

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.

August 26, 1954

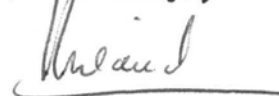
Dear Don:

I am enclosing herewith a draft of the Progress Report of which we talked. You will note that I have included in that short career sketches of both Bopp and Shaw. If you do not want them handled this way, let me know and something else can be done about them.

I am also enclosing a letter from Mr. Sproul which was brought down yesterday. At the moment I think it would not be wise to push him further, but I think there will be an opportunity to bring the matter up again a little later. What he sketches is what I thought he had in mind, but underplayed.

I am sending this material up Special Delivery with the idea that it may provide train reading for you. A copy also goes to your office, but I assume they will cease on your return and pile you deep with work. I shall be in the office on Tuesday, and shall probably go to Washington for Thursday and Friday.

Best as always,



Mildred Adams

Enc.

Mr. Donald B. Woodward  
Squirrel Inn  
Squirrel Island, Maine

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

August 25, 1954

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

Dear Mr. Woodward:

Your letter of August 20 reminds me that Miss Adams is not one to let grass grow under her feet. Our casual talk about my becoming an author contemplated no more than the assembling of some of my speeches and testimony before Congressional committees with introductory notes and comments. Nevertheless, your opinion that I could make a valuable contribution to the literature on central banking is very much appreciated.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Allan Sproul". The signature is written in a cursive style with a prominent initial "A" and a long, sweeping underline.

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

August 24, 1954

Dear Don:

I find in my mail copies of letters written to Dr. Calkins and to Mr. Sproul. My thanks for both. I note the various points in the Calkins' letter and I am glad you worded them as you did.

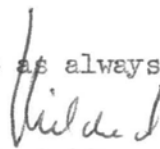
Also I note the postscript which, as you know very well, was not really necessary as my confidence in you is complete and unlimited.

Looking back at the Chandler file I find that he said in his application that if the grant came through, "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... 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". That would bring him to September, 1956 at the earliest; even if he were disposed to start immediately on the history he would only have a short three years in which to finish it within the present span of the project. It isn't impossible, but it means stiff work.

I also find that the Chandler's schedule called for them to leave London the 23rd of August. I think they were coming home by boat which probably means that they won't be back much before the 1st of September.

I hope you took fur lined mittens to Maine. The temperature dropped to 54° in Westport last night.

Best as always,

  
Mildred Adams

Mr. Donald B. Woodward  
Squirrel Inn  
Squirrel Island, Maine

C O P Y

Excerpt from letter of Dr. Wood, August 18, 1954

I have thought a good deal about your project on the History of the Federal Reserve. It seems to me that the mass of material is so great that it would be well to break up the work into several studies before any attempt is made to have a definitive history — and perhaps histories are never really definitive. In addition to the biographical studies, there might be the following types of books:

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

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

International Monetary Cooperation of the Nineteen Twenties

The Crisis of 1929 to 1933 and the Recovery

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

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

C O P Y

August 20, 1954

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

Dear Mr. Sproul:

Miss Adams has told me that before you went on vacation you talked a bit about considering a volume on Central Banking. I hasten to express the utmost delight and the strongest possible hope that such a work will materialize. If the Committee on the History of the Federal Reserve System can be credited with having played any part in bringing a volume from you it will be that fact alone more than justify its existence.

Sincerely yours,

Donald B. Woodward  
Secretary

DEW:lw

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

August 19, 1954

Dear Mrs. Williams:

I am enclosing Miss Adams' check for \$5.30 to cover the two telephone calls made by Mr. Woodward to her at Westport during the month of June. These are reported in our July statement to the Brookings Institution and will be paid for by Brookings in the regular expense account.

Miss Adams asks me to thank you for sending us this memorandum.

Very sincerely yours,



Lois Krebs

Enc.

Mrs. LaVerne Williams  
Vick Chemical Company  
122 East 42nd Street  
New York City 17, N. Y.

July 30, 1954

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

Dear Miss Adams:

This will notify you that the Committee owes Mr. Woodward, for two telephone calls made to you in Westport, Conn., the amount of \$5.30 (.45 & 4.80) made on June 13. Will you please send him a check for this amount.

Cordially,

Secretary to  
Donald B. Woodward

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722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

August 12, 1954

Dear Don:

The thermometer at Westport registered 57° this morning, which confirms my feeling that this is no summer in which to take a vacation for the purpose of escaping from the heat. I hope the ice bergs at Squirrel are under firm control.

The enclosed letter from Scott will, I hope, cheer you, in that it shows him still sticking to the main point. The emergence of Hart as their economic consultant may pose diplomatic difficulties, but we can cope with those in September. As you will see, I am welcoming the idea of a conference.

Meanwhile I have started negotiations with Storer Lunt, President of Norton and Company, and publisher of Barbara Ward, for a similar conference. With those two conversations in hand I'll hope to be more sure-footed in exploring further in the publishing field.

Calkins, as you will see from the enclosed, has returned from his vacation and is now suggesting that his favorite young writer on banking, Edward S. Shaw, might do the Federal Reserve history. I have no opinion on the subject, but I'll try to acquire one by reading a Shaw book. This is a proposal that has been coming for a couple of months, and it may have merit, though I have heard some objection that he tends to force material into pre-determined molds.

I am abashed to learn from the same letter that we had over-spent our funds in place of under-spending them. That \$10,000 was for a 4 month's period, which carried us through the middle of May, but we thought we had enough left so that we could ride safely through June. Obviously we didn't. Part of the trouble is due, I think, to a lag in the bank's presentation of its own expense statements, and part to a lack of watch-dog techniques in this office.

As to whether we should absorb the \$2,038.64 into our 1954-55 budget or ask for more, I'd hope to do the former. July and August, with smaller payrolls (one typist went back to the bank and has not been replaced) ought to help.



But neither you nor I want to embark on a policy of scrimping,  
so maybe that problem needs further thought.

Have you had a chance to call Willits on the the matter of  
approaching Lane? Jackson, New Hampshire, and right near you!

Devotedly *as always* —  
*to all Woodward!*  
*Mildred* =  
Mildred Adams

Mr. Donald B. Woodward  
Squirrel Inn  
Squirrel Island, Maine

August 12, 1954

Dear Mr. Scott:

Thanks so much for your letter of August 11th with its information about Mr. Robertson and its suggestion for a later meeting. I know I can speak for Mr. Woodward when I say that both of us will very much welcome a luncheon conference with Mr. McCallum, Mr. Albert Hart and yourself. We are very much in need of informed advice and you have been so helpful that we come swarming back for more aid with great enthusiasm.

The book has not appeared, but will, I am sure, come in a later mail. My thanks in advance.

Cordially yours,

Mildred Adams  
Research Director

Mr. S. Spencer Scott  
Harcourt, Brace and Company, Inc.  
383 Madison Avenue  
New York 17, N. Y.

cc: Mr. Donald B. Woodward

C O P Y

HARCOURT, BRACE AND COMPANY, Inc.

Publishers

383 Madison Avenue, New York 17, N.Y.

August 11, 1954

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

Dear Miss Adams:

I am sorry to be so slow in sending you the copy of Rossiter's SEEDTIME OF THE REPUBLIC, but I thought I would be able to answer all the questions you raised. I find I haven't all the answers yet, but I don't want to hold up sending you a copy of the book.

I have talked with Mr. McCallum, head of our College Department, and he held up a warning finger to me on Robertson, who is doing the Economic History for us. He said that Robertson handles facts well, but writes ponderously. Mr. McCallum thought well of Lester Chandler, but suggested that in September we get Mr. Woodward and you to come for luncheon with Mr. McCallum, Mr. Albert Hart, our economic adviser, and myself. I think this suggestion has a lot of merit to it, for you would not only have people who know the college field much more accurately than I do, but you would also have people who know something about the various men and women to whom you might turn for projects. Let me know what you think of this.

Sincerely,

/s/ S. Spencer Scott

S. Spencer Scott

SSS:es

# The Brookings Institution

Washington 6, D. C.

August 11, 1954

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

Dear Miss Adams:

I have just returned from several weeks vacation in California, which was a welcomed change and rest.

I have one or two matters for your consideration. Miss Maroney reports that as of the end of June we had spent \$12,038.64, which is an over-run of \$2,038.64 above the \$10,000 grant originally made by the Foundation. This is much higher than I had thought, based on earlier figures. The explanation lies mainly in the fact that the statements rendered by the bank came in June and the amount of these we had not fully anticipated. This raises a question as to whether we should ask for \$2,038.64 more from the Foundation to cover those expenditures, or whether we should endeavor to absorb them in the budget for the coming year. Unless we get started promptly on the history it may be possible to squeeze the money out of the funds for the coming year. My own view is that we might both consider these matters as we re-examine the budget along with our plans during the next month, and if the sum cannot be absorbed in the budget for the current year we should then make a special request for an additional payment by the Foundation.

While I was at Stanford I visited Ed Shaw and talked over with him some of the problems connected with the history of the System. In the course of our discussion it became apparent that if we wished to switch Shaw's assignment and have him take on the history of the Federal Reserve, rather than the study of Trends in Commercial Banking, he would be very glad to do this. This shift might be feasible if the Committee wished to assign the task to Shaw, since Gurley, Shaw's assistant, could probably do the other study under Shaw's general oversight and direction, but without any great effort on the part of Shaw himself.

8/11/54

I have no idea what reaction the other members of the Committee might have to this suggestion. You may wish to explore the matter tentatively. If we should make this assignment, we should plan to reach the decision by early fall so that Shaw will not be too much involved in the other study. He will arrive here at Brookings the second week of September.

I hope you have had a good summer and some vacation.

Sincerely yours,



President

cc: Mr. Donald B. Woodward ✓

Miss Mildred Adams  
Compo Parkway  
Westport, Connecticut

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

August 3, 1954

Dear Don:

I have now had a chance to read your three letters of July 28th and to thank you for the various suggestions contained in them.

I will immediately try to reach Dr. Willits in order to consult him about the best way to approach Mr. Lane. The quicker we can get the Committee filled out the better it will be for everybody, including the office staff which is now short of stationery.

We have written Dr. Reed to ask if I could come up to talk to him about the history project sometime this month. It might be well if you would follow this up by a note to Dr. Myers, but if you are on the verge of going to Maine I do not think this is essential.

As for the details on employee arrangements in New York I will follow the suggestions in your letter of the 28th and will hope to have a complete framework ready when you get back from vacation.

I am glad that Miss McKinstry sent you a copy of Dr. Burgess' letter of July 26th setting down in greater detail his own area of interest. The more of this kind of thing we can get the clearer the lines of effort will become.

I agree with you that we should try to arrange a September meeting of the Committee. How would late in the week of September 6th seem to you? That is perhaps Wednesday the 8th or Friday the 10th. I could make it the week of the 13th, but that is not so convenient. I am planning a vacation for three weeks beginning the 19th.

Have a good and restful vacation and give my most cheerful greetings to your family.

Best as always,

  
Mildred Adams

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

July 28, 1954

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

Dear Mildred:

This responds to your letter of July 8 about employees in New York.

As I read it there is no question about social security, sick leave, vacations,

As to hospitalization I would be prepared to follow what apparently is Mr. Smedley's recommendation, if that is agreeable to Dr. Calkins.

On insurance I propose that your office get the New York State forms and instructions. We can then make a suggestion to Dr. Calkins.

As to retirement Brookings is a participant in T.I.A.A. which, as you know can, thanks to the subsidy offer more attractive terms than are available elsewhere. I believe that under the Brookings plan there is contribution both by the employee and the employer.

When we make our arrangements we certainly should write a formal letter to the Bank expressing appreciation for the cafeteria and the medical facilities.

In summary I judge the only questions pertain to hospitalization and insurance and I will happily make or join you in making a recommendation to Dr. Calkins as soon as you have the information.

This is another item that can be cleared, I should think, in September.

Cordially,

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WASHINGTON 6, D. C.

July 8, 1954

Dear Don:

As I told you this morning, one of the problems of shifting from a short-term project to one which will continue for five years is the matter of fringe benefits for employees. As you know, the Bank has, up to the present time, loaned us people from their own staff and charged us for their salaries. They now feel quite understandably that it's better that employees go on the Committee payroll. Technically I suppose this makes them the joint responsibility of the Committee and of the Brookings Institution, and therefore subject to the arrangements which Brookings makes with its own employees.

On the other hand, these people work in the Bank which in turn has its own rules. In order that there should not be too much disparity between our arrangements and the arrangements which the Bank makes I talked this morning with Mr. Smedley, one of the Bank's personnel managers. We discussed in detail the matter of fringe benefits as provided by Brookings and by the Bank. The net result of our conversation is as follows:

Social Security - Federal practise rules in both places and would govern us.

Hospitalization - Brookings uses the Blue Cross and employees pay all costs. The New York Bank uses both Blue Cross and Blue Shield and pays two-thirds of the cost. Mr. Smedley is sure that Blue Cross service can be enlisted in New York for Committee employees. He thinks we would do well to follow the Brookings arrangement and have employees pay the whole cost as they choose to.

Sick Leave - The Brookings rule is that staff members may have sick leave with pay at the rate of fifteen working days for each fiscal year (1.25 days per calendar month) cumulative to a maximum of 90 days. This corresponds closely to the Bank's arrangement and should be followed.



Vacation on Pay - The Brookings plan is that staff members are eligible for annual leave with pay at the rate of two days per month plus one extra day for the twelfth month making 25 working days for each fiscal year. This is slightly more generous than the Bank's plan and Mr. Smedley thinks we should accept it.

Insurance - Disability, Unemployment, Workmen's Compensation. Here the Committee is more or less on its own, and subject to the New York State laws. (The Bank being a Federal institution merely supplies equivalents. Brookings being in Washington is not subject to New York laws). Mr. Smedley advises that Brookings write the New York State authorities to ask for instructions and forms. You, who are familiar with the New York State laws, may have another suggestion.

Retirement - Mr. Smedley says this is a minor benefit so far as most young employees are concerned. The only warning is that nothing should imperil the employees future retirement rights. Presumably the Brookings provisions would apply.

In addition to these specific arrangements the Bank will be so kind as to share with Committee employees two fringe benefits of obvious value. The first is the right to eat in the Bank's cafeteria, where food prices are so arranged that the Bank assumes 50% of the cost. The second is the matter of medical facilities in the Bank's clinic. This latter includes clinic advice and ministrations in the event of sudden illness or accident on the job, an annual physical examination, and a required check-up by the medical officer after two days or more of absence on sick leave.

I am particularly eager to have your advice on the matter of insurance and hospitalization. I assume that the whole arrangement should be submitted to the Executive Committee, but I would like recommendations on those two items before sending it further.

Best as always,

  
Mildred Adams

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

July 28, 1954

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

Dear Mildred:

I have been pondering the best procedure regarding Mr. Lane and the Committee. The following now has come to seem to me appropriate and I submit it for your consideration.

1. Since Mr. Lane was either first or second with all Committee members except Mr. Burgess, and since in this matter I feel confident that Mr. Burgess will be satisfied with the view of other members of the Committee, I conclude that it is not necessary to refer the matter again to the Committee members.
2. The question then is the best way to carry the decision to Mr. Lane to get his acquiescence. He was for some time an associate of Dr. Willits and Dr. Willits felt that Mr. Lane would make an appropriate member of the Committee. Therefore I conclude that Dr. Willits would be the best source of guidance on the matter.
3. Accordingly I suggest that you get in touch with Dr. Willits by telephone, tell him the decision and desire of the Committee that Mr. Lane become a member and find out from Dr. Willits if Mr. Lane knows about the Committee. Dr. Willits could then indicate whether in his judgment it would be more appropriate for a formal letter to be written to Mr. Lane or for a personal call to be made on him.
4. As the members of the Committee will be important considerations in your life for a number of years I hope, I think you will want to consider these points carefully to decide whether you agree or not. If you do agree then I would suggest you act accordingly. If not, then let's talk.

Yours,

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

July 19, 1954

Mr. Donald Woodward  
Vick Chemical Corporation  
122 East 42nd Street

Dear Don,

I am sending you herewith a copy of the present score card on extending the Committee. I would say that Lane is certainly in, and that Willits comes second.

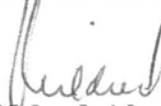
Word from Martin came in this morning. The Stewart vote was verbal; I found it in notes taken at the latest interview with him.

Under these circumstances I am not sure whether you would want to write to Lane immediately or to tell the Committee how to vote first and than write Lane. In any event since I am to leave for St. Louis shortly I drop the matter into your lap.

Aunt Gertude was warm in her praise of the visit after you left. You (collectively) were certainly very kind to an aging lady.

My thanks with hers.

Best, as always,

  
Mildred Adams

Enc.

Score 7/19/54 on Committee expansion

	Burgess	Calkins	Martin	Sproul	Stewart	Woodward
Lane		1	1	2	1	2
Abbott						
Kuznets						
Reed						
Willits	1			1		1
Wood			2	3		
Wright	2 (?)		3			

July 28, 1954

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

Dear Mildred:

I certainly am persuaded that your trip to see Dr. Wood was desirable. It confirms my glowing conviction that a very great deal of time is wasted by exchanges of letters. And I am delighted that you found the Inn agreeable.

Success in one step encourages the idea of another. What would you think of going up to Ithaca and seeing Harold Reed at your earliest opportunity? Ithaca is fairly easy to reach by plane, train, or car and is a pleasing place to visit. I can easily arrange an introduction through Dr. Meyers. If you made this visit we would then have a pretty clear amount of information about the two chief names. We ought then to be able to move with some celerity - which is needed - on the matter of the History in the early Autumn.

If you think well of a visit to Ithaca, I would be disposed to withhold any report to the Committee on Wood but make a joint report then on both Wood and Reed.

Miss McKinstrey kindly sent me a copy of Dr. Burgess' letter of July 26. We can encompass it in our early conversation.

I suspect that August will be a slow month. But if we could be in a position to try to have an Executive Committee session some time in September for some fairly definite decisions it would be desirable don't you think?

Yours,

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*With cooperation of*  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.  
July 27, 1954

Dear Don:

Any trip which takes me out of the heat of St. Louis and sends me to Estes Park thereby pays off in my book. This one is, I hope, also profitable for the Committee, even though in a negative sense. It has, I suspect, disposed of the idea that Elmer Wood is the person to write the definitive history. Whatever I may or may not think as to whether he could do it is less important than the double fact that (a) he does not want to, and (b) he has a book of his own under way which could conceivably come within our scope if he and the Committee both chose.

As a third benefit, I am bringing back Dr. Wood's own copy of the much discussed paper which he delivered before the Midwest Economic Association this spring, a paper which in summary attracted attention from both Dr. Williams and Mr. Sproul. This gives the flavor of his thinking, and in its various controversial points of view would certainly have an impact on certain of our Committee members. I have permission to have it copied and to show it to anyone who is interested.

But to go back -- before I left St. Louis, I asked William Abbott, head of research in the St. Louis bank, about Wood and found less enthusiasm than I would have expected for a Missouri product. It may have been partly an instance of the "prophet not without honor save in his own country," and partly a reflection of a certain lack of sympathy on Wood's part for the direction St. Louis research is taking. In any event, they think him dry as dust, and not the person to do this job.

I am not prepared to agree that that opinion is justified. I saw Wood for a short time on Friday afternoon, when I arrived from Denver and stopped at his cottage before I went on to my own Inn, and twice for a considerable period of time on Saturday, both morning and afternoon. All in all, I must have spent four or five hours with him, first presenting the project, and then probing (as best I could without making commitments) to see what part, if any, interested him.

Wood is a refreshingly independent person who follows his own line of thinking wherever it leads, and prefers to make his own judgments. He would rather talk plain English than take refuge in economic jargon. He is interested in theory, but he is also interested in fact, and in the relationship which prevails (or fails to prevail) between the two. There may be about him a slight timidity; there is certainly a hint of the handicaps felt by a sensitive provincial who lives far from the centers of power and does not see very much of the

powerful. But there is nothing stuffy or pretentious about him. His intent is clear and direct, and his mind is keenly analytical. He is perhaps overly aware of what he considers his own limitations.

If we could somehow turn back the clock and telescope the years which have passed since he wrote his book on English theories of central banking, so that he could begin on an American equivalent of that book, I think he might produce something of considerable value. Obviously we can't. The next best thing is, to plan some other way of bringing the thing he wants to do into our orbit. Two possibilities have presented themselves: one, an easing of the way so that he can finish the book he has in hand, the other, a monograph.

The book has been in the writing for some time. He works on it in summer vacations, but not during the academic year. He thinks that there is another year's work to be done on it, and it is possible that he could persuade the University of Missouri to give him a sabbatical year on half pay. He approached Chester Davis for a subsidy when the latter was with the Ford Foundation, but never got an answer, which is curious in view of the latter's decade as President of the St. Louis Federal Reserve Bank. When I asked if he would like to have our Committee consider the book for a place in the project, he was doubtful — he wants it to stand on its own feet, and he wants to be free to exercise his own judgment in regard to Federal Reserve and/or Treasury activities. I assured him no censorship would be exercised, and left the matter open for further thought on both sides.

He has been writing under the title "Monetary Control," but is not content with that. "Monetary Control in American Theory and Practice" is perhaps a better description of what he has in mind.

He has nine or ten chapters written: one on Open Market Operations, one on Discount Rate, one on Reserve Requirements and the changes that have taken place in them, three on Deposit Expansion, two on Interest, one on Adjustment of Cash Positions. He is now working (in a cabin facing a bubbling brook which furnishes a running obligato to the chatter of chipmunks) on the Relation of Monetary Procedures to Expenditures, studying general monetary controls in their relation to expenditures: he expects to come out with a criticism of both the Keynesian theory and the quantity theory of money. He has ahead of him a consideration of International Monetary Relations and Controls, of Federal Reserve Procedure, with or without techniques, of later nineteenth century English practice as it illumines American practice.

I asked Dr. Wood if he had a publisher. He is thinking in terms of one of the more popular publishers such as Doubleday, rather than a strictly academic publisher like Macmillan. No commitment has been made.

July 27, 1954

The monograph idea came up in conversation, and after reading the paper which was presented to the Midwest Economic Association. Wood is very much interested in the accord of 1951, and he has been thinking of going to talk with Truman about it. He might, I think, be interested in embarking upon a study of that accord -- what conditions it arose from, what made it necessary, what the various parties concerned thought they were doing, what the result has been. I did not ask him whether he would like to do a monograph -- I only suggest it now for consideration.

Wood's own recommendation of the man to do the definitive history is Karl Bopp, but he doesn't think Bopp would do it. So we come full circle again.

I do not, however, think this has been wasted time, energy or travel money. We now know Wood, know what he is about, what he wants to do (or doesn't). We have his interest, and we may in the end get something valuable from him. In any event, he is out of the class of vague but enticing enigmas.

In talking over other possible candidates, he showed interest in Howard Ellis of California, shook his head at Harold Reed of Cornell, wondered whether it might be possible to interest Earl Hamilton, now at the University of Chicago.

I have asked Miss McKinstry to type this and send it on to you before I return. You may think it well to have some part of it sent to the other members of the Executive Committee, but we can talk about that when I return. I also have some interesting data for you from St. Louis.

So glad you urged me to go to Estes Park. A day in those mountains is a whole vacation in itself.

Best, as always,

Mildred Adams<sub>nm</sub>

Mildred Adams

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



For the information of:  
Mr. Donald B. Woodward

MISC. 140 B  
(MISC. 140 B.1-30M-6-53)

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

July 26, 1954.

Dear Miss Adams:

In odd moments I have given some thought to the suggestion in your letter of June 23rd that I might indicate the general area in which I should like to do some writing when I get my release from present duties.

As of now, I am thinking in terms of a small book which might be called "The Federal Reserve and the Public Interest" or a title to that general effect.

It is becoming increasingly clear that the long term problem of monetary policy in this country arises from the increasing itch to use money as an instrument of politics and make monetary policy a political issue.

This was amply demonstrated last Spring in the barrage of criticism of the "hard money" policy. It has been continued by Patman and he has, I am afraid, an increasing number of followers.

The same thing is happening in other countries where monetary policy cannot claim exemption from political discussions. This will make it increasingly difficult for monetary administration to do the hard things like raise the discount rate and other steps which make money firm.

All of this suggests the need for effective exposition of the way in which monetary policy serves the public interest and, as a corollary, the need for some protection of the administration of monetary policy from political pressures.

All of this sounds not like history, but like argument.

What I have in mind, however, is exposition on the basis of the history of the Federal Reserve System with illustrations from foreign experience, as well.

In institutional terms, the study could be described as a review of the relationships among the Federal Reserve System, the Treasury and other administration agencies, the Congress, and the agencies of public opinion.

Of course, in previous writing, I have done something in this field, including the paper before the American Philosophical Society in 1952, the informal address to the American Economic Association in December 1953 and, of course, sections of my book, "The Reserve Banks and the Money Market".

C  
O  
P  
Y

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

-2-

Miss Adams - July 26, 1954.

The nearest approach by other writers is to be found in the work of Dr. Goldenweiser.

This is the formulation of recent thoughts, but I put it on paper partly to help my own thinking and as a general approach to the question you have asked.

Sincerely yours,

/s/ W. Randolph Burgess.

W. Randolph Burgess.

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

C  
O  
P  
Y

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.

July 13, 1954

Dear Don:

We have been looking up the matter of expenses charged and repaid and found the following data:

February 4-5 you and I went to Washington. The Bank bought transportation for both of us and because you had to go for both Brookings and the Committee you charged the Committee for nothing except railroad fare. In a letter of February 15th, you sent a statement of outlays on my account amounting to \$13.15. I thought I had sent you a check for this, but we have no record in our files. I will track it down at home.

March 3, 1954 I sent you a check for \$5.00 to cover costs of a business luncheon for the Committee.

April 7th you and I went to Washington for a single day. The Bank bought transportation except that you paid for your own Pullman seat. On May 13th I sent you my personal check for this and reminded you that we had no other record of expenditures for both of us including breakfast, coffee, dinner, taxis and tips. We still have none, but will make a supplementary charge to Brookings if you can send us this record of expenditures on April 7th. \$ 2.30

On May 11th, you and I went to Washington and you gave us a memorandum of \$12.75 for expenses. That check should have been sent you and I enclose it herewith along with deep apologies.

If this record is correct, the only other amount for which we have received a memorandum and may or may not have returned expenses to you is the \$13.15 of February. As I said before, I will try to track this down in my own records.

This is a perfect description of my gratitude for the fact that I do not have to do the Committee's bookkeeping!

Best as always,

  
Mildred Adams

Enc.

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

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

July 8, 1954

Dear Don:

Dr. Bopp, whom I called immediately after talking with you this morning, sounded very cheered at the suggestion that I go out and talk with Professor Wood. He is entirely willing to call the latter by telephone, but he is afraid that there is no phone in an Estes Park cabin. Therefore, he will write Professor Wood "an extended letter" telling him about the Committee, the project, the search for an historian, etc. He seems to think that Professor Wood will see me "with pleasure."

I am, therefore, planning to fly from St. Louis to Denver on Thursday, the 22nd, and spend the weekend there rather than in Chicago. I must say the prospect is very much more pleasant than the one which I had had scheduled.

I will let you know as soon as I hear from Professor Wood that this is a firm date.

Best as always,

  
Mildred Adams

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

July 2, 1954

Dr. E. A. Kincaid  
University of Virginia  
James Wilson Department of Economics  
University Station  
Charlottesville, Virginia

Dear Dr. Kincaid:

Thank you very much for your letter of July 1.

I am glad that the arrangements are now satisfactory.

What are your plans after you complete your  
assignment at Arizona?

Sincerely yours,

President

cc: Miss Adams  
✓ Mr. Woodward with copy of Dr. Kincaid's letter

COPY

UNIVERSITY OF VIRGINIA  
James Wilson Department of Economics  
University Station  
Charlottesville, Virginia  
July 1, 1954

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

Dear Dr. Calkins:

I am indebted to you for your nice letter of June 28 in which you refer to Miss Adam's letter of June 24. I am indeed grateful to you but I deeply regret that I caused you so much inconvenience by my shying away from the use of the word "contract." As I think back on the matter I am a little ashamed that I allowed that word to disturb you at the time.

At any rate work goes along with increasing momentum, and I think we will make quite a dent in the accumulated papers within a reasonable time. Let me assure you that I am indeed grateful for the opportunity to undertake this work, particularly so because it was decided here that one who has attained the age of 70 is not eligible to teach in the summer quarter. A very adverse decision so far as I am concerned, for I am not now on the payroll of the University and do not have in prospect achievement of participating in any other payroll.

Sincerely yours,

[Signed] E. A. Kincaid

EAK:B

July 2, 1954

Miss Mildred Adams  
Committee on History of the  
Federal Reserve System  
340 East 72nd Street  
New York 45, New York

Dear Miss Adams:

Thank you for sending me the correspondence with Kincaid. I think the matter is now straightened out and we will be able to proceed.

In your letter of June 29 you asked about the fringe benefits of employees of the Committee and the Institution. We have very few fringe benefits here at Brookings. All members of the staff would come under Social Security. They would not be eligible for the Teachers' Annuity Old Age Benefits unless they were members of the Regular Staff and had served three years. The Institution does participate in the Washington Blue Cross Group Hospitalization plan, but the premiums are carried entirely by the individual. The Institution makes no contribution. I think it would be feasible to have employees stationed here in Washington participate in this hospitalization plan. I do not see that employees in New York could be brought under it, since we have no arrangement with the New York hospitalization program and no adequate group to permit group rates, as I understand the practice.

Sincerely yours,

President

Enclosure (Rules and Regulations

Respecting Employment and Retirement of Staff)

cc: Mr. Woodward  
Mr. Akers, Miss Maroney, Mrs. Wilson

July 2, 1954

Mr. John Williams  
33 Liberty Street  
New York 45, New York

Dear John:

Thank you very much for your letter of July 1. I am glad to have your comments and suggestions. If you have any later thoughts, we shall be most interested in receiving them.

With very best wishes,

Sincerely yours,

President

cc: Miss Adams  
Mr. Woodward

With copy of Mr. William's letter



Thirty Three Liberty Street  
New York 45, N. Y.

July 1, 1954

Dear Bob:

I am very late in replying to your letter of June 15th, because my time has been much broken up lately.

I really am entirely at a loss about suggesting a person to write the history. As you may recall, you and I discussed this very briefly on the occasion of our conference with the Council of Economic Advisers. The trouble is that most persons one might think of are probably not available. As I recall it, we mentioned Karl Bopp as a case in point.

One consideration that I have heard discussed is that it would be desirable in a study of this sort to have the job done, or at least a good part of it, by people outside the System, so as to avoid the charge of its being a kind of public relations job. That might suggest some monetary economist or monetary economic historian, but I have not been able to think of anyone who really satisfies me; and in any event I should think he would have to be near enough to retirement so that he could afford to contemplate a five-year stretch.

I know that there has been discussion of Elmer Wood, whom I knew at Harvard back in the thirties. The fact that his thesis, which has been very well regarded, was on English Theories of Central Banking Control, 1819-1858 and was a sort of combination of the history of theory and the history of the Bank of England and its operations during that period suggests that he might well be the sort of person. But I have seen very little writing by him since, and a recent paper of his at a meeting of the Midwest Economic Association, of which I have seen only notes, while very interesting, with some good points, seems to me so controversial that it might well raise questions in the minds of some about his suitability for this particular job. In any event, Karl Bopp knows him much better than I do, and I have no doubt that the Executive Committee has done some exploring. (My impression is that Wood is now in his late fifties.) I have thought also of Harold Reed, who I understand has just retired at Cornell. Certainly he has been a student of the Reserve System, but I have not seen anything from him for quite a time past.

I am afraid this only indicates how unhelpful I am, but I will continue to think about it and will pass on anything that comes to my mind to Allan Sproul.

Sincerely,

[Signed]

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

John H. Williams

July 1, 1954

Mr. Walter Lichtenstein  
The First National Bank of Chicago  
Chicago, Illinois

Dear Walter:

I am no end delighted with your letter. We are putting  
a note on the calendar to follow you up in the Autumn.

With warmest regards.

Cordially,

DW:lw

cc: Mildred Adams

THE FIRST NATIONAL BANK OF CHICAGO  
CHICAGO, ILLINOIS

28 June 1954

Dear Don:

Your letter of 25 June came this morning. I have said all along that after I get settled in Cambridge, I shall be glad to have someone come and interview me and I shall have my diaries and papers on hand to refer to. My wife and I expect to get to Cambridge at the end of September so I should say that around the second half of October I should be available.

Best regards.

Sincerely yours,

*Walter*

Walter Lichtenstein

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

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

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MILDRED ADAMS, *Research Director*

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722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

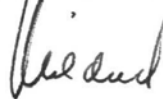
June 29, 1954

Dear Don:

Thanks so much for your dextrous and beguiling letter to Mr. Lichtenstein. It should melt a heart of stone and I only hope that Germanic mind is persuaded.

You will be interested to hear that when I talked with Mr. Sproul on Friday it became apparent that he himself might like to contribute to the series a volume of papers on various phases of modern central banking. Naturally I applauded the idea with cheers. Maybe we could enlist the values of competition within the Committee?

Best as always,



Mildred Adams

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

June 25, 1954

Mr. Walter Lichtenstein  
38 South Dearborn Street  
Chicago 3, Illinois

Dear Walter:

May I beg a little bit?

Miss Adams has quoted your letter to her about your diaries about which she had written on my behalf. I can completely understand your conscientious and ethical feeling on them. And I am sure that you appreciate that neither I nor the Committee nor its staff would want any impropriety, embarrassment, nor invasion of privacy.

On the other hand the Committee is extremely anxious to assemble as complete a story as possible on the Federal Reserve System; it is spending Foundation money and in good conscience must try to do a good job. You are an extremely important source, or potential source, of information on highly important aspects of the System's History and development. While I know that your memory is better than most, your memory reinforced by notes taken contemporaneously would be of still greater relevance. Hence while you in good conscience must protect the integrity of the diaries, we in good conscience must seek the utmost information from you.

Is there any method in which this problem can be resolved so that both purposes can be served? For example, could you be interviewed with the diaries and thus with a recording machine and interview device let us have the fullest possible reconstruction of events pertaining to the System, with you being the only one to look at the diaries? Or would it be possible for you to select a typist in whom you would have confidence and let her type out all materials in the diary pertaining to the Federal Reserve System alone, and let one representative of the Committee read this material and then discuss with you what could be had by the Committee on what basis?

Or is there some other fashion in which the objectives of the Committee could be served in a fashion entirely suitable to you? I am assuming without question that you will deem the Committee's existence and objectives a desirable situation and hope that a really good job can be done. My own feeling is that there will never be a chance anywhere nearly as good for a really adequate story of the System to be put together: papers and memories will have disappeared forever in a great many cases within the next few years.

I do hope most sincerely for your most thoughtful consideration.

With warmest personal regards.

Cordially,

Donald B. Woodward

DBW:lw

cc: Miss Adams

June 17, 1954

Dear Mr. Prickett:

Mr. Donald Woodward has sent me your letter of June 5th, and I am taking the liberty of repeating his statement in an earlier letter that we would like very much to talk with you when that is possible. What Mr. Woodward told me of your interest in this project makes me quite sure that there are details of the early Board stored in your memory which we would very much like to have.

You ask about Mr. Joseph Broderick. He has recently retired as President of the East River Savings Bank, but he still keeps an office there and has been very kind in letting us consult him. He is, as you indicate, a mine of information and is being very good in sharing it with us.

We are hoping that you come this way in the not too distant future.

Most sincerely yours,

Mildred Adams  
Research Director

Mr. Karl E. Prickett  
1501 Briarcliff Road  
Greensboro, North Carolina

July 1, 1954

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

Dear Cyril:

I am delighted with your acceptance and I am sure the other members of the Committee will have the same reaction.

I am asking Miss Adams to supply you with all the reports and other materials to date and of course you will receive all mailings in the future. Please do give us any comments, advice, and suggestions. And at any time you are in New York on a schedule that will permit it, please do let us know.

Cordially,

DEW:lw  
cc: Miss Adams



Memo from MILDRED ADAMS

---

To

6/29/54

Donald Woodward -

Enclosed was opened  
& read here with pleasure.

I take it you will reply,

U.

PRINCIPAL AND VICE-CHANCELLOR  
F. CYRIL JAMES



MCGILL UNIVERSITY  
MONTREAL, 2

June 28th  
1954

Dear Don,

News had already reached me by channels that you can guess regarding the Rockefeller decision to make available the \$300,000 for the History of the Federal Reserve System and I should like to offer both congratulations and felicitations.

In regard to the invitation to join the Committee, I accept immediately. As you know central banking and monetary history were, in the days when I had reasonable academic share of leisure, two of the hobbies closest to my heart and, although leisure is a pretty scarce commodity nowadays, I should like to contribute all that I can to the growth of this project.

With renewed good wishes to you as always, I remain,

Cordially yours,

A handwritten signature in ink, appearing to read "F. Cyril James", with a large flourish above the name and a long horizontal line extending to the right.

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

June 18, 1954

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

Dear Cyril:

I have the honor formally to invite you to become a member of the Committee on the History of the Federal Reserve System. As Miss Adams and I explained to you this group had been working with a small exploratory grant from the Rockefeller Foundation to explore the availability of papers and memories. Both were found to exist in large volume. Consequently an application for \$300,000.00 over a five year period was filed with the Rockefeller Foundation and that grant has been made.

With the alteration from a temporary exploratory group to an established operation to cover some years, the Committee agrees that a wider participation and intellectual base should be established. Accordingly it is the intent to add perhaps two or three members to the Committee. On the desirability of Dr. James there was immediate and unanimous agreement.

Your membership would not entail many meetings. The Committee has been and expects in future to operate through its staff and an Executive Committee consisting of Messrs. Sproul, Burgess, and myself with Dr. Calkins meeting with the Executive Committee since Brookings is an agency of the Committee. The highly important role of Committee members is to make policy decisions, to assure that an adequate and balanced job of developing the historical materials will be done. Most discussions of the matters that come before the Committee can be done by mail and by telephone. Face to face discussions could be arranged ad hoc at your convenience when you were in New York or Washington for other purposes.

I certainly hope that you will see your way clear to participate in this effort which promises to be extremely interesting.

With warmest regards.

Cordially,

---

Donald B. Woodward

July 1, 1954

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

Dear Mildred:

I return your check list for names to be added to the Committee. Of course I'm for Dr. Willits and after that for Dr. Lane. As you know I would not be really unhappy with any of the gentlemen.

Love,

DEW:lw

Carbon Copy to Mr. Donald B. Woodward

June 29, 1954

Dear Dr. Calkins:

Thanks so much for sending me a copy of your letter of June 28th to Dr. Kincaid. I do hope this reassurance will satisfy him.

I am asked by the Personnel Division of the Bank to find out from you what "fringe benefits" would be available for employees of this Committee. As you know, the staff has up to the present been employed by the Federal Reserve Bank of New York and the Bank has charged us for their salaries. As I understand it, people who come to work for us from the 1st of July on will be technically the employees of this Committee although the Bank will kindly continue to do the screening and hiring for us. I am sure staff members will get Social Security, but what about old age benefits, hospitalization et al? I have the Brookings booklet, and have read pages 16 through 23, but I am not sure that employees of this Committee come under its full umbrella.

This problem has not come up for discussion earlier, but it is very much on the mind of the Personnel Division and apparently a factor in any hiring they may do for us. I will be grateful for information and counsel.

Cordially yours,

Mildred Adams

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

June 28, 1954

Dr. E. A. Kincaid  
Associate Director  
School of Business Administration  
University of Virginia  
Charlottesville, Virginia

Dear Dr. Kincaid:

I have Miss Adam's letter of June 24 in response to your inquiry of June 22. I think her letter adequately sets forth our understanding of the arrangement. The Committee felt that in allocating the funds available it should in general engage in contracts, formal or informal, rather than make outright grants. This accounts for the language used in my letter to you. While the Committee agrees to pay the \$4,000 for the work that you propose to do on the Glass papers, we expect in return not a performance highly specified but such work as you can do with the time and money available. As Miss Adams has stated, we would hope that if the entire job cannot be done with the funds available, you might find it possible to concentrate your effort on those activities which most relate to the history of the Federal Reserve System.

I hope that this adequately explains the matter and gives you the necessary reassurance.

With regard to the employment of staff, we do not intend to hold you to the particular persons or budgets indicated in your original estimate. Instead, we leave the whole matter of assistants entirely in your hands.

With very best wishes,

Sincerely yours,

cc: Mr. Woodward ✓  
Miss Adams

President

1. Talk to Sproul re

Appt on Comm

✓ ✓ ✓ + yesterday + Sproul  
a) Excess Comm: NRB, ~~BBW~~ + Collins — but would Sproul want to be on?

b) Could see for 2 more at NYFRB

c) Will McKinstry be fully available in a year or so?

d) Added Committee members — more data + more names

James

More names

All done covered by telephone

From the office of  
D. S. WOODWARD

Committee on History of Federal Reserve System

Notes on Meeting Friday June 11, 1954  
Messrs. Buzas, Leibert & Woodward  
Breakfast, Jefferson Hotel.



1. Will make contracts with Kincaid et al instead of employing them.

2. Will ~~ask~~ request notes to loan committee read + comment.

3. Will refer publisher - MA

H B

Hofers

Hoffens Bros

Printers

Brothers

What offered in ad to rent book in FR

4. Chandler a) must put time limit

ⓐ Pay Chandler \$5,000.

Colburn will call him

Colburn ~~clear~~ ~~state~~ with Sp.

ⓑ EA 2 Officers - Board?

Ⓒ Make MA Exec Director for year \$10,000

Ⓓ MA's best to be librarian ~ some work - + keep MA with question. High \$6000

Ⓔ Elyse Wood

Ⓕ Elyse the second party will own fractional duty + what to be written

Ⓖ - Pontre

Ⓗ BBW to be responsible for signing Colburn + doing some all checks

- ✓ (12) Eason is WEB, RJC + BSN  
\$ grants to Spaul. . Would he  
want to be on it.
- ✓ (13) Aim for 2 rooms at NY
- ✓ (14) Is Mr. Kinsey going to be  
available full time? See Spaul
- (15) Gilbert + MATH send budget  
letter
- (16) Contact Williams re Historians
- (17) to get a book out of Williams

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

COMMITTEE ON THE HISTORY OF THE  
 FEDERAL RESERVE SYSTEM  
 33 LIBERTY STREET  
 NEW YORK 45, NEW YORK

By hand

Agenda of Matters to be Discussed by Randolph Burgess, Robert Calkins and Donald Woodward, June 11, 1954

Committee Expansion

A memo was sent June 3rd containing a selected list of names suggested for Committee membership. To date replies have come in from D. Woodward, R. Burgess and Allan Sproul. Donald Woodward will speak for himself; Burgess "would be very happy with Cyril James and Tom Cochran"; Sproul has little enthusiasm for any of the names listed, doesn't "know how political scientists got into the picture", suggests Professor Elmer Wood of Missouri, a "real student of the history of central banking without having any central banking connections". Neither Schultz nor Burgess shows any interest in Ted Schultz.

Do you want to wait until replies come in from Stewart and Martin? Or shall we frame another panel and send it out? Mr. Sproul would like to see "quite a few more names" before making first choices.

Budget required by Rockefeller Foundation

See annotated budget statement enclosed for discussion and comment. A copy as approved after discussion by the Committee (or by your executive group) must be sent to the Rockefeller Foundation before any funds are paid over, so it will be helpful if this can be discussed and any changes agreed on.

Suggested personnel for future project director, chief historians, etc. (please see page 3 budget memo)

Projects

- ✓ Goldenweiser: Mr. Kamarck has just sent us the list of the unpublished papers of E. A. Goldenweiser, I have written Dr. Calkins suggesting that the promised money in aid of handling costs (\$150) be now paid (There has not been time to process this list. One copy is enclosed - please return.)
- ✓ Kincaid: status - see letter of June 8, 1954 telling him that the Committee was granting \$4000 for the survey of the Glass letters, to be done in 3 months. (correspondence attached.)
- ✓ Chandler : status - in negotiation. He came in to confer on the Committee's desire to have his project more clearly defined & comprehensive, and is writing a memo. He was to talk by telephone with Dr. Calkins on the subject of budget arrangement; the latter should have further information.

Forms and routine for cooperative process with Brookings. Formula for Committee and Brookings approval of grants, etc. (Dr. Calkins expects to talk to this - I have not tried yet to formulate suggestions, but I will do so if desired.)

June 9, 1954

Messrs: W. Randolph Burgess  
Robert D. Calkins  
Donald B. Woodward

The Rockefeller Foundation asks of this Committee an annual budget as a basis for forwarding the funds granted.

Our original proposal was based on a budget of \$54,500 annually for the first two years, but that budget was admittedly rough. We now have further experience and plans better developed on which to base an estimate of needs, but that estimate is still rough. It is appended for your consideration, together with notes meant to clarify the various items.

This revised budget is based partly on experience under the pilot project, and partly on plans already discussed with the Committee, but perhaps grown dim in the interval between planning and the actual approval of the grant. Before considering it you may find useful a short survey of the functions of this office in its second phase as they appear to your research director after four and a half months of operation under the pilot project, and in the light of various conferences with Committee members.

#### The Task

The task to which the office must set itself is that set forth in the Proposal which the Rockefeller Foundation has approved in making the grant of \$310,000 to this Committee.

The Committee's decision not to hire a "stable" of scholars to do group research, but to stimulate the writing of the desired books and monographs by grants of one kind or another to chosen experts on the submission of approved plans, means that the Committee's office will continue to be a small center of basic research; of the building of such aids to research as the card files already in process; of pertinent correspondence, record keeping and conferences. It will be planned and equipped in part to be a center for service to scholars working on Committee projects. One Committee member described his concept of it as a "research library operation". That is certainly a part of it, if one adds that the books are here only in card index form.

The research work which has been done under the pilot project, and which is described in the Report to the Foundation, will continue. This work has been done with two purposes in mind - to help now in the continuing process of interview and paper hunt, and to serve scholars who go to work on their various sectors of the main design. The card files being prepared are meant to serve as aids to research for anyone connected with this project who can make use of them. They were started with that end in view, and while they already are in daily use by the office we look to a further testing of their usefulness by an early scholar.

### Quarters

If the bibliographic work, the interviewing, the survey and coordination of information concerning research facilities in regional banks, and the other tasks in progress or in contemplation are completed in the first year, the office may then become chiefly a place for conference, consideration of requests for grants, consultation. If so, quarters may need rearranging so that the research director (or whoever continues as head of operations) has privacy. For the present, and while the actively cooperative working phase continues, the present simple group quarters suffice.

### Staff

In order to accomplish the work outlined in the proposal accepted by the Rockefeller Foundation it will be necessary to redefine staff functions and to assemble a group which is both competent and reasonably permanent. The budget which is attached assumes the hiring of one more person than are presently employed - an assistant director (sometimes referred to as "Miss Adam's understudy"). This matter has been discussed by the Committee - it is referred to in more detail below. The salary level has been set higher than now obtains - this should provide a full-time secretary and a stenographer with more experience and higher levels of skill than those available during the pilot project.

The pilot operation, now in its final phases, has been carried on since January 15th against the handicap of insufficient and changing help. Miss McKinstry has been able to give us only such time as Dr. Williams was not using her, and this has never averaged as much as 50% of her time. Nor have we known from week to week which days we could surely expect her services, as Dr. Williams does not keep to a regular schedule.

The first assumption was that we would use Miss McKinstry as secretary and research assistant, with another girl to substitute when she was not there and to supplement her services when she was. This proved impractical; the arrangement in operation since April 1st has been the assignment to us by the New York Federal Reserve Bank of a stenographer (Miss Krebs) and a typist (Miss Meglio). The former has taken dictation, transcribed Ediphone recordings of interviews, and aided in typing minutes, records and reports. The latter has worked chiefly on building up the chronological file of research. This has been a matter of copying from records, under supervision. She has also aided in copying and, like Miss Krebs, has done substitute secretarial work in Miss McKinstry's absence.

Both Miss Krebs and Miss Meglio have worked well, but both have been on a temporary basis. Miss Meglio has asked to be returned to her former department by July 1st. Miss Krebs is willing to stay on.

Staff Functions

Research Director

The task of the research director has grown more complicated as the project has developed. In the first three months she organized the office, planned and started the work on biographic, bibliographic and chronological card files, began seeking papers and interviews, learning the way around the Board, the New York and near-by Federal Reserve Banks, with particular attention to library and early file systems.

Since April, when it became necessary to prepare the Report and Proposal for the Rockefeller Foundation, the work of seeking papers, recording interviews and becoming familiar with Board and regional banks has been slowed. The ideal would have been to finish these tasks in the pilot phase. This not being possible because of the time factor, it will be picked up and carried forward as soon as office revision permits.

Meanwhile time spent on correspondence, preparation of agenda, reports and minutes for Committee meetings and oversight of clerical work has increased. So has time spent in planning and in conference. To these has been added a set of functions concerned with the projects which are the purpose of this Committee's work. Correspondence, interview and investigation of hopeful candidates for grants are just beginning. The projects thus far brought to the stage of negotiation or grant have a background of familiarity, both of author and plan, but even so this preparation takes time, and that time element will increase as news of the Committee's existence goes further afield.

Thus far the Research Director has felt at times like "the cook and the crew and the captain too, and the mate of the Nancy brig". It is flattering to be trusted with so much responsibility and allowed such leeway, but now that this project has been given a five-year life the staff should have more substance and the Research Director more help.

Assistant Director

It was stated in the Proposal that the present Research Director would continue in that post for a year, and then withdraw in order to focus on one particular sector for writing. If this plan is to be carried out it has seemed wise to find some one who could come in as an assistant, become familiar with the entire operation, and be prepared to carry it forward a year hence. Two views of the type of person required have been voiced - first, that this person should be the one who would write the history, that is an economic historian of the first order; second, that he or she should be merely an executive of ability, understanding, tact and initiative, able to write well, with an adequate economic background and some research experience. Thus far the individuals suggested (George Roberts, Harold Roelse and

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time +  
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hard +  
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*\$6-7500  
M. minutes? could within a year?*

Ralph Young) have been considered on their own merits. Now that none of them is available it may be possible to come to an agreement on type before looking further.

The budget appended assumes that the second type is chosen. The salary allowed (\$7,500) may be too low. The date of start (September 1st) may be earlier than is needed. Three months training as understudy would seem to be enough, and if Miss Adams withdraws as of June 1, 1955, this allows more time for choice, and a corresponding reduction in the budget.

#### Research Assistant

*will she be available*

Miss McKinstry has thus far divided her time between work as an executive secretary (dealing with bank routine and relations, handling expense forms, making out requisitions, filing expense accounts, making appointments etc.) and work as research assistant. In the latter capacity her work has been especially valuable. She has been building files both of people and of books of unpublished material; her experience in this field is large and her suggestions fertile. We would like to free her from secretarial work so far as this office is concerned and to encourage her research talents. We hope that out of her work may come the annotated bibliography on the Federal Reserve System which at least one Committee member has suggested.

Her necessary absences when Dr. Williams calls for her, as he does more than 50% of the possible working time, have robbed the office of the continuity its work needs. When she is away the tasks at which she has been working stand idle. When she and the Research Director are both away the office has no head. Miss Krebs and Miss Meglio have done wonders, but the office needs, and the Research Director needs, the steady presence of a high-grade secretary able to keep everything in the office working at a steady pace. The salary allowed for is in accord with the Bank's median for this type of job.

#### Stenographer - typist

The provision of a stenographer - typist in addition to an administrative secretary is dictated by experience. Files are not yet complete; and the ordinary amount of paper work, already higher than was anticipated, will rise again as soon as it is possible to resume bank visits and interviewing; and to undertake in more detail the work of gathering and coordinating information about archival material and files in regional banks. Such an assistant would serve (Miss Burnett (see below) as well as the office in general.

#### Office Costs etc.

These items have been estimated on the basis of experience in the pilot phase. So have travel costs and Brookings handling costs.

Projects

Of the projects allowed for, the first two have been discussed. The budget assumes that the Kincaid-Glass project will cost \$4,000, will take three months from June 15 to September 15, and that the first month's cost will come out of pilot project funds. This has now been agreed. The Chandler project (still being negotiated) is assumed to cost \$15,000 in all, and to start September 1st. It will take about two years.

The other two projects have been mentioned, but have not reached the point where Committee decision has been asked. Nevertheless there has been enough agreement on their desirability so that it seems wise to include them in budget estimates. The Parry project is the half-completed monograph on Selective Credit Controls -- there are indications that the provision of stenographic help would speed this. As for Miss Marguerite Burnett, who retires this summer as librarian of the New York Federal Reserve Bank, we would like her to work part time on a master bibliography of archival material in the twelve regional banks. Mr. Sproul is interested in the idea, and discussions to that end are under way. The figure assigned for her is based on her present salary.

The total as revised is roughly \$4,000 below the original estimate, on the assumption that requests for funds will be heavier in the second year than in the first and that then we may be asking for more than the \$54,000 allowed in the proposal. This point should, of course, be made clear when the budget is submitted to the Foundation.

*Mildred Adams*

Mildred Adams

*Rem the  
for { Burnett Part Time - Shp of project  
M. Parry Part time*



Present Salary Budget projected on an ANNUAL basis.

**SALARIES:**

Research director (Adams)	
Research Asst. (McKinstry) (1/2)	
Typist (Krebs)	
Typist (Meglio)	
Present Salary Total	\$18,733.24

*What of OAST - dit  
Plan a via Bank  
afford the cost  
of the annual fund*

*Increased Contingency*

*Adams  
McKinstry  
I stop typist ← IT & good*

**REVISED BUDGET**  
**July 1, 1954 to June 30, 1955**

**ANNUAL SALARIES:**

Research director (Adams) .....  
Assistant director ("understudy")  
    from September 1 @ [redacted] .....  
Research assistant—1/2 time (McKinstry) ..  
Administrative secretary .....  
Stenographer-typist .....



*There should be one good full time secretary*

**OFFICE COSTS:**

Supplies .....  
Telephone .....  
Equipment rental .....

600.  
250.  
1,200.

*\$28,280.*

*Budgeted - subject shift*

2,050.

**TRAVEL COSTS .....**

3,000.

**BROOKINGS HANDLING CHARGES .....**

3,000.

**PROJECT COSTS IN NEGOTIATION:**

Kincaid: Carter Glass Papers (June costs excluded) .....  
Chandler: Total = \$15,000 (Starts September 1)..  
Perry monograph (Estimate on stenographic aid).....  
Burnett: 1/2 salary for 6 months (Regional bank  
    bibliography) .....

2,667.  
6,000.  
1,000.  
1,820.

11,487.

*No - But find some one*

**OTHER EXPENSES (including other project aids) .....**

3,000.

**TOTAL .....**

\$50,817.

**SUMMARY**

**Budget as proposed (page 21 of Proposal)**

Annual Salaries and Research Contracts ....  
Travel Costs .....  
Brookings Handling .....  
Other Expenses .....

\$46,000.  
3,000.  
3,000.  
2,500.  
\$54,500.

**As revised**

\$39,767.  
3,000.  
3,000.  
5,050.  
\$50,817.

*17<sup>000</sup>*

*No*

*Outline*

Copy for Mrs. Woodward

June 9, 1954

Dear Dr. Calkins:

You may remember that early in the work of this committee there was considerable discussion concerning the papers left by the late E. A. Goldenweiser, then in a Princeton Warehouse. In March I called on Mrs. Goldenweiser and found that the papers were stored with household goods, that she was eager to get them to Washington, but felt short of funds. Because several Committee Members believed these papers to be of great importance, and in the hope of breaking what had come to see an impasse, I suggested that the Committee might pay half the costs of transportation, the total estimate being \$300 and the Committee share \$150.

This small offer had a catalytic effect. The household goods including papers were brought to Chevy Chase where Mrs. Goldenweiser was living with her daughter Mrs. Andrew Kamarck. I explained our interest in the papers to Mr. Kamarck, who proposed to put them in order and send us a list of the collections contents.

The list has just arrived, and with it a suggestion that Mrs. Goldenweiser would now like the promised \$150. This whole matter has been handled on such simple and informal terms that I hesitate to ask for any statement of costs. It would seem to me much more in keeping with the character of this smallest (and perhaps richest) of projects to accept the list as proof of expected performance and send a check for \$150 to Mrs. Goldenweiser. Her address is 7013 Meadow Lane, Chevy Chase, Maryland. I would be grateful if you would also send an accompanying note saying that the check was sent at my request, and in fulfillment of my promise of March 24, 1954.

Very sincerely yours,

Mildred Adams

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

File on Kincaid

June 8, 1954

Dear Dr. Calkins:

I am sending you herewith a carbon of the letter which I am writing today to Dr. E. A. Kincaid and which I discussed with you over the telephone. I am also sending a copy of his letter of June 4th which came in reply to my forwarding of your suggestion that he undertake this project on a part time basis.

The "formalities" which I mentioned to him are the same that I talked over with you. I assume that we should have a model letter to go to grantees signed by an officer of the Committee, and that there should be some form of communication between Brookings and the Committee which signifies that both approve a project. You will certainly have worked out some such forms for Brookings.

I believe that the first month of Dr. Kincaid's project can be paid for out of what remains of our pilot funds and if you approve, I would suggest that this amount (1/3 of \$4,000) go to him before the end of the month so that he can meet the June 7th to July 7th payroll without difficulty. By the end of June we should have had our own budget approved by the Rockefeller Foundation and have money in hand for his July and August costs.

As I told you by phone I will be in Washington Monday afternoon and all day Tuesday of next week. I hope you will be able to save time on Tuesday morning.

Sincerely yours,

Mildred Adams

Enc.

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

Copy for Mr. Woodward -

June 8, 1954

Dear Dr. Kincaid:

Thanks so much for your letter of June 4th explaining your situation in more detail. After discussing the matter with the Secretary, Mr. Donald Woodward, and with Dr. Robert Calkins of Brookings I wired you this afternoon that a grant would be approved for four thousand dollars.

The Committee will make the grant on the assumption that the payment to students outlined in your letter of May 18th and acknowledged in my letter of June 2nd will stand. They accept your corrected estimate that stationery and incidentals will cost only about \$35. They assume that you will arrange your own time so as to make a fee of \$1,500 acceptable for the amount of supervision and part time work you find it possible to do.

On that understanding the Committee are approving the following budget amended for three months work in sorting and classifying the Carter Glass papers:

	Total for 3 months.
One student (Miss Thomas) at [redacted] per month	[redacted]
One student (Mr. Cardwell) at [redacted] per month	[redacted]
One student (Mr. Edel) at [redacted] a week	[redacted]
Total	\$2465
Part time services of Dr. Kincaid	1500
Stationery and incidentals	35
Total	\$4000

This budget is not meant to be inflexible - if you find it wise to use other students than those you named, or to vary their compensation as between them, we would of course rely on your judgement.

We note that you planned to start work on Monday, June 7th, rather than on Tuesday the 15th, and that you are not sure that the project can be completed by the opening of the fall term. At the end of the first two weeks you will certainly be able to tell more about the possible pace of work and how much can be accomplished within a given time. It is of course highly desirable from the Committee's point of view that the entire collection of Glass papers be surveyed within the given period.

As this is one of the first grants to be approved by this Committee there are certain internal formalities to be set up. I will try to see that the first third of this grant is in your hands very shortly. The rest will follow in due course.

We will appreciate further word from you as soon as you have had time to test the pace of your group against the work to be done. Being the first project for the handling of a major collection to get under way, this one will be of value to us as a model of what can be done, as well as for its own intrinsic worth.

Very sincerely yours,

Mildred Adams  
Research Director

Dr. E. A. Kincaid  
Economics Department  
University of Virginia  
Charlottesville, Virginia

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

June 4, 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:

Reference is made to your telephone conversation of June 1 and your letter of June 2. It appears therefrom that the project of classifying and cataloguing the Glass papers is imperiled by the extravagance of the estimated expense submitted by me in my letter of May 18, as set forth by you in your letter of June 2.

I have invited three young persons, graduate students, to work on this job under my supervision. I could have invited only two, and would have done so but for the possibility that one or more of the three might find it necessary to resign before the end. So I do not think I could realize the desired reduction by dismissing one or even two of them. However, one or two indicated a willingness to accept a lower compensation than that named in my letter of May 18, but obviously proposals from me to that effect would come with ill grace at this time, chiefly because the figures set up for them do not appear to be unreasonable and have not been excepted to by your Committee or by you.

As for my own compensation, may I explain that I have not planned merely to supervise but also to work along with the three persons employed in the work of sorting and cataloguing. Frankly, I did not know how to fix a figure for my own compensation, and still do not, and I am sorry because I would not have you or the Committee think me avaricious. If I had taught in the summer quarter this summer as I did in 1953 I would have been paid \$1200. for the first term and could have been paid an additional 16.6 per cent of my basic salary, or \$1328., as compensation for the second term. These considerations do not provide a proper basis for fixing my compensation in this project but there are no others available.

Since it appears that I cannot easily reduce the compensation of my three assistants, there remains only my own compensation as a source of economy. I cannot readily say how much it may be reduced. I would prefer to leave this to you and your Committee, and I am willing to do so for



I have complete confidence in your sense of fairness. In any event, I hope I may have a message from you immediately for I plan to start the work on Monday, June 7th, so that I may not disappoint these young people who are making themselves available at their own expense and are ready to begin work.

There remains but one item to mention. You entered \$135.00 to cover the cost of stationery and supplies. It is not likely that we will need more than \$35.00 for those purposes, though I may be underestimating.

I do not want to commit myself absolutely to the completion of this project by the opening of the fall term. It is impossible to estimate the required time until we have first worked for several days. At that time I can give you a more definite idea. I want to push the project along as rapidly as possible consistent with careful work.

Sincerely yours,

/s/ E. A. Kincaid

E. A. Kincaid  
Associate Director  
School of Business Administration

EAK:lc

From the office of  
D. B. WOODWARD.

June 1, 1954

To Mildred Adams

My preferences are checked  
in red on your memo, which  
is returned herewith.

DW

DW

Couldn't find an  
extra copy in a hurry!

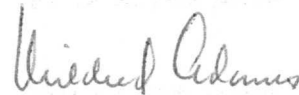
M,

June 3, 1954

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

You will remember that at the meeting on May 11th it was decided that if the Committee's request for funds was granted the scope of this Committee should be enlarged by adding perhaps three members from other fields than banking. History, political science and economics were specifically mentioned. It was also decided that a small executive committee should be named to which one of the new members should be appointed to serve with Mr. Burgess and Mr. Woodward.

The following list of possible additions to the Committee came from various sources. If, within each group, you would check your first choice we may be able to reach a quick consensus of Committee opinion. If you have other preferences please add them to this list so that we may circulate them on a second round.

  
Mildred Adams

#### ECONOMISTS

✓ Cyril James, President of McGill University, Economist and Historian.

Theodore Schultz, Professor of Economics and head of the Economics Department, University of Chicago.

John Lintner, Associate Professor of Finance, Harvard Graduate School of Business Administration.

HISTORIANS

Thomas C. Cochran, Professor of History at the Wharton School of Finance and Commerce, University of Pennsylvania.

✓ Frederick C. Lane, Professor of History at Johns Hopkins.

POLITICAL SCIENTISTS

✓ Stephen K. Bailey, Professor of Public Affairs and New Director of the Graduate program of the Woodrow Wilson School of Public and International Affairs at Princeton University.

Wallace S. Sayre, Professor of Government and Director of the Graduate program in Public Administration at City College, New York.

June 24, 1954

Mr. Lester V. Chandler  
% The Oslo Travel Association  
Oslo, Norway

Dear Professor Chandler:

I am so glad to learn from Mildred Adams and Bob Calkins that you are going to undertake the strong job for the Committee on the History of the Federal Reserve System. I do hope that you are having a most pleasant trip and I look forward to the opportunity to talk with you about the matter when you return. I have been an admirer from a distance and hope that this association will give us the opportunity to become acquainted.

Very truly yours,

DEW:lw

PRINCETON UNIVERSITY

Princeton, N. J.

Department of Economics and  
Social Institutions

June 21, 1954

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

Dear Bob:

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

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

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

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

Sincerely yours,

[signed] Lester V. Chandler

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

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

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

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*

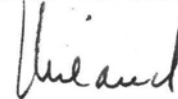
*With cooperation of*  
THE BROOKINGS INSTITUTION  
722 JACKSON PLACE, N. W.  
WASHINGTON 6, D. C.

June 22, 1954

Dear Don:

It is just about a month since the Rockefeller made us the grant and so much has happened that I think a Progress Report probably should go out. I am inclosing a draft on which I would be grateful for your critical eye. It is longer than I like, but I think the information should be sent. If there is anything you would like to omit or change could you let me know Wednesday by telephone. Thanks much.

Best as always,



Mildred Adams

Enc.

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

D.B.W.

JUN 23 1954

*Delete Wilmsburg*

*OK*



D.B.W.

JUN 23 1954

*Noted*

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.

June 22, 1954

Dear Don:

Because the Kincaid and Chandler projects are the first this Committee is approving, and their handling sets up precedents which will inevitably have some effect on future procedures, I have read with special care the letters which Dr. Calkins sent the two professors under date of June 18th. These letters follow earlier correspondence which I had with the two gentlemen, and to a certain extent formalize preliminary understandings with them.

So far as the Kincaid letter goes I have no additional suggestion. It repeats in substance what has already been said, and should have the desired effect of speeding the study of materials most interesting to this Committee.

The Chandler letter is another matter. Its terms are as I have understood them, but its form is, of course, hardly that of a "contract", which is the basis on which we agreed we would handle this matter. I phoned Dr. Calkins this morning to find out whether he was considering this the final form or merely a preliminary. We agreed that his letter of June 18th was to be considered a preliminary reassurance to Dr. Chandler, who sailed for Europe Monday, and that a more formal contract would be framed for signing by the time he got back in September. We would hope by that time to have talked with publishers and to be able to include a more definite understanding as to what the publishing terms would be.

It is my belief that if we are approving the Chandler project on a contract basis, that contract should be signed by a representative of this Committee, by Dr. Calkins as representing Brookings, and by Dr. Chandler as the recipient party to the contract. Dr. Calkins could, of course, sign as representing both this Committee and Brookings, but if he did that, the whole onus of blame would fall on him if anything went wrong; I would think it better practice to have project contracts, or project grants, carry the signatures of separate representatives of the two organizations, as well as of the recipient of Committee funds.

Would you let me know what your reaction to this is? It may sound like a mere legal quibble, but I am, as I said, eager to see that procedural forms are established which will hold against future criticism. I am sending a copy of this to Dr. Calkins.

Best as always,

*Mildred Adams*  
Mildred Adams

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

*Copy for Mr. Woodward*

UNIVERSITY OF VIRGINIA

James Wilson Department of Economics  
University Station  
Charlottesville, Virginia

June 22, 1954.

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

Dear Miss Adams:

Reference is made to your letter of June 17 and also to one of June 18 from Dr. Calkins. Today I received a check made to my order for \$1333.33. The check bears the notation "first payment on contract". This notation disturbs me somewhat because it carries the implication at least of a formal contract in the mind of Dr. Calkins, and probably in yours and in the minds of the committee members.

Before I accept this check I would like to have a statement from you as to the explicit terms of the contract which you have in mind. My own idea is of something more informal, such as has been set forth in our correspondence. It is essential that this be clarified because I am unwilling to obligate myself beyond certain well defined limits. For example, I am not willing to make a contract that I will complete the classification of the Glass papers by any specific date which I can now state. It may well be that you have something more precise in mind. If so, this should be clarified. It may also be implicit in your conception of the "contract" in all probability that I am beholden to the young people whom I have engaged and will be liable to them for the payments agreed upon. In other words, the liability is mine and not yours. It would seem unnecessary that there be a formal and legal contract drawn up, but I think it is essential that there should be a clear understanding of exactly what you feel I am contracting to do before I accept your money.

Sincerely,

/s/ E. A. Kincaid

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

Copy for Mr. Woodward

June 24, 1954.

Dear Dr. Kincaid:

Your letter of June 22nd has just come to my desk, and I hasten to reply in the hope of making it clear that no new strictures have been added. I called Dr. Calkins in Washington as soon as your letter reached me, and read it to him. He is in agreement that nothing new was intended to be conveyed by the use of the word "contract". Perhaps the root of your worry is really a matter of semantics. We could have called this \$4,000 a "grant" (indeed I used that word in my letter of June 8th) but that is the term which the Rockefeller Foundation uses in referring to money handed to us, and we thought it better not to duplicate.

The word "contract" we are using in what seems to be a modern, informal business sense, denoting an agreement between two parties for the performance of work previously discussed and understood. Your letters of May 18th and June 4th tell us what you intend to do, and whom you expect to employ to do it. Our letters of June 17th and June 18th, against a background of earlier conversations and correspondence, set forth our acceptance of your plan. This whole interchange constitutes all there is of "contract". There is nothing more formal or more formidable intended.

You refer to the element of time, and to the responsibility for hiring students. The Committee is, we have said, allotting you \$4,000 for a survey, inventory and study of the Carter Glass papers, particularly those which have to do with the Federal Reserve System. We hope this work can be finished by September, but we are not imposing a deadline. The limiting factor is not so much time as cash. We cannot give any promise that more money will be forth coming when this is exhausted. Hence our suggestion that if the whole job looks too big to be accomplished within this sum, you concentrate your major efforts and those of your staff on Mr. Glass' activity in Federal Reserve matters.

As for responsibility in the hiring of students, we have understood that you are master of the project, and have left you free to hire whomever you chose for work on the project. The sum allotted goes to you, and we assume you will act as paymaster for yourself and your staff. If, when you go to Arizona, you want us to transfer that function of paymaster to another person whom you would name, I think this could be arranged.

I hope this letter will help to clarify matters and to persuade you that you can cash that check with a free conscience.

Most cordially yours,

Mildred Adams

Dr. E. A. Kincaid,  
Associate Director,  
School of Business Administration,  
University of Virginia,  
University Station,  
Charlottesville, Virginia.

June 18, 1954

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

Dear Mr. Scott:

I am happy to tell you that this Committee, the formation of which you encouraged, now has a grant to keep it in business for the next five years. There will be some amount of publication and Miss Adams and I are seeking to clarify what would be the most desirable procedure by the Committee in this matter. I wonder if you could let us have your council sometime at your convenience? Do you suppose you could lunch with us on Thursday, July 1. If this is not agreeable could our secretaries undertake to set up another.

Cordially,

Donald B. Woodward

DBW:lw

The Brookings Institution

Washington 6, D. C.

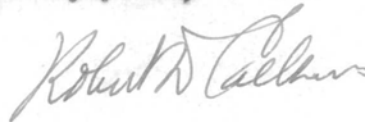
June 18, 1954

SPECIAL DELIVERY

Dear Les:

I am sending you herewith a draft of the proposed agreement regarding our support of the Benjamin Strong volume. I will be glad to have you go over this. I hope you will find these provisions acceptable. If not, I should be glad to have your suggestions for modification.

Sincerely yours,



President

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

enc.

cc: Mr. Sproul  
Mr. Burgess  
Mr. Martin  
Mr. Stewart  
Mr. Woodward ✓  
Miss Adams

# The Brookings Institution

Washington 6, D. C.

July 18, 1954

SPECIAL DELIVERY

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

Dear Les:

Following our telephone conversation I am glad to confirm in writing the agreement between the Brookings Institution, acting jointly with the Committee on the History of the Federal Reserve System, and you for the preparation of a biographical volume on Benjamin Strong - Central Banker substantially as outlined in your memorandum of May 18, 1954.

It is understood that you will undertake to complete this study within the next three years (July 1, 1954 to June 30, 1957) and that you will actually start work on the volume in September of this year.

The Committee is prepared to underwrite expenses as outlined in your memorandum of May 18 up to a total of \$7,000. It also is prepared to pay you as compensation the sum of \$5,000 - \$2,000 in the first year, \$2,000 in the second year, and \$1,000 in the third year. Since you will begin work in September 1954, these payments will fall \$1,500 in the fiscal year 1954-55, \$2,000 in the fiscal year 1955-56, and \$1,500 in the fiscal year 1956-57.

With respect to publication, the Committee and the Institution would like to defer publication arrangements for a few months until they can explore the feasibility of publishing the entire series of proposed studies in a single series by a commercial publisher, a university press, or the Brookings Institution. We do assure you, however, that the Committee will undertake to publish the volume, or allow you to arrange publication on your own responsibility. In the latter event, the Committee will undertake to subsidize publication up to \$5,000, if such a subsidy should be necessary. We hope that the Committee's own publishing plans may be determined by early fall. As soon as those plans are settled this feature of the arrangement with you will be worked out more explicitly.

The Committee makes this contract with you with the understanding that members of the Committee on the History of the Federal Reserve System may have an opportunity to examine the manuscript prepared by you and to make suggestions and criticisms. It is understood that in agreeing to this provision the author is not obliged to accept the suggestions of the Committee. It is recognized that if the study is published as one of a series by the Committee itself, or the Brookings Institution, that a small committee of three scholars, appointed

6/18/54

by the Committee and the Institution after consultation with the author, will have final determination of the acceptability of the manuscript for publication in the series. In suggesting this arrangement we are proposing a procedure very similar to that followed by the Committee for Economic Development.

It is understood that the secretarial and other assistants employed for this study will be engaged by you. The Institution will pay over to you in advance the funds for expenditures so that you may make payments as the circumstances require. Pursuant to this provision the Institution will pay over to you for expenses \$3,000 in the fiscal year 1954-55, \$3,000 in the fiscal year 1955-56, and \$1,000 in the fiscal year 1956-57. These payments for expenses will be made in advance as the work proceeds: \$1,000 on September 1, \$1,000 on January 1, \$1,000 on May 1 each year until the full \$7,000 has been paid.

The Institution will pay you the \$5,000 personal compensation as the work proceeds in installments of \$500 each, on December 1, March 1, June 1, and September 1, beginning on December 1, 1954 and concluding with the payment March 1, 1957.

It is understood that you will send us for each fiscal year ending June 30 a statement of expenditures made under this contract and furnish a report on the progress of the study. It is further understood that any portion of the funds for expenses which remains unexpended on June 30, 1957 will revert to the Institution and the Committee.

We are especially pleased that you can undertake this writing assignment. We look forward to a most worth-while study.

Sincerely yours,

President



# The Brookings Institution

Washington 6, D. C.

cc: Mr. Sproul  
Mr. Burgess  
Mr. Martin  
Mr. Stewart  
Mr. Woodward ✓  
Miss Adams

June 18, 1954

Dr. E. A. Kincaid  
Economics Department  
University of Virginia  
Charlottesville, Virginia

Dear Dr. Kincaid:

This letter is to confirm the arrangement specified in Miss Adams' letter of June 8, in which she indicated that the Committee on the History of the Federal Reserve System, acting jointly with the Brookings Institution, has approved a contractual arrangement with you for sorting and classifying the Carter Glass papers. The budget for this work for the period June 1 - September 15 is as follows:

Student assistants .....	\$2,465
Part-time services of Dr. Kincaid .	1,500
Stationery, incidentals .....	<u>35</u>
Total .....	\$4,000

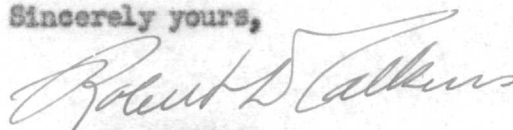
It is understood that this budget is flexible and that these sums may be adjusted if necessary.

In view of the fact that the materials may be too numerous for complete sorting and classification during the period specified, the Committee would wish to have you put your main effort on those materials relevant to the history of the Federal Reserve System in so far as they can be identified. If the entire collection can be surveyed in this period we would, of course, be very pleased.

In order to simplify the procedure for handling these funds, the Institution will send you a check for \$1,333.33 immediately, and similar checks on the 15th of July and the 15th of August for the expenditures incurred in this work. It is understood that following September 15, you will render an account to us of the expenditures made by that date. Any unused portion of the \$4,000 will at that time revert to the Brookings Institution acting for the Committee.

We are especially pleased that you can undertake the direction of this work and that you will have available assistance for classifying these important papers.

Sincerely yours,

  
President

# The Brookings Institution

Washington 6, D. C.

June 15, 1954

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

Dear Miss Rhind:

Your letter of May 24 notifying us of the grant to the Brookings Institution for the study of the History of the Federal Reserve System, to be administered jointly by the Institution and the Committee on the History of the Federal Reserve System, indicated that payment would be made on a semi-annual basis upon the receipt at the beginning of each year of a budget for the project.

In consultation with the representatives of the Committee the following budget has been approved for the year 1954-55:

## ESTIMATED BUDGET July 1, 1954 to June 30, 1955

### Annual Budget as Estimated for 1954-55

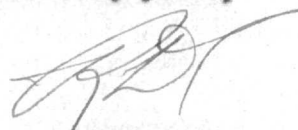
Annual Salaries, office costs and Research	
Contracts .....	\$ 32,325
Travel Costs .....	3,000
Brookings Expenses and Overhead .....	3,000
Contingencies and other expenses (including future research contracts) .....	15,000
	<hr/>
	\$ 53,325

6/15/54

This budget has been calculated to provide for commitments that have already been made, and to provide for others likely to be made in the immediate future. It is also designed to provide for research personnel and other expenses which are now in the process of being planned for the coming year. In the event the full sum indicated in this budget is not utilized during the year, we would expect to carry the balance over to 1955-56 and apply it toward the budget of that year. A tentative breakdown of this budget appears on the attached sheet. These figures are purely tentative and are subject to revision as we plan our work during these early stages of the project.

In accordance with the plan of payment, we will appreciate your sending at this time a check for \$26,662.50, representing half of the budget for the year. We will be glad to have a check for the balance of the estimated budget on January 1, 1955.

Sincerely yours,



President

enc.

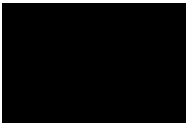
cc: Miss Adams  
Mr. Woodward ✓  
Mr. Akers  
Miss Maroney  
Mrs. Wilson

June 15, 1954

ESTIMATED BUDGET  
July 1, 1954 to June 30, 1955

ANNUAL SALARIES:

Executive Director (Adams) .....  
Research Assistant (1/2 times - McKinstry) .....  
Secretarial and typing aid .....



\$ 21,388

OFFICE COSTS:

Supplies ..... 600  
Telephone ..... 400  
Equipment - cost and rental ..... 1,000

2,000

TRAVEL COSTS .....  
BOOKINGS EXPENSES & OVERHEAD CHARGES .....

3,000  
3,000

PROJECT COSTS - AGREED OR IN NEGOTIATION:

Kincaid: Carter Glass Papers Study (Total \$4,000 -  
June costs met from pilot funds) ..... 2,667  
Chandler: Ben Strong study (Total \$17,000 - 3 year  
contract starts Sept. 1st) ..... 4,450  
Burnett: bibliographic and archival master file on  
regional banks material (1/2 time for 6 months) ..... 1,820

8,937

\$ 38,325

CONTINGENCIES & OTHER EXPENSES (including future project aids) .....  
TOTAL .....

15,000  
\$ 53,325

# The Brookings Institution

Washington 6, D. C.

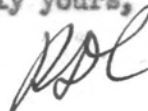
June 14, 1954

Mrs. E. A. Goldenweiser  
c/o Mrs. Andrew Kamarck  
7013 Meadow Lane  
Chevy Chase, Maryland

Dear Mrs. Goldenweiser:

At the request of Miss Mildred Adams, I am glad to send you herewith a check for \$150.00 toward the cost of moving the papers of Mr. Goldenweiser from Princeton to Washington. This payment is in fulfillment of Miss Adams' promise of March 24, 1954. It is made in order that the papers may be examined, put in order, and made available to the Committee on the History of the Federal Reserve System.

Sincerely yours,



President

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

June 8, 1954

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

Dear Randolph:

Following the conversation which they had some time ago, Carl Parry wrote to Miss Adams a memo expressing several ideas in his mind. The second paragraph contains an idea which I thought you might like to see and I have taken the liberty of having a copy made and am sending it to you herewith. I am not sending it nor raising the question it raises with anyone else because I feel this is a question particularly involving your good self as the individual who will have chief responsibility.

I look forward to seeing you for breakfast Friday morning at your hotel.

With regards.

Cordially,

Donald B. Woodward

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.

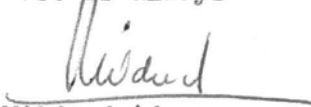
June 3, 1954

Dear Don:

I find your letter of June 1st as startling as I found paragraph two in Parry's memorandum. It has never occurred to me that any history I might think of writing could possibly have the authority which we desire to impart to this book, and I am afraid that you and Mr. Parry both need saving from your own generous enthusiasm. At an early age a publisher explained to me just exactly what it was that the academic world demanded of authors whose books they approved; lacking at least two degrees, my head has been kept out of that tent ever since.

However, I can see a certain usefulness (shock value?) in putting so revolutionary an idea up to Mr. Burgess and I do think there are plenty of other details in the memorandum which make it eminently worth reading. As I think I told you, Parry sent it to me in response to my request that he keep the project in mind and forward any ideas he had about it. In these circumstances I see no reason why Mr. Burgess shouldn't see it, as long as it comes from you and on your initiative, and with the understanding that this was not sent me with any idea that it should be, or would be, circulated. It comes under the head of "confidential" memos.

Best as always

  
Mildred Adams

Enclosure

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

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.

June 4, 1954

Dear Don:

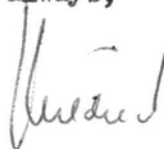
Herewith a try at a revised budget and a memorandum explaining it. I am uncertain as to whether you want this signed by me or whether you want to present it to Burgess and Calkins, so I have left merely a line for signature. If you will let us know any changes you want made, I will have it ready for that Friday morning meeting. On the other hand, if you want it to go out earlier, we could probably send it in time so that Calkins and Burgess could have it before Friday.

My summer schedule starts Monday, June 7th, which means that I do not expect to be in the office Monday or Friday. I can be reached at Westport at Capital 7-5455.

I am also sending "minutes" of the meeting with Dr. Calkins on Wednesday, June 2nd--this merely for the record.

Best,

As always,



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

encs. (3)



DRAFT OF MEMORANDUM FOR MR. WOODWARD

June 4, 1954.

Messrs. W. Randolph Burgess  
Robert D. Calkins  
Donald B. Woodward

The Rockefeller Foundation asks of us an annual budget as a basis for forwarding the funds granted. Our proposal asked \$54,500 annually for the first two years, but the budget was admittedly rough. Any budget made now must still be rough, but we can at least do somewhat better than in April.

The budget which follows is based partly on assumptions and to a small degree on experience. Figures of costs under the pilot project are available for the first three months only, and give only a rough guide to office expenses. Clerical salaries allotted are based on scales used by the New York Bank. As for staff salaries, it is assumed that an assistant to Miss Adams will probably not be at work until September first. The salary base (██████ a year) is that which was discussed earlier, but depending on the caliber of the person secured it may have to be revised.

Of the projects allowed for, the first two have been discussed. The budget assumes that the Kincaid-Glass project will cost \$4,000 (this figure is being negotiated), will take three months from June 15 to September 15, and that the first month's cost will come out of pilot project funds. The Chandler project is assumed to cost \$15,000 in all, and to start September first. It will take about two years.

The other two projects have been mentioned, but have not reached the point where Committee decision has been asked. Nevertheless there has been enough agreement on their desirability so that it seems wise to

include them in budget estimates. The Parry project is the half-completed monograph on Selective Credit Controls -- there are indications that the provision of stenographic help would speed this. As for Miss Marguerite Burnett, who retires this summer as librarian of the New York Federal Reserve Bank, we would like her to work part time on a master bibliography of archival material in the twelve regional banks. Mr. Sproul is interested in the idea, and discussions to that end are under way. The figure assigned for her is based on her present salary.

The total as revised is roughly \$4,000 below the original estimate, on the assumption that requests for funds will be heavier in the second year than in the first and that then we may be asking for more than the \$54,000 allowed in the proposal. This point should, of course, be made clear when the budget is submitted to the Foundation.

---

REVISED BUDGET  
July 1, 1954 to June 30, 1955

ANNUAL SALARIES:

Research director (Adams) .....		
Assistant director ("understudy") from September 1 @ [REDACTED] .....		
Research assistant-- $\frac{1}{2}$ time (McKinstry) .....		
Administrative secretary .....		
Stenographer-typist .....		
		\$28,280.

OFFICE COSTS:

Supplies .....	600.	
Telephone .....	250.	
Equipment rental .....	<u>1,200.</u>	
		2,050.

TRAVEL COSTS .....		3,000.
BROOKINGS HANDLING CHARGES .....		3,000.

PROJECT COSTS IN NEGOTIATION:

Kincaid: Carter Glass Papers (June costs excluded)	2,667.	
Chandler: Total = \$15,000 (Starts September 1) ..	6,000.	
Parry monograph (Estimate on stenographic aid) .....	1,000.	
Burnett: $\frac{1}{2}$ salary for 6 months (Regional bank bibliography) .....	<u>1,820.</u>	
		11,487.

OTHER EXPENSES (including other project aids) .....		3,000
TOTAL .....		<u>\$50,817.</u>

S U M M A R Y

Budget as proposed (page 21 of Proposal)

	<u>As proposed</u>	<u>As revised</u>
Annual Salaries and Research Contracts ....	\$46,000.	\$39,767.
Travel Costs .....	3,000.	3,000.
Brookings Handling .....	3,000.	3,000.
Other Expenses .....	<u>2,500.</u>	<u>5,050.</u>
	\$54,500.	\$50,817.

June 4, 1954

Messrs: Robert D. Calkins  
Donald B. Woodward ✓

### MINUTES

An informal conference was held at the University Club late Wednesday afternoon, June 2nd, with Mr. Donald Woodward, Secretary of this Committee, Dr. Robert Calkins of the Brookings Institution, Miss Mildred Adams, research director. Purpose, to discuss details of operation under the new grant.

Agenda items, and decisions reached were as follows:

#### Memo on enlarging the Committee

Some dozen or more suggested names were discussed, and agreement reached on a list to be circulated for Committee decision, with two or three choices presented respectively for economists, historians and political scientists. (See relevant memo dated June 3rd).

#### Projects in hand

The Kincaid project, asking \$5,000 to sort and inventory the Carter Glass papers, is in process of negotiation in an attempt to cut down the total sum asked.

The Chandler project, asking \$17,000 for a study of "Benjamin Strong - Central Banker" has been circulated. Dr. Calkins' comment is the only detailed one yet received; he made the following points:

The Committee needs to know more about how comprehensive the Chandler study expects to be, how definite, and how complete. The budget presented is about right in total (though \$15,000 would be a better figure) but its details could be improved. \$10,000 is too much to allow for publication costs; print costs on 3,000 copies would not exceed \$7,000; or a subsidy, if publication is on this basis, of \$2,500 to \$3,000 would be ample; it is probably a mistake to pay Mr. Chandler nothing as he suggests, for such a policy usually results in the postponement of work; if the budget is rearranged a sum for compensation can be allowed within the \$15,000 total. Dr. Calkins feels that this Chandler study, being the first handled, should be treated as a model for future procedures. (As Mr. Chandler is due to sail June 20th it may be necessary to reassure him as to the Committee's interest and to work out details later.) A copy of Mr. Chandler's request has been circulated, but for adequate action the Committee will probably have to set up a sub-committee to develop skills in judging requests and to make recommendations to the full committee.

The Parry study of Selective Credit Controls was discussed with interest. Miss Adams was empowered to explore the possibility that the completion of this study could be hastened by the providing of secretarial help.

#### Office details

Billing practise. Dr. Calkins asked for a small change in current procedure: Brookings would like the Bank's monthly account of rent, telephone charges, travel costs, etc. sent to this Committee, OK'ed here, and forwarded to Brookings for payment. At present it is sent direct. A request for this change is being made immediately.

Budget. The Rockefeller Foundation's letter announcing the grant states, "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 projects. We shall appreciate receiving also annual statements of receipts and expenditures". The demands of such a budget, as to form and possible control of items, remain to be explored. It was suggested that Miss Adams frame a draft budget beginning July 1, 1954 and running for the first year; this to be circulated to Mr. Burgess, Mr. Woodward and Dr. Calkins.

#### Archives

The question of accepting and arranging for the deposit of collections of papers is one which will arise, and should be faced in advance. Dr. Calkins suggested concentrating on the Library of Congress and the New York Historical Society as sites of final deposit. He also suggested conferring with Dr. Shepard Clough of Columbia University on this subject.

#### Summer Plans

The research director hopes during the summer to do certain basic reading impossible in the hurried period of the pilot project, and to complete the visits to regional banks. With the exception of travel periods she plans to spend two days a week reading in her own library and three days (Tuesday, Wednesday and Thursday) working in the New York office.

Shifts in office staff are planned as follows: Miss McKinstry who has been acting as secretary and research assistant on a part-time basis will continue as research assistant. One of the two typists now working on various materials will be replaced by a full-time secretary able to take over certain administrative details in Miss Adams' absence. Staff vacations are still to be arranged.

  
Mildred Adams

Copy for Mr. Donald Woodward

June 4, 1954

Dear Professor Chandler:

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

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

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

Very sincerely yours,



Mildred Adams

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



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

OFFICE OF THE CHAIRMAN

June 3, 1954.

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

Dear Don:

I have been away and have just seen your letter of May 26. It is an awfully good letter and it does state the way we feel about it. We are enthusiastic about the project but did have the reservations which you have handled. Thank you very much for writing as you did.

Bill and I have reviewed the Chandler and Kincaid projects and agree that they should go forward.

As ever,

A handwritten signature in dark ink, appearing to read "W. Riefler".

Winfield W. Riefler,  
Assistant to the Chairman.



TREASURY DEPARTMENT

WASHINGTON

June 2, 1954

Dear Don:

Thanks for yours of May 26th. I have talked with Bill Martin about Ralph Young and I doubt very much if he would be available, so I think it would be a good idea to get out a note to the members of the Committee to see who they can turn up.

I have also reviewed the requests from Chandler and Kincaid, and I think they are both desirable.

I do not think it is valuable to have Kincaid add additional people for his project.

One question about Chandler's proposal is with respect to the cost of publication, which ought not to be anything like \$10,000.00. If the book is well done, it ought to have commercial publication. Also, I think it might be wise for Chandler to tell us his plans in a little more detail.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. Randolph Burgess".

W. Randolph Burgess

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



May 26, 1954

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

Dear Randy:

Mr. Sproul has given the matter further thought and has concluded against Harold Roelse on the concern that this would make the matter too heavily weighted by the New York Reserve Bank. He has some reservations about Ralph Young on the ground of affiliation with one part of the Reserve System.

He suggests that I get out a note to all members of the Committee telling them of the unavailability of George Roberts and asking them for suggestions.

Could you let me know if this is agreeable to you - as I see it, such action would not prejudice consideration of Ralph Young in any event.

Cordially,

Donald B. Woodward

DBW/bam

June 1, 1954

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

Dear Mildred:

I return the memo from Carl Parry. It is very stimulating.

He gives form admirably to the idea about you that has always refused to leave my mind despite your answer to my repeated questions that you would prefer something else.

I rather feel that it would be desirable for Burgess to see this entire memo. I do not however know what basis you had developed with Parry. If it is suitable, and agreeable to you, I would suggest that you have a copy made and send it to me so that I may send it on to Burgess. I only propose this circuitous route in recognition of your modesty.

Cordially,

DBW:lw  
Enclosure

*Federal Reserve History Committee*

May 28, 1954

Dear Mr. Lichtenstein:

Ever since we heard that your papers had been given to Harvard University we have been anticipating the moment when it might be possible to get an inventory of their contents. Professor Arthur Cole has given us a glimpse of the correspondence, and we understand that the diaries are in the Houghton Library, or are to be placed there.

All this material, representing as it does close contact with the System over many years, is of vital importance to the work of this Committee. We are eager to know as much as we can about it, and we look forward to the time when students will be able to use its riches.

It was therefore with some concern that I recently listened in Boston to a report that you intended to put a seal on the diaries for a long period of years. When I reported this to Mr. Donald Woodward he showed immediate alarm. He would be writing you himself, but for the circumstance that he is leaving town on a business trip. He asks me to write immediately in his place, and to urge you most strongly to withhold any such action as is rumoured until he has a chance to talk with you about the work of this Committee.

The rumour may, of course, be false. If it is, I hope you will accept this letter as reflecting our vivid interest in the records which are of your authorship.

Very sincerely yours,

Mildred Adams  
Research Director

Mr. Walter Lichtenstein  
First National Bank Building  
38 South Dearborn Street  
Chicago, Illinois

May 26, 1954

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

Dear Win:

I was extremely sorry to realize from our telephone conversation recently the extent of your feeling that - to use the vernacular - you had been getting something of a run-around. Upon reflection on the matter I can see how the view arose. My preoccupation had been to get an application to the Rockefeller Foundation in order to maximize the chances of getting the grant of funds with which to proceed; it seemed to me that there would never be a better chance and the passage of time will seriously erode the availability of materials. I had felt that any problem which could be deferred should be; and I felt the greatest confidence that this group of reasonable, interested, and informed people would be capable of finding an appropriate resolution when a deferred problem had finally to be faced. I do really continue to feel that confidence.

In the conversation you made two specific points on which I thought we arrived at an agreement. Perhaps it would be wise to state them, thus to discover if there is agreement, and if so perhaps to send them to the Committee in writing to ascertain if there is unanimity on the point. This might itself and at this time resolve the problem.

1. On the matter of the cut-off date, there are two different parts to the project and hence to the problem.

One part has to do with the collection of materials and memories, the development of indexes and in short everything other than writing evaluations and interpretations and accounts of the period which is more recent. This would not involve anyone reading extremely confidential materials but it would be concerned with their identification and the certainty of their conservation. On this whole phase of activity I understand that you do not feel any cut-off date is necessary. Indeed I understand that you agree it is desirable to do all that is possible to identify and collect relevant materials dealing with the entire history of the System.

As to the other part, the preparation or the publication of a manuscript dealing with events after 1933 or 1935, we both feel at this moment that objectivity would not be attainable by any writer and we agree that responsible officials who have participated in the events must be very careful as

to their participation in the discussion of those events and may indeed be unable to do so at all. Consequently it is desirable at this time to put all of the emphasis upon the collection of materials for the entire life of the System and the preparation of copy for the earlier period. While these tasks are under way a decision can be reached as to how to treat the later period; this decision can be discussed in the light of the perspective then existing. But we cannot doubt that there will be a considerable desire to encompass as much of the whole life of the System in this study as can reasonably be done.

When this discussion is reached, there are a number of protective possibilities which can be considered. One is that official materials of the more recent years be held inaccessible for people working with the project. Another is the retirement from the Committee of all official persons when the stage is reached that any writing about the later period is to be done. Another is a clear-cut decision that for this more recent period the Committee wishes to stimulate the best possible scholarship but will exercise no role beyond the selection of the person or the persons and will leave to the Brookings Institution or other designated agency to decide whether any resulting manuscript adequately fulfills standards of scholarship as to be published. I am sure there are other possibilities.

2. Your other concern was whether there is sufficient protection against possible future erosion of attention or interest on the part of the Committee. We agreed that this point might be adequately covered by the statement of the proposed relationship between the Committee and Brookings and you now have received the draft of such statement prepared jointly by Dr. Calkins and Dr. Burgess and agreed to by the Board of Trustees of Brookings. I hope that you may feel that this statement and especially the last paragraph adequately provides for this risk.

Let me repeat again with the very strongest possible force that I feel the interested and complete participation of the Board of Governors in this project is essential for its success. For myself I want no part in the project unless the Board is satisfied and interested. I would prefer to start at once to try to liquidate the Committee and turn back its present resources. I told you on the telephone that unless you were really satisfied I should rather withdraw the application from the Rockefeller Foundation even at that late date. I have, as I think you know, no personal interest of any kind in this project other than to see a really good job on an institution I believe to be of the utmost importance; and I am sure that that would be impossible without the satisfied participation of you and the Board at every point.

With warmest regards.

Cordially,

Donald B. Woodward