal to accept a cutoff date of 1935 was not possible and Mr. Reifler would be overruled on it, and, second, that the problem now is to find a form of words and presentation which will be generally acceptable.

Sincerely yours,

Mildred Adams,
Research Director.

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

MA:hva

4/5/54 not proof-read
H.C.

REPORT ON PILOT PROJECT

When the Committee to Study the History of the Federal Reserve System first proposed to the Rockefeller Foundation a pilot project, its objective was preparatory work leading to a comprehensive study of the System. "Papers which form the source material should be located, classified and roughly analyzed" said the proposal. Important characters in the drama should be sorted out, their co-operation asked and their interest enlisted. The dimensions and proportions of this 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?".

Toward the end thus described, the Foundation generously granted \$10,000 to the Brookings Institution and work started January 15, to end May 1. Four weeks of that period remain, but enough has been done so that we can report on the result of the mapping and survey of papers and people.

This has been in the best sense of the word a pilot project. The exploratory process, superficial though it had to be, and incomplete, has yielded a gratifying harvest. More collections of papers have been located and surveyed than we thought possible.

The characters in the drama are more numerous and possessed of better memories than we dared to hope. Even from the earliest years a few hardy operating men survive in each bank. (The list of persons interviewed is in the appendix.) To some of these men, work in the Federal Reserve System has been a lifetime occupation. Their memories will, of course, be checked with the records, but the sense of struggle and accomplishment which talks with them convey would be a valuable factor in any history of any institution. Their interest has been enlisted and their co-operation is generous. As a method of recording people, papers and events pertinent to this inquiry we have started four types of card files, one a Who's Who file of persons; one a time file which co-ordinates persons, pertinent events, legislation; one a bibliographic file of published and unpublished material; one a

subject file. These master files are arranged so that they could be photostated for the benefit of students working on a later phase of the project. They are by no means completed, but their pattern is set.

Papers

When we set forth the terms of the pilot project we said that "the papers which would be needed as source material in writing an adequate history are scattered among Government, banking and private files. It is not even known what exists, nor where some of what exists could be found." To remedy this situation has been a first endeavor. We have not yet located everything we set out to find, but we can now answer the question "Where"? in some detail. More remains to be done, but at least we have made a fruitful start.

Thanks to the co-operation of librarians at the Library of Congress, in the Board and in the banks, we have made progress in the search for pertinent bibliographies of basic material which is printed, and in the more difficult hunt for related material which is not printed. We know, for example, that material covering the Liberty Loans of World War I was sent from the Treasury to the National Archives, and that the records of the Capital Issues Committee are deposited in the same place. We have a listing of the indispensable material which must underlie any study of the Board's work--the legislation, the hearings, the minutes, the policy decisions, the reports and so on--and we have a similar list for the New York Bank.

Of the other District Banks, the research director has visited Boston and Philadelphia, and hopes to get to several of the other nine before this pilot phase is finished. Meanwhile, we have been in correspondence with all of them, and are receiving information as to their own stores of local historical material. We have in preparation a master list of basic material which we hope to send for their checking. If this device works, it will furnish the data for a bibliography of basic historical material for the entire System which will be of primary use in the studies in prospect.

As for the papers of individuals concerned with the System's history, we have located enough collections so that we are now facing problems of handling, indexing and permanent deposit. This search is by no means complete, but it has already uncovered riches which will be of great use to scholars if they can be made available and usable. The size of the collections makes it necessary to postpone classification to a later date, but we have found an organization which might handle such papers, and at our suggestion they propose to start a sample study to determine time and costs of the necessary process. Problems of a place of deposit, and of permission to use, still remain but the fact that these have arisen and must be left for a second phase is, in an oblique way, an earnest of the accomplishments of this operation.

The following list of papers includes those of Board members, high officials of the executive branch, Members of Congress, Governors of Reserve Banks, men in academic life whose writings have been influential in the development of the System:

The papers of Woodrow Wilson, in whose administration the Federal Reserve System was first organized, are in the Library of Congress. Permission to consult them has been granted to this Committee.

The papers of William G. McAdoo, first Secretary of the Treasury to sit on the Board, are in the Library of Congress. Permission to consult them has been granted to this Committee.

The papers of Senator Carter Glass are in the University of Virginia in 216 boxes (perhaps 10 x 15 x 3 inches in size). They have been rough-sorted as to date; letters from outstanding personalities were isolated by an early biographer. A quick sampling shows that classifying and indexing will be needed before these papers, so important in the early history of the Federal Reserve System, would be generally useful to students. (See main project proposal.)

Of the first Board of Governors, we have the following papers:

The papers of Mr. Charles Hamlin, first Governor of the Federal Reserve System, are in the Library of Congress. These consist of 245 volumes of which 28 are bound volumes of manuscript diaries covering the twenty-one years during which Mr. Hamlin was a member of the Board, and almost as many are bound volumes of newspaper clippings covering the years 1871 to 1938. Both sets of volumes have been amply indexed and cross-indexed by Mr. Hamlin. The whole collection constitutes a mine of information and comment which has neither been studied nor evaluated. (See main project proposals.)

The papers of H. Parker Willis, member of the Organization Committee and

the Board's first Secretary, are in the home of his widow on Staten Island. They were willed to his son, Parker Willis, now in the Federal Reserve Bank of Boston. How much of value remains in them which was not used by Mr. Willis in his own books is a question which can only be answered by sorting and classifying. (See main project proposals.)

The papers of Paul M. Warburg were mostly destroyed after 1930 when he wrote his own two volumes on the Federal Reserve System. The residue includes a skeleton diary covering the years 1907 to 1914 inclusive and dealing mostly with events leading up to his taking of the oath of office as a first Board member; there is also a diary dated 1915 and covering "daily happenings bearing on the work and policy of the Board" from October 4 to 24, 1915. There are in all five volumes of miscellaneous material dating 1912 to 1918, some of it highly interesting. This material is in the hands of Mr. James Warburg at North Greenwich, Connecticut, and permission for its use must be sought from him. The collection is not so extensive as to need further work for its use.

The papers of Mr. James Warburg, covering a later period, are in the same building. These include a six-volume diary covering the months of 1933-34 which covered the banking holiday and the London Economic Conference to which Mr. Warburg was a delegate.

The papers of John Skelton Williams are in the hands of his widow, now Mrs. William Allen Willingham of Richmond, Virginia.

The papers of Dr. Adolph Miller were thought to be embodied in the files of the Federal Reserve Board, but a small collection has recently been found in the home of his widow, and negotiations are now under way to have them available to this Committee for sorting and evaluating.

The papers of Benjamin Strong, first Governor of the Federal Reserve Bank of New York and in that post until his death in 1928, are divided between the Bank, the Firestone Library at Princeton University, and a New York storage warehouse. The Bank's collection occupies six file drawers and consists of addresses, memos and correspondence with leading personalities in the United States and Europe. In addition that portion of the filing system which was set up during his lifetime is permeated with Strong material incorporated in the subject files. Permission for study of this material must, of course, be sought from the Bank.

The Princeton material which forms the nucleus of what is there called the Strong Collection includes 196 volumes of newspaper clippings of World War I from July 27, 1914 to March 20, 1920, well-mounted and preserved. War posters, war currency, and a folder of correspondence between Strong and Kemmerer are also there. The material in the Lincoln Warehouse, under the control of Mr. Benjamin Strong, is believed to consist mostly of personal papers and correspondence; it should be made available to a qualified biographer.

The papers of George Harrison, second Governor of the Federal Reserve Bank of New York, are also incorporated in the files of the New York Bank. In addition, there are seven file drawers of reports, memoranda and correspondence which Mr. Harrison took with him when he left the Bank to become President of the New York Life Insurance Company. These, like the Strong Collection, have the great merit of presenting material culled from the mass of daily work; they are therefore easily handled as well as very valuable to the student. This Committee has permission to consult them.

The papers of Charles Dawes, of the Dawes Plan, are in the Deering Library at Northwestern University. They include diaries, journals, scrapbooks and memoranda, rough-sorted and put in chronological order; these include material relating to the currency question from 1900 to 1902, and to the Aldrich-Vreeland Act of 1908, as well as later material on the German debt question.

In addition to the papers of Woodrow Wilson, the Library of Congress also has the papers of Calvin Coolidge, Charles Evans Hughes, and Newton D. Baker who was Wilson's biographer, Senator George Norris, all of whom dealt in their various ways with Federal Reserve matters. Permission to consult these has been granted this Committee.

The papers of Dr. Edwin Kemmerer are mostly in the Firestone Library at Princeton University. Some memoranda are believed to be in the hands of Mrs. Kemmerer.

The papers of Ogden Mills, Secretary of the Treasury and Chairman of the Federal Reserve Board in 1933, are in twenty-five boxes in a garage on Long Island. A small attempt at sorting was made by Mrs. Mills, who got through some five boxes and then decided the job called for expert advice; otherwise they are intact, and just as they came from the Treasury. Word has just come that after having consulted with this Committee as to the disposition of the papers Mrs. Mills has decided to turn the boxes over to the Library of Congress. These papers must be sorted, classified and indexed before they are useful for students.

The papers of Eugene Meyer are still in Mr. Meyer's hands. A biographer, Sidney Hyman, is at work on them.

The papers of Norman H. Davis were given to the Council on Foreign Relations, which recently sent them to the Library of Congress as a final place of deposit. They include some five file drawers and a huge box of unsorted material. The Library of Congress has promised to have it ready for students in two years.

The papers of Dwight Morrow, who played an important part in the international negotiations of the 1920's, are being prepared for deposit in the library of Amhurst College, where they are expected to be available for use after June, 1954.

A small collection of the papers of Leon Fraser has been handed to this Committee, but little of value has been found in them.

The papers of Oliver W. M. Sprague, at various times consultant to the Treasury and to the Board, are in the hands of his son in the Sprague residence. Stimulated by inquiries from this Committee, Mr. Sprague is now sorting and classifying the material his father left.

The papers of Walter Lichtenstein, for two decades (1926-1948) secretary of the Federal Advisory Council, Federal Reserve System, have been given to Harvard University, where they are divided between the Baker and the Widener Libraries.

The papers of Emanuel Goldenweiser, research officer of the Board from 1922 to 1945 and author of various studies, are at present in a storage warehouse in Princeton, New Jersey. Conversations with Mrs. Goldenweiser indicate that they may be made available for study this summer. (See main project proposals.)

Banking Holiday Group

Obviously this list of 26 pertinent collections which we have located is

by no means exhaustive. It does, however, show what riches can be uncovered by persistent search. All this, and much more, must be studied by anyone now aiming to review the System's work and its place in the American economy.

Meanwhile, men still active in the System are known to have been accumulating papers which, if they can be preserved, will add greatly to the available material. The student of Federal Reserve banking may with reason long for the time when the speeches, correspondence and memoranda of modern leaders in Federal Reserve theory and practise are made available. It is to be hoped that this Committee may be active in persuading these men to leave their papers to a responsible depository where future students may consult them.

Persons

The other chief object of inquiry in the pilot project was persons; "The men who have acted as architects and builders of the present Federal Reserve System are already beginning to disappear", we said in our first presentation. "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."

The process of interviewing has been throughout this pilot study one of the major occupations of the research director. Starting from a list on which Committee members indicated their own first choices, the interview process has widened to include some sixty-odd persons, most of them officers or staff members of the Board or banks.

In general these interviews served a purpose somewhat different from that which was contemplated when they were started. In the first place, they struck sparks of interest and good will which are very valuable for the success of this project. Benefits continue to flow from them, and further opportunities to interview the same individuals at later dates have been promised.

These meetings were of great help in establishing the human atmosphere of

whatever period was under discussion. In some instances they also brought forth valuable memories of key moments, and information which was unique in itself. But it quickly became clear that in order to evoke the most vital detail in any disputed area it would be necessary to ask the carefully pointed question. This can be done well only in later interviews, with full confidence established and much more study accomplished than has been possible in three months' time.

The interview technique has proved full of surprises. Far from being less valuable than was anticipated it has been more so, but the values have been of a different order. The most important of the memories, which is to say those that lie at the deeper layers, are still to be gathered. But certain inquiries have been set in motion which will yield results after this report has been written. The continuing interest which has been secured will accrue to the main phase of the proposal.

Card Files

As visible evidence of work done during this pilot project and as preparation for the larger project, we undertook to build "a biographic index of personalities", a "bibliography of basic materials" and a "map of some papers". We now have in hand the early stages of what will be master card files, prepared in such fashion that they could be photostated and made available to students working on various phases of the main project. These include:

A bibliographic file of unpublished material, put together in a form suggested by the Manuscript Division of the Library of Congress, where collections are described roughly on cards, and more exactly on larger "registers" of the material in the collection.

A bibliography of printed materials basic to any study of the Federal Reserve System.

A bibliography of the works of the earlier Board members, Bank Governors and Directors.

A biographic file of persons active in the System, with data as to their

careers both in and out of the Federal Reserve.

A chronological file keying together persons, legislation, hearings, policy changes and events affecting the operation of the System.

A list of scholars whose records indicate the type of interest in the subject which suggests they they might be enlisted in the main project.

(All this work has been done under the Research Director, Mildred Adams, in three offices, one assigned in Washington by the Federal Reserve Board, one provided by the Federal Reserve Bank of New York where a small staff was assigned to this work by the Bank from its own personnel, one in the Brookings Institution. The latter organization has been kind with expert advice, as well as with the technical assistance needed for administering the fund.)

Conclusions

All this work has been pointed toward the larger design which constitutes the reason for the pilot project and the grant making it possible. The size and importance of that larger design has loomed larger and more complex with everyday's work.

We said in January that any attempt to draw the limits of the comprehensive design would have to be revised six months from then. At this writing half that time has gone; the design still changes every time a new corner is rounded and a new set of ideas uncovered. There are as many ways to formulate the comprehensive design as there are people equipped to think about it. This Committee has developed within itself a lively and stimulating set of opinions on the subject, all different and all valuable.

Under these circumstances the main project proposal as herein submitted represents a consensus of the ideas of six men learned in the theory of central banking and experienced in the practices of the System. The members of this Committee see the System from many different angles. The proposal as submitted represents those aspects of the grand design on which the Committee is agreed.