

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

May 27, 1955

Dear Don:

Your letter of May 26 is sweet music to my ears, both because I value your opinion and because such opinions are so rarely expressed.

Sincerely,



Allan Sproul

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

Similar letter to Dr. Willits

Copies sent to Dr. Burgess

Mr. Calkins

Mr. Martin

Mr. Woodward ✓

Miss Adams

May 27, 1955

Dr. Cyril James,  
1200 Pine Avenue,  
Montreal 2, Canada.

Dear Cyril:

At a meeting of the Committee on the History of the Federal Reserve System earlier this week (which unfortunately you were unable to attend) we decided to abandon immediate search for "the historian", and to develop a program looking toward the preparation of a series of studies or monographs which could be collateral to a history and which might lead to the discovery of "the historian". At the meeting we also received word from Don Woodward that he could not accept the full time job of executive editor, to develop and administer such a program, which we had pressed upon him.

The only alternative method of getting our project off the ground seemed to us to be the appointment of a committee of our members who would set up the framework of the monograph approach and look to its development. It was decided that Bob Calkins and Don Woodward should be members of this committee, for obvious reasons, and it was the unanimous opinion of the committee that Walter Stewart should be the third member. I have since talked with Walter Stewart, who was not at the meeting, and he has said that he would be glad to serve on the committee.

We hope that this procedure will recommend itself to you.

Yours sincerely,

ALLAN SPROUL

Allan Sproul,  
Chairman.

AS:em

May 26, 1955

Dear Allan:

At every session of the history group I've had, I have been filled with admiration at your skill in conducting the meeting. It is a pleasure to see such mastery.

I don't know why I shouldn't tell you so.

Sincerely,

DBW:LM

Mr. Allan Sproul, President,  
The Federal Reserve Bank of New York,  
33 Liberty Street,  
New York, New York.

**The Brookings Institution**

Washington 6, D. C.

May 26, 1955

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

**Dear Miss Adams:**

I should like to advise you formally of your reappointment as Executive Director of the studies on the History of the Federal Reserve System for the period July 1, 1955 to June 30, 1956, at an annual salary of [REDACTED]. This is a Special Non-resident Appointment.

Sincerely yours,

**ROBERT D. CALKINS**

**President**

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

**The Brookings Institution**

Washington 6, D. C.

May 26, 1955

Miss Irma Burstein  
Committee on the History of  
The Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Burstein:

This letter is to advise you of your reappointment as Secretary-Stenographer for the period July 1, 1955 to June 30, 1956 for work in connection with the History of the Federal Reserve System. Your salary for this period will be at the rate of [REDACTED]. This is a Special Non-resident Appointment.

Sincerely yours,

**ROBERT D. CALKINS**

President

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

**The Brookings Institution**

Washington 6, D. C.

May 26, 1955

Mrs. Ellen C. Singer  
Committee on the History of  
The Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Mrs. Singer:

This letter is to advise you of your reappointment as Executive Secretary and Research Assistant for the period July 1, 1955 to June 30, 1956, at an annual rate of [REDACTED]. This is a Special Non-resident Appointment for work in connection with the History of the Federal Reserve System.

Sincerely yours,

**ROBERT D. CALKINS**

President

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

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

May 12, 1955

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

Winfield W. Riefler

Karl Bopp  
Lester Chandler  
Elmer Wood

When the typed version of the Princeton conference of January 29th was distributed, Committee members and consultants were asked to make corrections in any parts of the script attributed to them which they found erroneous. Those corrections have been collated, and the enclosed transcript should be substituted for the earlier one.



Mildred Adams

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Memorandum for Executive Committee Meeting May 4, 1955

Since January 29th this Committee has been waiting hopefully for word from Dr. Cyril James that he would accept the proffered post of historian. Now that he has said he cannot do it, the Committee is facing the need for charting the next course.

That need is sharpened by the calendar - a report of work done during the first full year of operation under the five-year grant and a plan for 1955-56 should be prepared for the Rockefeller Foundation this month, a budget for 1955-56 was requested by the Brookings treasurer for April 30th and is wanted as soon as decisions are made.

Two possible courses of action were set forth in Mr. Sproul's letter calling this meeting; a variant of the second has been suggested in conversation by Dr. Stewart.

I. The first is to resume the search for an historian. It will be remembered that the Committee had before it at the Princeton meeting a list of nine names, rated in order of expressed preference. That list is appended, with changes which have taken place since the Committee last saw it. (Two names - Ellis and Fetter - were eliminated by common consent at Princeton. Dr. Saulnier has gone onto the Council of Economic Advisers. Dr. E. A. J. Johnson is now, or soon will be, at the University of Maryland.)

The obvious difficulties here are of time and the man. The appended list represents the result of a long process of sifting names and weighing them, yet no name on this list evoked visible enthusiasm at Princeton. If one of these six names remaining were chosen, and accepted, there might still be a question whether the candidate could free himself from academic commitments in time to start work before January 1956.

II. The second possible course is to recommend "an alternative approach, selecting a number of men who, for a shorter period, could be enlisted to work on various aspects of the history of the Federal Reserve System or on appropriate chronological sections of the history."

In practice, this second approach has characteristics in common with the first moves the Committee made, including the early commissioning of the Chandler-Strong book which is going so well. If this were adopted as the chosen course of action, the Committee might want to make its direction more formal in one of two ways:

(a) by seeking a creative and experienced editor, learned in this field, whose task it would be to recommend the aspects or sections of the history and the men to write them, to see that the work was done with due regard for the Committee's high standards,



that the allotted schedules were met, the books put through the press. (Suggestions made include Edgar A. J. Johnson, whose career includes editorial supervision of an economic series for Prentice-Hall, and William Heaton of the University of Minnesota. It might also be worthwhile to look into the availability of Dr. Walter Stewart and Dr. John Williams for this lighter task.)

(b) by appointing a sub-Committee to undertake the editorial end, relying on work done and suggestions already made to start things off, using the executive director as an operating hand in the beginning. This variant could be framed as a temporary measure, with the understanding that the ideal editor would be sought and installed by the end of 1955.

The second approach (Plan IIb) has this advantage: it can be undertaken with little more effort than the continuation of a manner of work already familiar, for a body of monograph suggestions has been collected on which decisions could be made and work started in a comparatively short time. (An illustrative list of suggestions already made is appended.) The obvious disadvantage is that it is not the way in which the Committee said it was going to proceed; approval of the Rockefeller Foundation for the change might therefore be deemed essential before the budget for 1955-56 was certain.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Illustrative List of Suggested Monographs

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

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

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

Lester Chandler says there should be a volume on the 1929 Stock Market and the Federal Reserve, possibly including the years through the Banking Holiday.

Bray Hammond has at various times wanted to write a monograph on check collection and clearance, and one on reserve requirements.

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

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

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

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

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

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

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

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

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

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

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

International Monetary Cooperation of the Nineteen Twenties

The Crisis of 1929 to 1933 and the Recovery

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

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

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

AGENDA

Executive Committee Meeting, New York, May 4, 1955

Minutes

- ✓ Of the previous Executive Committee meeting February 21, 1955 (these Minutes were distributed March 14, 1955 - the Secretary has a copy)

Reports on

Old Business

- ✓ Columbia as a possible repository for collected papers
- ✓ Letter sent out to the retired
- ✓ Princeton transcript - corrected copy will be sent out shortly
- ✓ Progress of Chandler-Strong study
- ✓ Chandler-Stewart interviews
- ✓ Supplementary Statement on Administrative Procedures, with Particular Reference to the Authorization of Administrative Expenditures from Committee Funds. (This statement is appended. It has been approved by Dr. Calkins for Brookings and Mr. Woodward for this Committee, and is herewith reported to the Executive Committee.)

New Business

- ✓ Receipt of one box of Paul Warburg's papers from Mr. George Harrison
- ✓ Financial Report July 1, 1954 - March 31, 1955, with forecast through June 31, 1955

Policy Questions

- ✓ Reply of Dr. James to Committee's invitation
- Next course of action (memorandum including lists distributed 5/2/55)
- I Resume search for historian?
- II Change direction and commission several men to do several parts of the history
- (a) through an editor to be sought?
- (b) through an editorial sub-Committee to be appointed?

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Proposed Supplementary Statement on Administrative Procedures,  
with Particular Reference to the Authorization of  
Administrative Expenditures from Committee Funds.

Following paragraph 3 of the agreement on the "Relation between the Committee on the History of the Federal Reserve System and the Brookings Institution," it is understood that that member of the Executive Committee who is empowered to act for the Committee shall have the power and the duty to authorize the payment of Committee funds for administrative purposes or to delegate such power as he sees fit. In accordance with that understanding, the power to authorize expenditures for ordinary office and travel expenses coming within the budget is hereby delegated to the Committee's Executive Director. Any extraordinary expenditures not previously authorized by the Executive Committee shall be submitted to the said member for his authorization before being incurred.

	<u>Budget 1954-55</u>	<u>Spent through 3/31/55</u>	<u>Estimated Expenditures through 6/30/55</u>
Salaries	\$21,388.00	\$14,826.45	\$20,262.06
Expenses	5,000.00	4,160.84	5,140.84
Brookings	3,000.00	2,250.00	3,000.00
Kincaid-Glass	2,667.00	2,800.78	2,800.78
Chandler-Strong	4,450.00	2,000.00	4,450.00
Burnett-Archives	1,820.00	1,701.68	2,460.02
Contingency	15,000.00		
Conferences		1,947.17	1,997.17
Overrun 1/1/54-6/30/54		2,038.64	2,038.64
	<hr/>	<hr/>	<hr/>
	\$53,325.00	\$31,725.56	\$42,149.51

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

May 3, 1955

Dear Mr. Sproul:

The agenda for the Executive Committee meeting on Wednesday, May 4th, with supporting memoranda on certain items, is enclosed.

You may want information on certain other items. For instance, on the matter of Columbia as a possible repository for collected papers, you may remember that I went up to see them on March 22nd, and on March 23rd wrote you a letter reporting on that interview. Miss Regan is enclosing that letter with this material. I had expected further action from them before this, but have heard nothing more.

The letter to the retired brought us a sad number of returns because of death. Of 70 letters sent, 18 were answered with interest and enthusiasm, 1 brought word that the writer (Henry S. McKee) had no papers nor recollections; 2 recipients were away, 10 were deceased, 5 had moved without leaving addresses. We expect to send to a second list soon.

Work on the Chandler-Strong book is active and, judging by Dr. Chandler's enthusiasm, going well. Dr. Stewart has given Dr. Chandler two long interviews; a third is scheduled for this week. I am still hoping he will feel able to undertake the larger conversations for which \$500 was appropriated but not spent.

The Supplementary Statement on Administrative Procedures is merely a working statement meant to make sure that this office and the Brookings treasurer have the same understanding about who authorizes what expenditures. Having been approved by Dr. Calkins and Mr. Woodward, it is being reported to the Executive Committee more as information than because any action seems needed. However, this may be my ignorance, and you may prefer to ask the Committee's approval.

The Paul Warburg papers mentioned in the agenda were given Mr. Harrison in 1938 by James Warburg when disposing of his father's papers. They had not been opened until mid-April 1955 when, having had word from Mr. Harrison's secretary of the existence of these bundles, I went up to see them. They include at least one very interesting document - a History of the Bankers' Acceptances' Regulation, put together by Warburg in October 1915 with due attention to divergent opinions in the Board.

I think this, with the pertinent memoranda, covers the various items.

Faithfully yours,

Mildred Adams

Mr. Allan Sproul  
33 Liberty Street  
New York 45, N. Y.

c.c. - Mr. Donald Woodward ✓

Enc.



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

ROBERT D. CALKINS

F. CYRIL JAMES

WILLIAM McC. MARTIN, JR.

WALTER W. STEWART

JOSEPH H. WILLITS

DONALD B. WOODWARD, *Secretary*

MILDRED ADAMS, *Executive Director*

*With cooperation of*

THE BROOKINGS INSTITUTION

722 JACKSON PLACE, N. W.

WASHINGTON 6, D. C.

April 29, 1955

Dear Don:

I still have in my "unfinished" file the Publishers' Report which should have been sent you in draft form before I went west and actually reached you, I believe, after I got back.

If you have had a chance to look at it, I would like to have it back so that I can finish up that bit of delayed investigation. Nothing in it is vital at this moment, but we probably ought to do something about sending it out.

This three months awaiting for the non-existent historian has meant the cessation not only of meetings, but also of Progress Reports. I am hoping to have one ready for the meeting of the 24th which will tie up all the numerous odds and ends which have been left hanging and will make it clear (you see my state of frustration in this phrase) that a great deal of work has been going on since the Princeton meeting at the end of January. If you have any objection to this plan, do let me know. I seem to be full of reports, partial reports, projected reports, and so forth, but it is probably the time of the year. *(Rather like suppliment & worklasses)*

Best as always,



Mildred Adams

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

MATERIAL ON

POSSIBLE ECONOMIST HISTORIANS

in order of rating accorded them by composite choice

- CHANDLER, Lester V. - (b. 1905); Professor of Economics, Princeton; Author: "Economics of Money and Banking" (1948, 2nd ed. 1953); "Inflation in the United States, 1940 - 1948" (1951).
- LINTNER, John Virgil, Jr. - Associate Professor of Finance, Graduate School of Business Administration, Harvard University; Author: "Mutual Savings Banks in the Savings and Mortgage Market"; "The Effect of Federal Taxes on Growing Enterprises" (with J. K. Butters, 1945); "Effects of Taxation on Corporate Mergers." Interest - public finance and fiscal policy.
- \*\***SAULNIER, Raymond J. - (b. 1908); Professor of Economics, Columbia; Special Adviser to the Board of Governors, Federal Reserve Board, since 1950; Author: "Costs and Returns of Farm Mortgage" (1949); "Urban Mortgage Lending by Life Insurance Companies" (1950).
- McCRACKEN, Paul Winston - (b. 1915); Professor, School of Business Administration, University of Michigan; Director of Research, Federal Reserve Bank of Minneapolis, 1945-48; Author: "The Public Debt and Economic Stability," Yale Review (summer 1951); "The Status of Monetary and Fiscal Policies," Journal of Finance (March 1950).
- \***ELLIS, Howard Sylvester - (b. 1898); Professor of Economics, University of California; Assistant Director of Division of Research and Statistics, Federal Reserve Board, 1945-46; Author: "Exchange Control in Central Europe" (1941); Editor: "A Survey of Contemporary Economics, I" (1948); "The Economics of Freedom" (1950).
- HAMILTON, Earl J. - (b. 1899); Professor of Economics, University of Chicago; Author: "War and Prices in Spain, 1651-1800" (1947); "The First Fifty Years of the Bank of Spain" (1953). Editor: Journal of Political Economy, since 1948.
- JACOBY, Neil - (b. 1909); Dean, School of Business Administration, University of California; Author: "Business Finance and Banking" (with R. J. Saulnier, 1946).
- JOHNSON, Edgar Augustus Jerome - (b. 1900); Deputy Chief, FOA Mission to Yugoslavia until recently; soon to be at University of Maryland; Author: "Origin and Development of the American Economy" (with Herman Kroos, 1953). Editor: Journal of Economic History, 1940-43.
- \***FETTER, Frank Whitson - (b. 1899); Professor of Economics, Northwestern University; Editorial writer, St. Louis Post-Dispatch, 1930-34; Author: "Fiscal Policies and the American Economy" (with others, 1951).

\* Eliminated at Princeton Conference in January

\*\* Now member of Council of Economic Advisers

Copy for  
Mr. Woodward

April 27, 1955

Dear Mr. Sproul:

The net result of canvassing by telephone is that we have set up an executive committee meeting for Wednesday, May 4th, at 3 p.m. in your office. Those attending will be Mr. Galkins, Mr. Woodward and Dr. Willits, with Mr. Burgess hopeful but not sure.

Mr. Riefler is very sorry that he has engagements which make it impossible for him to come to New York that day.

Dr. Stewart deeply regrets his inability to come. He says May is planned to the limit of his strength and he dares add no meeting in New York.

As for the 24th, and your generous offer to go to Princeton, he sends you his love and his appreciation of the offer, but says that that day marks his 70th birthday and he has made plans far ahead which he cannot break. I told him you felt you wanted his thinking on this problem, and he said he would be glad to talk with you by phone at your convenience.

Meanwhile Mr. Woodward, also feeling that Dr. Stewart's counsel was valuable, asked me to offer his services to go to Princeton on Saturday to talk with Dr. Stewart, but to that the latter returned a similar reply - he could not see Mr. Woodward this week-end but would be glad to talk to him by phone.

In my conversation with him, Dr. Stewart said he had just received your letter, and suggested a third course of action - namely, that we proceed at once with the suggested plan of getting monographs under way, under an editorial committee which would include Mr. Woodward and use me as "executive editor." Such a plan would, I assume, be a temporary expedient which would enable us to get on with our work, while taking time to find the distinguished and inspiring scholar we need. (Edgar A. J. Johnson, whom Dr. Stewart once suggested as The Historian, is to be at the University of Maryland. William Heaton of the University of Minnesota is a more recent Stewart suggestion. Is there any chance that Dr. John Williams might be induced to take on the editorship?)

It may be of service if I work out an advance memorandum on the various points already suggested, the names that have been brought forward, the material we have which could form a basis for decisions.

Faithfully yours,



Mildred Adams

Mr. Allan Sproul  
33 Liberty Street  
New York 45, N. Y.

c.c. - Mr. Donald Woodward ✓

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

April 27, 1955

TO: Messrs. Allan Sproul, Chairman  
W. Randolph Burgess  
Robert D. Galkins  
Joseph H. Willits  
Donald B. Woodward, Secretary ✓

Gentlemen:

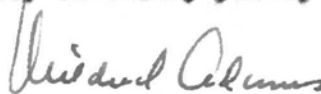
Following various telephone calls made in an attempt to set meeting dates, may we report that the two dates which follow seemed to be preferred:

First, Wednesday, May 4th, at 3 p.m. in the office of Mr. Allan Sproul at the Federal Reserve Bank of New York for a meeting of the Executive Committee.

Second, Tuesday, May 24th, at 12:45 p.m. in the private dining room of the Brookings Institution (722 Jackson Place N. W., Washington D. C.) for a luncheon meeting of the whole Committee. The hour is tentative and subject to later confirmation.

We will be hoping to see you at both meetings.

Very sincerely yours,

  
Mildred Adams

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM MCC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

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

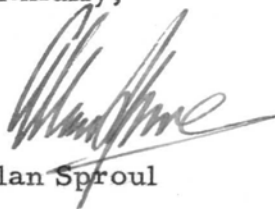
April 25, 1955

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

Dear Don:

Enclosed is a copy of a letter which I have sent today to the members of the Committee on the History of the Federal Reserve System. (A somewhat different letter has gone to Cyril James.) Will you please see what you can do about getting the group together.

Yours faithfully,



Allan Sproul

Similar letter to Messrs. Calkins, Martin,  
Stewart and Willits

April 25, 1955

Dr. W. Randolph Burgess,  
Treasury Department,  
Washington 25, D. C.

Dear Randy:

We have been borne along until now by the hope that Cyril James would finally accept our invitation to become "the historian" of the Federal Reserve System. He has had to say "no".

It is imperative, therefore, that we have an early meeting of the full committee to decide upon our next step. Shall we again seek to select and obtain the services of an historian who will be the core of the whole five year project? Or shall we try an alternative approach, selecting a number of men who, for a shorter period, could be enlisted to work on various aspects of the history of the Federal Reserve System or on appropriate chronological sections of that history? I am asking Mr. Woodward and Miss Adams to canvass the members of the committee to try to arrange a convenient time and place for an early meeting. I hope that you can bend your schedule so as to give such a meeting some priority.

Yours faithfully,

ALLAN

Allan Sproul

Committee on the History of the  
Federal Reserve System

DATE 4/22/55

TO Don Woodward

FROM Willedred Adams

REMARKS

This is obviously a  
hasty sketch, but it  
may prove to turn  
the conversation forward.  
W.



COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

April 22, 1955

Dear Mr. Sproul:

I understand from Donald Woodward that after three months' consideration Dr. James has felt impelled to say, "No."

In view of this reply, and the questions it raises, you may be interested in a suggestion which Dr. Stewart made when I saw him in Washington yesterday. Talking of what was then the impending crisis in the long negotiation with Dr. James, and anticipating the possibility of a negative reply, Dr. Stewart suggested that the refusal (if it should come) be taken as a challenge which first, put an end to the hunt for The Historian as it had been pursued and second, called for the creation of a new plan of attack which he labelled "Plan B."

In Dr. Stewart's concept, "Plan B" would call for the approach to Federal Reserve System history by way of a series of monographs. If, in the process of commissioning and writing, the genius we seek should emerge, so much the better. If not, we would still be pursuing our main object and getting valuable studies made, but in this different way.

In practical terms, this multi-monograph approach to the history calls for a certain amount of re-organization, but not too much. We would then be needing an editor, constructive and imaginative, with proper competence and authority. Editors may well prove easier to find than historians. We

would also need to re-organize the budget to provide for the changed plan. But none of that is insuperable. The ground-work already done would continue to serve.

Whether the Rockefeller Foundation would accept this changed approach remains to be seen, but I can see many reasons for urging it. It might even exorcise the bugaboo of the "too big, too unwieldy" which kept haunting our three consultants at Princeton.

Dr. Stewart was particularly emphatic in repeating that his proposal should in no way be considered a retreat, but rather a re-assessment of circumstances and a revised attack on the major problem which has concerned the Committee from the start. The objective remains the same, even though the Committee sees fit to change its manner of approach.

This is the merest sketch of Dr. Stewart's idea, but it can easily be developed at length if you find you want more detail, either for your own consideration or for discussion in Committee.

I hope you found San Francisco as enchanting and refreshing as it was to me.

Faithfully,



Mildred Adams

Mr. Allan Sproul  
33 Liberty Street  
New York 45, N. Y.

c.c. - Dr. Joseph Willits  
Mr. Donald Woodward ✓

*Write Calkins - note*

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

ROBERT D. CALKINS

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WILLIAM MCC. MARTIN, JR.

WALTER W. STEWART

JOSEPH H. WILLITS

DONALD B. WOODWARD, *Secretary*

MILDRED ADAMS, *Executive Director*

*With cooperation of*

THE BROOKINGS INSTITUTION

722 JACKSON PLACE, N. W.

WASHINGTON 6, D. C.

April 19, 1955

Dear Don:

We have a project for sending Miss Marguerite Burnett to attend a convention of the Special Libraries Association at Detroit in June on special business for this Committee. As her estimated expenses will run between one and two hundred dollars, we would like your specific approval.

This trip is a way of presenting the history project to all the librarians of the Federal Reserve System, and to the heads of other financial libraries, most of whom are members of the Special Libraries Association. We have found some difficulty in persuading bank librarians (or their officer overlords) that saving material for historical purposes would be a desirable addition to their regular functions. Miss Burnett herself, who came to us to work on archives, finds she needs to turn her mind from current demands to records of the past, and apparently it is a real shift of emphasis for them which needs explanation.

Thanks to the enterprise of a young librarian in the Chicago Federal Reserve Bank, Miss Burnett has been asked to make a speech on the history project at a special group meeting of Federal Reserve librarians. Because of her long service

in the New York Bank, she ranks high with them, and her word will carry weight. We need their good will.

Also, the librarians are being given a chance to visit the Ford Archives at Dearborn, and Miss Burnett will report back to us any special skills or techniques noted there which may be of aid to us.

A budget for the trip is enclosed which I have approved, and on which I hope we may have your signature. I will then send it on to Miss Maroney in order to clear this unusual expenditure. There is plenty of room for its inclusion in our travel budget.

My thanks and hers in advance -

  
Mildred Adams

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

Enc.

File

KARL E. PRICKETT  
1501 BRIARCLIFF ROAD  
GREENSBORO, NORTH CAROLINA

April 16, 1955.

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

Dear Woodward:

I have searched my files. I find no worthwhile material to add to your history project, Federal Reserve System.

Enclosed are photostats of the material I promised to send you as samples of material on the history of Vick Chemical Company.

KEP Memo #523, 2/27/40, to Directors of Vick, subj. Diversification

The Vick directors accepted the plan and recommendations in KEP #523. Allen T. Preyer was freed from all other duties, given "carte blanche" authority, and granted a very substantial budget to do the diversification job.

( KEP#751, 12/21/40, To Directors Vick, recommending Directors' Dept.  
( KEP#1076, 3/17/43, To Files, outline of steps leading to Directors Dept.

Read #1076 first but #751 and 1076 should be read together.

I believe that the organization of the Directors' Department and the finding and employment of W. R. Basset to head that work were two of the very important actions taken by Vick Chemical Company.

In 1940, we had reached a critical stage in Vick and in the Richardson interests. It was extremely difficult to get important decisions on operating problems and policy matters. Department heads reported "What's the use...let's let things drift...everytime I present a recommendation or go for a decision, I get another "study".

The basic fault was that <sup>late</sup> HSR, LR and WYP would not delegate responsibility and give commensurate authority. HSR, LR and WYP were the senior policy men... also they demanded that every operating problem come to them for decision. By 1940, it was increasingly obvious that the diversification was "getting nowhere" and department heads were trying to operate <sup>but</sup> under severe difficulties.

I planned a "Treasurer's Department" to take over part of the load. It would have most of the staff outlined in my plan for the Directors' Department. I believed that I could sell the idea. I knew I could set up such a department. I also knew that it would be emasculated in a year.

The evolution of the idea was the attempt to reorganize the general staff of Vick. Enclosed KEP Memo #751 gives the Directors' Department recommendation while enclosed #1076 gives additional details.

Regards and all good wishes

Sincerely yours,

Karl E. Prickett

INTER-DEPARTMENT MEMO

From K. E. Prickett

Number 523

To Directors of Vick Chemical Company

Date February 27, 1940.

Subject: ASSIGNMENT #5 DIRECTORS' MEETING FEBRUARY 2nd-1940 Copies to

Assignment:

"Redraft paragraph in HSR's report relative to purchase of large companies (paragraph 5)" which reads as follows:

"Diversification thru the purchase of large, profitable trademarks is probably going to be exceedingly difficult, for the reason that other companies have long been in that field -- and for the additional reason that their stock is selling at a greater times earnings basis than our own. I understand it is Mr. WYP's judgment that hope of achieving a large amount of diversification thru this process should be abandoned as far as our present plans are concerned. This does not mean that we should abandon efforts along that line entirely, but it does mean that in making our plans we must not figure on the success of such efforts."

*Preyer's*

*Prickett*

\* \* \*

KEP disagrees with the "defeatist attitude" stated above. He presents the following conclusions and recommends the following program.

\* \* \*

Diversification can be achieved by --

- A. Purchase of large concerns having nationally known products.
- B. Purchase of smaller concerns in early stages of national distribution.
- C. Purchase of new products outright or on royalty basis from research laboratories or companies whose line the product does not fit.
- D. Development, within our organization, of new products from laboratory stage to national distribution.

\* \* \*

A - Purchase of large concerns with nationally known products

For ten years we have attempted diversification by this method. The result -- purchase of Merrell which contributes less than 3% to the total earnings of Vick Chemical Company. During that period, Sterling, American Home and Bristol-Myers have shown far greater results in acquisition of companies, and resultant diversification of risks.

*W*

INTER-DEPARTMENT MEMO

From *K E PRICKETT*

Number 523 *page 2*

To *Vick Directors*

Date *2/27/1940*

Subject: *#5 Avecton Mtg 2/24/40*

Copies to

-- 2 --

The reasons given for our failure are:

1. Vick stock sells at lower times earnings basis than Sterling, American Home and Bristol-Myers.
2. "Other companies have long been in that field", therefore, "hope of achieving a large amount of diversification thru this process should be abandoned. We must not figure on the success of such efforts."

*Prickett* \*

Our Treasurer states:

Treasurer's conclusions:

1. Vick stock can sell on a higher times earnings ratio.
2. If necessary, we must be willing to pay a premium for a large company in the belief that Vick stock will sell on a higher times earnings ratio when we get diversification.

The Treasurer states that he is prepared to prove the above-mentioned conclusions 1 and 2. Therefore, if he is correct, Vick can compete with Sterling, etc., in the acquisition of large concerns.

There remains the second reason given for failure, namely --

"that other companies have long been in the field."  
(This assumes a lack of ability and experience on our part to do the job.)

This can be corrected by man and mind power and proper organization in use of that man and mind power. As I see it, our basic mistake has been that we have considered the acquisition of other companies as a part-time job and have assigned it to a senior officer already carrying a heavy load of widely diversified responsibilities. We have taken our most important problem, made it a part-time job, and given it to an over-worked senior operating officer. Successful Sterling Products has separated completely their two major functions, viz. (1) operations, and (2) acquisition of other companies. The acquisition of other companies has been assigned as a full-time job to the President of Sterling who maintains an office entirely separate from the operating officers.

I believe that the problem of diversification is so urgent that we cannot wait to develop new products within the organization or to any embryo

INTER-DEPARTMENT MEMO

From *K. E. Prickett*

Number 523 *pag 3-*

To *Vick Directors*

Date *2/27/40*

Subject *Assignment to Director's Atty 2/2/40*

Copies to

- 3 -

companies which will take years to develop. Therefore, I recommend that the diversification problem of Vick Chemical Company be assigned to one of the ablest officers of Vick Chemical Company who shall be divorced from all other work in Vick. He should be given a sufficient budget to build up a staff consisting of --

1. An outstanding merchandising man of proven ability (\$25,000 to \$40,000 grade), assisted by one "coming" merchandising man with proven record of accomplishments.
2. A high type, capable financial man, with a successful record of originating and negotiating mergers and purchase of companies.
3. A competent chemist with record of accomplishments in creating products that have a market.

The Vick officer assigned to devote full time to the diversification program and the staff he builds up shall be completely divorced from all other work in the company.

\* \* \*

B - Purchase of smaller concerns in early stages of national distribution

This work will be under the vice president in charge of diversification. Over a ten or twenty year period, we should expect this group to produce products and profits to replace the old standby products nearing saturation point or possibly nearing the end of their life cycle. We must not depend upon these embryo companies to give us the diversification so essential within the next five years.

\* \* \*

C - Purchase of new products on outright or royalty basis from research laboratories or companies whose line the product does not fit.

D - Development, from laboratory stage to national distribution, of new products within the organization.

This work will come under the vice president in charge of diversification. Here we need the staff recommended, especially --

1. The competent chemist to create or improve the products.
2. The outstanding merchandising men to ascertain the market before the product is created, or, after laboratory approval, to determine consumer acceptance by test campaigns before large sums are spent on national campaigns.

*a copy of this memo was given to each Vick director in advance of the meeting*

*K. E. Prickett*

*Directors accepted the recommendation in principle. A.T.P. was named as VP for diversification*



INTER-DEPARTMENT MEMO

From K. E. Prickett  
To Files  
Subject: STEPS LEADING TO, AND THE ORGANIZATION OF  
THE DIRECTORS' DEPARTMENT

Number 1076 *page 1*  
Date March 17, 1943.  
Copies to

This is an attempt to record, as far as files and memory permit, the steps leading to the organization of the Directors' Department.

\* \* \*

In the fall of 1940, we were attempting to organize the Treasurer's Department of Vick.

On November 27, 1940, I wrote a confidential four-page report, which is in this file. This report followed a conference which I had had with HSR on our trip to Harvard to talk with Dr. Sumner Slichter. Following that conference with Dr. Slichter, I told HSR on the train that I had an idea which I wanted to put on paper and discuss with him, with LR and with WYP. A few days later, I wrote my report, dated November 27, 1940. In that report I said that the more I studied the problem the more convinced I was that the task was greater than organizing the Treasurer's Department, that the job was to organize the general staff of the Richardson interests. I showed where the Richardson interests have expanded tremendously both in scope and volume of operations, i.e. -- formation of the insurance companies, expansion of Vick, etc. I added that the Executive Committee of the Richardson interests had not expanded its staff in keeping with the expanded scope and volume of operations ... the natural result was that the three senior policy men (HSR, LR, WYP) had attempted to carry too much load and had not developed or hired a competent staff through which they could work. I said that instead of \$20,000 a year staff members of that so-called Executive Committee, we found the mere addition of a \$3,600 assistant with no executive ability who had degenerated into the position of a file clerk.

I then outlined the staff I believed was required by this Executive Committee, which was --

- (1) Secretary of the Executive Committee -- a full-time job.
- (2) Senior Financial Counsellor.
- (3) Economist.
- (4) Comptroller.

(See the attached for outline of the details of each staff member).

In conclusion, I quote my recommendation, which is --

"I recommend that we employ an outstanding industrial engineer, widely experienced in organization matters, with special training in investment supervision, to make an independent study of this problem and report directly to the Executive Committee. I recommend for this report Mr. W. R. Basset."

INTER-DEPARTMENT MEMO

From KE Prickett  
 To Files  
 Subject: Steps to org. Directors Dept

Number 1076 p.2  
 Date 3/17/43  
 Copies to

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(See page 4 of the attached report of November 27, 1940 outlining the qualifications of Basset). This report was presented in person by me to HSR, LR and WYP.

Messrs. HSR, LR and WYP approved my recommendation, which approval was confirmed by me in my memo #739, from which I quote ~~attached~~

"KEP was authorized to employ one or more engineers or engineering firms to survey and report upon --

- (1) The present supervision and control of operations and policy matters of Vick Chemical and other companies comprising the Richardson interests.
- (2) To study and recommend ideal supervision and control by both the President and the Executive Committee."

Richardson

My memo #739, quoted above, was the basis for my employment of Basset to make the industrial survey. Carte blanche instructions were given me to select the man and start him on the job. In Mr. Basset's report you will find that his first exhibit is my memo #739 giving him instructions. This is a photostatic copy of my memo #739.

The complete memo will be found on page 2 of Basset's Report which is part of this file.

I succeeded in hiring Mr. Basset two days later to make the survey in question, at a cost of \$4,000.

\* \* \*

In the discussion with HSR, LR and WYP, I said the germ of an idea of forming a Directors' Department was here and that we would use this survey of Basset's to see whether or not we should employ him permanently to organize the Directors' Department. Three weeks later, I put in writing my recommendation for the Directors' Department, which is KEP memo #751 attached.

\* \* \*

On November 26, 1940, HSR sent a memo to the Board -- his memo #0867, copy in this file. In it, HSR outlined the following:

- "(1) Directors must be fully informed on operations, major problems, proposed changes in policy matters.
- (2) Directors have unavoidable responsibility re purchase of other companies.. we should have some capable, responsible, big business man ... under whom should such man serve?" etc.

INTER-DEPARTMENT MEMO

From *KE Prickett*  
 To *Dilos*  
 Subject: *Steps to Directors Dept*

Number *1076 p. 3*  
 Date *3-17-43*  
 Copies to

-- 3 --

At HSR's request, KEP put in writing his recommendation as to how the objective outlined by HSR could be achieved. Also, at HSR's request, KEP sent a copy of his memo to each member of the directorate.

In this memo - KEP #751 - I outlined the duties of the Directors' Department and the staff required. The staff recommended was --

- (1) Secretary of the Directors' Department.
- (2) Senior Financial Counsellor.
- (3) Comptroller.
- (4) Personnel Specialist.
- (5) Economist.

Basset Report: Basset's report, started as a result of my memo #739, made the following recommendations:

On page 18 - Prickett to be Chairman of both insurance boards, leaving the presidency open for Mr. Stewart or some other business-getter.

On page 19 - Mr. Basset outlined the preliminary thinking on the investment division of the Richardson interests. In effect, he says -- "Your investment department ... renders professional advisory service to several corporate clients -- Vick, the insurance companies, Richardson Realty and Richardson Foundation. You have even provided corporate form ... the Piedmont Financial Corporation ...". He continues -- "If Mr. WYP remains head of Vick and Mr. Prickett heads your insurance ventures, neither should be president of your Piedmont company". He concludes -- "To make a proper answer, it would be necessary to dig far more deeply into this subject."

WYP Answer to Basset Report: (See WRB memo #8, dated April 19, 1941, in this file). WYP recommends KEP become Chairman of the board of both Reco and National and/or President.

*Recommendation that*

On page 3/-- KEP to resign as Director of Vick to make room for Basset and *KEP* also to resign as Vice President and Treasurer of Vick.

Organization of Directors' Department: (See WRB memo #48 to WYP, dated July 3, 1941). This is Mr. Basset's memo to WYP on the organization of the Directors' Department. (Copy is in this file).

With regard to the Senior Financial Counsellor, you will recall that KEP outlined that a senior financial counsellor be employed and made a member of the Directors' Department (see KEP memo #751, page 2). Basset's reply -- his memo

INTER-DEPARTMENT MEMO

From *KE Prickett*

Number *1076 p. 4*

To *Files*

Date *3-17-43*

Subject: *Steps to Directors Dept*

Copies to

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#48, dated July 3, 1941, to WYP, says:  
is

"A more detailed report/in the process of preparation, covering senior financial counsellor. We might need two men here -- one to supplement the other in order to give the proper amount of time and supervision to investments."

*to date they had been in Vick space in Chanin Bldg.*

Developments in Directors' Department: On July 15, 1941, Prickett was made President of both insurance companies and had to resign as Director, Vice President and Treasurer of Vick. For the next two months, he devoted his time to finding and planning the new offices downtown, starting to work closer with the insurance fraternity. In short, Prickett devoted full-time to the insurance business. He had nothing whatever to do with the investment organization or investment set-up of the Richardson interests other than the two insurance companies.

*Expansion program of Vick or the*

*K. E. Prickett*

K. E. Prickett

e

INTER-DEPARTMENT MEMO

From K. E. Prickett, ~~Copy furnished~~ Copy  
To Board of Directors - Vick Chemical Company  
Subject: RECOMMENDATION FOR DIRECTORS' DEPARTMENT

Number 751  
Date December 21, 1940.  
Copies to

SOURCE:

Verbal request of HSR -- KEP to send to each Director KEP's answer to HSR memo #0367 for discussion and action to be taken at later meeting of the Board.

OBJECTIVES:

- (1) Directors to be fully informed on operations, major problems, proposed changes in policy matters.
- (2) Directors have unavoidable responsibility re purchase of other companies. Directors, being operating officers, have not time to study individually the proposed acquisition. We should have some capable, responsible big business man to review critically and report to the Board as a whole his conclusions and recommendations re New Products' proposed purchases of companies. Under whom should such man serve?
- (3) Annual Audit

Our Directors are operating officials. Therefore, they are more vulnerable to criticism than if we had outside Directors not active in the business. McKesson & Robbins' case is a glaring example of where public auditors hired by Management failed to keep the Board fully informed. We must prevent this in Vick Chemical Company. How?

RECOMMENDATION:

DIRECTORS' DEPARTMENT

I recommend the establishment of a Directors' Department in Vick Chemical Company. This department shall have no authority or responsibility for operations -- its work will be to review in a critical but constructive manner and report to the Directors on the following:

- (a) Results of operations.
- (b) Policy matters requiring Directors' consideration.
- (c) Major problems upon which the Directors should vote.

DUTIES OF DIRECTORS' DEPARTMENT

The duties fall into three main classifications, outlined in brief below, as follows:

INTER-DEPARTMENT MEMO

From K. E. Prickett

Number 751 p. 2

To Directors Vick

Date December 21, 1940.

Subject: Recommendation for Directors Dept

Copies to

-- 2 --

(1) Routine Operations

The preparation of Charts "A", periodic reports and other data, with the plan to submit such information to the Directors at such times as to keep them properly informed as to operations.

(2) Policy Matters

A group of specialists will be employed. Such specialists will not be operating men - rather they will be analysts, reviewers, constructive critics, presenters of the pros and cons for such action as the Directors see fit to take on policy matters.

(3) Special Problems

The Chairmen, President and other Directors shall assign special studies to be made by the specialists in the Directors' Department.

STAFF REQUIRED FOR DIRECTORS' DEPARTMENT

- (1) Secretary of the Directors' Department.
- (2) Senior Financial Counsellor.
- (3) Comptroller.
- (4) Personnel Specialist.
- (5) Economist.

DUTIES OF EACH STAFF MEMBER OF DIRECTORS' DEPARTMENT

Secretary of the Directors' Department - Duties

- (1) Coordinator of specialist members of the staff.
- (2) "Strainer" of orders and studies - responsible for checking with proper Directors to determine --
  - (a) If the study should be made.
  - (b) How the study should be made.
  - (c) By whom the study should be made.
  - (d) Completion date.

INTER-DEPARTMENT MEMO

From *K E Prickett*  
To *Directors Vick*  
Subject: *Recommendation Directors Dept*

Number 751 *p. 3*  
Date December 21, 1940.  
Copies to

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- (3) Follow-up of progress reports on studies being made.
- (4) General "Good Man Friday" of all the Directors.

Senior Financial Counsellor - Duties

- (1) Constructive critic of investment policies and programs originated by the Investment Adviser.
- (2) Constructive critic for Directors of --
  - (a) New Products Department survey of fields Vick should investigate.
  - (b) Constructive critic of New Products recommendations of companies to be investigated.
  - (c) Constructive critic of New Products specific recommendations for purchase or acquisition of companies.

Comptroller - Duties

- (1) Preparation and custody of budgets and Charts "A".
- (2) Responsibility for preparation of series of reports to keep Directors informed.
- (3) Responsible for seeing that such reports are seen by the Directors to keep them informed as to the results of operations.
- (4) Responsible for contact with public accountants.
- (5) Responsible for supervision of continuous audit of Vick Chemical and its subsidiary companies to be made by the Travelling Auditor.

A word of explanation is required at this point. During the past several years, the accounting work of Vick Chemical and its subsidiaries has been handled by the Comptroller as an operating officer. The Comptroller should be a constructive critic, analyst and reviewer of all accounting and auditing. He cannot properly serve as constructive critic if at the same time he is the senior accounting officer. In other words, the Comptroller cannot - or should not - criticize his own work.

INTER-DEPARTMENT MEMO

From *K E Prickett*  
To *Directors Vick*  
Subject: *Recommendation Directors Dept*

Number 751 /p. 4  
Date December 21, 1940.  
Copies to

-- 4 --

The proposal may be detailed as follows:

- (1) Accounting to be handled by the Treasurer's Department.
- (2) Comptroller should be separated from operating details and made the constructive critic of accounting work.
- (3) Comptroller should recommend what budgets and reports should be submitted to Directors and to proper operating officers. Directors and operating officers shall determine what reports they desire to have prepared.
- (4) Comptroller should have the contact with the public accounting firm.
- (5) Comptroller should have under his supervision and control a Travelling Auditor. Travelling Auditor's duties will be:
  - (a) Maintain a continuous audit of Vick Chemical and its subsidiaries.
  - (b) Work with the public accountants in connection with the annual audit as a check to determine the thoroughness of the audit while in progress.
- (6) Comptroller should analyze report of audit and present his analysis to the Directors. In this connection, the Treasurer has recommended that --
  - (a) The public accountant should be recommended by the Comptroller and approved and appointed by the Board of Directors.
  - (b) A member of the accounting firm should present the report of audit in person to a special meeting of the Board of Directors called for that purpose.
  - (c) At the special Directors' meeting, the Treasurer's Department should answer any criticism of accounting methods or of figures reported by the public accountant.
  - (d) The Comptroller should also present his analysis and review of the public accountant's report of audit.
  - (e) If satisfied with the report of audit, the President (upon the basis of his own analysis and the report of the Treasurer and Comptroller) should move for the acceptance of the auditor's report by the Directors.



INTER-DEPARTMENT MEMO

From *K. E. Prickett*  
To *Directors Vid*  
Subject: *Recommendation Directors Dept*

Number 751 *ps*  
Date December 21, 1940.  
Copies to

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Personnel Specialist

I believe the Personnel Specialist recommended by Mr. H. D. McKay in his memo of December 6th should be made a member of the Directors' Department. As outlined by Mr. McKay, this Specialist should be in charge of the research (but not operating) work of the personnel division.

Economist

The Economist should be the practical type - "corporate house-broken" - a man who has worked for corporations on specific problems in contrast with the average professor who deals almost entirely in abstract theories.

*K. E. Prickett*  
K. E. Prickett

*(A copy of this memo was sent to each Director of Vick Chemical in advance of the directors meeting. It was presented to the meeting by KEP)*

**The Brookings Institution**

Washington 6, D. C.

April 15, 1955

Miss Irma Burstein  
Committee on the History of  
The Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Burstein:

I am very happy to report that effective  
May 1 your salary will be increased to the annual  
rate of [REDACTED]. We are happy to grant this increase  
in recognition of the service you have rendered.

Sincerely yours,



President

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

April 19, 1955

Miss Mildred Maroney, Treasurer,  
The Brookings Institution,  
722 Jackson Place, N. W.,  
Washington 6, D. C.

Dear Miss Maroney:

I have received the Report of Expenditures  
as of March 31, 1955 and the manner in which it is  
prepared is entirely satisfactory.

Thank you very much for sending it to me.

Cordially,

DBW:lm

TRUSTEES

WILLIAM R. BIGGS, *Chairman*  
 HUNTINGTON GILCHRIST, *Vice Chairman*  
 ARTHUR STANTON ADAMS  
 DANIEL W. BELL  
 ROBERT D. CALKINS  
 LEONARD CARMICHAEL  
 WILFRED L. GOODWYN, JR.  
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 LEWIS WEBSTER JONES  
 JOHN E. LOCKWOOD  
 LEVERETT LYON  
 GEORGE C. MCGHEE  
 ROBERT BROOKINGS SMITH  
 LAURENCE F. WHITTEMORE  
 DONALD B. WOODWARD

# The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

HONORARY TRUSTEES

ROBERT PERKINS BASS  
 MRS. ROBERT S. BROOKINGS  
 JOHN LEE PRATT  
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OFFICERS

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

April 15, 1955

Mr. Donald B. Woodward,  
 Secretary,  
 Committee on the History of the Federal Reserve System  
 122 E. 42nd St.  
 New York 17, New York

Dear Mr. Woodward:

Last December, Miss Adams suggested to us that you would like to receive a financial report every quarter, showing the position with respect to the project on the history of the Federal Reserve System.

I am enclosing such a report showing the position at the end of March 1955, and shall of course be glad to supply any additional information which you may require. In this connection, I should point out that the classification of data is in accordance with Miss Adams' suggestions in recent conference, which partially clarifies the activities of specific people to whom we are paying salaries etc.

I also wish to explain that this statement does not include any of the salaries or other expenses which are paid initially by the Federal Reserve Bank in New York since the end of February. We have not yet received the monthly bill from the Bank for the month of March, and since these bills are usually delayed from six to eight weeks in reaching us it has seemed advisable to prepare this report without waiting for these March items. (Those which we pay directly are included in this report.) Therefore, for purposes of estimating there are four more months in the fiscal year in so far as reimbursements to the Bank are concerned. I hope that this is satisfactory to you.

Yours sincerely,

*Mildred Maroney*  
 Treasurer.

Report of Expenditures  
STUDY OF THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
March 31, 1955

PURPOSES OF EXPENDITURE <u>a/</u>	<u>1 Fiscal Periods.</u>		
	1/1/54- 6/30/54	7/1/54- 3/21/55	Totals
General Expenses			
Salaries.....	8,669.85	14,496.07	23,165.92
Expenses.....	<u>1,652.73</u>	<u>2,654.22</u>	<u>4,306.95</u>
Total General.....	10,322.58	17,150.29	27,472.87
Kincaid - Glass Papers Project.....	1,333.33	2,791.78	4,125.11
Chandler-Strong Project <u>b/</u> .....	---	2,000.00	2,000.00
Burnett - Archives Project.....	---	1,701.68	1,701.68
Miscellaneous Research.....	---	720.36	720.36
Conference, November 1954.....	---	1,096.74	1,096.74
Conference, January 1954.....	---	836.74	836.74
Group Interviews.....	---	---	---
Paper Chase.....	150.00	---	150.00
Brookings Institution Charges <u>c/</u> ...	232.73	2,250.00	2,482.73
	<hr/>	<hr/>	<hr/>
Total Expenditures to 3/31/55	12,038.64	28,547.59	40,586.23
 PREPAYMENTS OF GRANTS	 10,000.00	 53,325.00	 63,325.00
	<hr/>	<hr/>	<hr/>
UNEXPENDED BALANCES	- 2,038.64	24,777.41	22,738.77
GRANTS RECEIVABLE			<u>256,675.00</u>
TOTAL AVAILABLE FUNDS, 4/1/55 to 5/31/59			279,413.77

a/ Classification as suggested by Miss Adams, March 1955

b/ Subject to accounting by Prof. Lester V. Chandler

c/ Before July 1, 1954, confined to direct expenses; beginning July 1, 1954, at the rate of \$3,000 per annum, direct and indirect.

AIR MAIL

April 15, 1955

Dr. F. Cyril James,  
McGill University,  
Montreal, Canada.

Dear Cyril:

You have a date with Mr. Sproul at 3 p.m.  
on Friday, April 22.

I would be very happy if you could have  
lunch with me and dinner with Mrs. Woodward and me  
if your schedule permits; realizing the pressure  
you are under in connection with going west, I will  
keep myself flexible until I know your wishes.

And, I am inquiring as to the possibility  
that any other members of the Committee will be in  
New York that day.

If I can do anything else to facilitate  
your time here, will you please let me know.

Cordially,

DBW:lm

April 15, 1955

Mr. Allan Sproul, President,  
The Federal Reserve Bank of New York,  
33 Liberty Street,  
New York, New York.

Dear Allan:

This will confirm the date you have with  
Dr. James for 3 p.m. on Friday, April 22.

I am inquiring whether Randolph Burgess  
and Bob Calkins and Walter Stewart will be in town.

Cordially,

DBW:lm

April 7, 1955

Mr. W. R. Biggs,  
The Brookings Institution,  
772 Jackson Place N. W.,  
Washington 6, D. C.

Dear Bill:

In committing myself for a Brookings Finance Committee meeting on Friday, May 6, I made a big mistake. It is necessary for me to be in New York for some matters which had slipped my mind.

What about Friday, April 29? If that isn't possible, how about Wednesday, April 27?

Cordially,

DBW:lm



April 15, 1955

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

Dear Walter:

Cyril James will be in New York on Friday, April 22, and will see Allan Sproul in the afternoon and I will spend some time with him. If you are here, or could conveniently be here, I am sure that Dr. James would be very glad to have the chance to talk to you.

Cordially,

DBW:LM

April 15, 1955

Mr. W. Randolph Burgess,  
Under Secretary of the Treasury,  
Treasury Department,  
Washington, D. C.

Dear Randy:

Cyril James will be in New York on Friday, April 22, and will see Allan Sproul in the afternoon and I will spend some time with him. If you are here, or could conveniently be here, I am sure that Dr. James would be very glad to have the chance to talk to you.

Cordially,

DEW:lm

April 15, 1955

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

Dear Bob:

Cyril James will be in New York on Friday, April 22, and will see Allan Sproul in the afternoon and I will spend some time with him. If you are here, or could conveniently be here, I am sure that Dr. James would be very glad to have the chance to talk to you.

Cordially,

DBW:lm



UNDER SECRETARY OF THE TREASURY  
FOR MONETARY AFFAIRS  
WASHINGTON

April 19, 1955

Dear Don:

Thank you for letting me know that  
Cyril James will be in New York on April 22nd.  
I wish I could be there that day but I'm afraid  
it is just out of the question. Sorry.

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

LOOMIS - SAYLES & COMPANY  
INCORPORATED  
BOSTON 10

140 FEDERAL STREET  
HUBBARD 2-2450

April 11, 1955

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

Dear Don:

The committee on the history of the Federal Reserve System is fortunate in the availability of some of your time for assistance in its work. Miss Adams did call on me some time ago and I was glad to give her such background information as I could--which I fear was not exactly priceless from her point of view.

I'm almost certain that I have no records that would be of assistance to the committee. I shall make certain, however--and naturally anything I may have that would be helpful would also be at the committee's disposal.

Sincerely,



W. R. Stark

WRS:jc

April 5, 1955

Dr. W. W. Stewart,  
Council of Economic Advisors,  
Washington, D. C.

Dear Walter:

It is with great regret that I read of your resignation while I was on a trip in the South. But as a citizen I continue grateful to you for the time you gave to the job and for continuing to be a consultant.

Putting on another hat, could I dare to hope that this will make it possible to schedule a few more recorded discussions by participants in the development of the Federal Reserve System?

With warmest regards,

Cordially,

DEW:lm

April 5, 1955

AIR MAIL  
SPECIAL DELIVERY

Dr. F. Cyril James,  
McGill University,  
Montreal, Canada.

Dear Cyril:

May I express the strongest hopes for a favorable decision? And more specifically may I offer any possible assistance to you in your contemplation. If it would be of any help I will be glad to come to Montreal or to see you here and arrange any discussions you might care to have here or in Washington.

All this is offered as a supplement and to your discussions with Dr. Willits.

With warmest regards,

Cordially,

The above letter was dictated by Mr. Woodward but typed during his absence from the office.

DBW:lm

Committee on the History of the  
Federal Reserve System

DATE 2/31

TO Mr. Woodward

FROM Mrs. Singer

REMARKS

This is just so  
you won't feel left  
out. Please don't bother  
to answer it



COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

March 31, 1955

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

Miss Adams has asked me to tell you that this office is in the process of revising the transcript of the conference at Princeton on January 29th. We have already received corrections from two participants, and we wish to add any further corrections you may suggest. Will you therefore let us know before Monday, April 11th, of any changes you wish made.

In the event you have no corrections, it would be most helpful for us to receive a note to that effect.

Very sincerely yours,

*Ellen C. Singer*

Ellen Singer  
Research Assistant

UNIVERSITY of PENNSYLVANIA  
PHILADELPHIA 4

THE EDUCATIONAL SURVEY

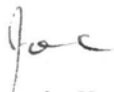
March 30, 1955.

Dear Don:

Cyril James is back and I am going up on April 7th to talk with him and spend the night. I asked he whether fate had determined the picture in the crystal balls, or whether it was still open. He said he wished I would go up so as to help him\*decide.

Hence my trip.

Sincerely yours,



Joseph H. Willits

Mr. Donald Woodward,  
Vicks Chemical Company,  
122 East 42nd Street,  
New York City.

\* Maybe that  
means his wife.  
g

# The Brookings Institution

Washington 6, D. C.

March 29, 1955

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

Dear Miss Burnett:

This letter is to confirm the extension of your appointment from April 15 to June 15, 1955. It is our understanding that you plan to take two months off between June 15 and August 15 and that you will be available for additional services after August 15. We shall write you later regarding your appointment for that period.

Sincerely yours,



President

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

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
JOSEPH H. WILLITS  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Executive Director*

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

March 29, 1955

Dear Mr. Woodward:

Before Miss Adams left for Dallas, she approved the February bill from the New York Bank but asked me to write you about it because it sounds a warning bell.

The bill is \$600.64, rather high for us. The causes can be easily identified. First, Miss McKinstry gave us an unusually large proportion of her time. Second, the cost of stenographic work was largely (\$82.00) due to reproducing the transcript of the second Princeton Conference. Third, Miss Adams made a trip to Atlanta which brought travel expenses up.

I hope you had a happy healthy vacation.

Sincerely,

*Ellen C. Singer*

Mrs. Singer  
Secretary

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

cc. to Miss Maroney

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

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WALTER W. STEWART

JOSEPH H. WILLITS

DONALD B. WOODWARD, *Secretary*

MILDRED ADAMS, *Executive Director*

*With cooperation of*

THE BROOKINGS INSTITUTION

722 JACKSON PLACE, N. W.

WASHINGTON 6, D. C.

March 28, 1955

Dear Don:

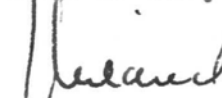
I saw Dr. Calkins in Washington last week and found that he was entirely content with the draft statement on administrative procedures which you saw and approved before you went on vacation. A copy is enclosed for your files, and we will try to be precise about this.

Also, I talked again with Miss Maroney about our accounts and think I now have sorted out what was bothering her, namely, the matter of gearing our funds and our requirements in with the Brookings bookkeeping. She is already thinking ahead for the figures which must be presented to the Board around the first of May, and we become part of those figures.

Mrs. Singer understands the whole thing insofar as I have managed to report Miss Maroney's aims to her. I think matters are on a much better footing than they were, although there is always the danger that problems will rise up.

I am enclosing a copy of my itinerary, and Mrs. Singer will have any changes that may arise at the last moment.

Best as always,



Mildred Adams

P. S. Mrs. Singer will be sending you a number of copies of a letter for your signature. This is the form letter to men active in the early days of the System, which you have already approved in draft form.

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

Enc. 2

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Proposed Supplementary Statement on Administrative Procedures,  
with Particular Reference to the Authorization of Admini-  
strative Expenditures from Committee Funds

Following paragraph 3 of the agreement on the "Relation between the Committee on the History of the Federal Reserve System and the Brookings Institution," it is understood that that member of the Executive Committee who is empowered to act for the Committee shall have the power and the duty to authorize the payment of Committee funds for administrative purposes or to delegate such power as he sees fit. In accordance with that understanding, the power to authorize expenditures for ordinary office and travel expenses coming within the budget is hereby delegated to the Committee's Executive Director. Any extraordinary expenditures not previously authorized by the Executive Committee shall be submitted to the said member for his authorization before being incurred.

Itinerary of Miss Mildred Adams, March 29 to April 12, 1955

- 3/29 American Airlines, Flight 87 to Dallas, leaving Idlewild at 9:05 a.m. Limousine leaves Airlines Terminal Building, First Ave. and 38th St., at 8:00 a.m.
- 3/29 - 4/1 c/o Baker Hotel, Dallas Texas
- 4/1 Branniff International Airways, Flight 57 to Austin, leaving Dallas at 6:15 p.m.
- 4/1 - 4/4 c/o Mrs. Wolf Jesson, 2311 Shoal Creek Blvd., Austin, Texas
- 4/4 Branniff International Airways, Flight 34 to Dallas, leaving Austin at 10:49 a.m.  
American Airlines, Flight 87 to San Francisco, leaving Dallas at 1:40 p.m.
- 4/4 - 4/11 c/o Mrs. Harley Stevens, 1641 Green Street, San Francisco, Calif.
- (4/9 - 4/10 c/o Mrs. Mary Hutchinson, Carmel, Calif. ?)
- 4/11 TWA, Flight 38 to New York, leaving San Francisco, arriving Idlewild at 7:35 a.m. Tuesday morning, April 12.

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM MCC. MARTIN, JR.  
WALTER W. STEWART  
JOSEPH H. WILLITS  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Executive Director*

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

March 28, 1955

Dear Don:

I am sorry that your absence from the city makes it necessary for me to go off without calling you for a cheerful farewell, but I hope you are having a very good vacation in every sense of the word.

As you know, I leave for Dallas by plane tomorrow morning, the 29th of March. I will be there through the week, going to Austin on Friday night for a week-end visit to an old friend, and returning to Dallas on Monday to take the plane for San Francisco. I shall stay in San Francisco and its environs until April 12th, when I will fly back to New York. My address there for at least part of the time will be c/o Mrs. Harley Stevens, 1641 Green Street, but Mrs. Singer will have full detail on this kind of thing. I expect to go to Stanford to see the Hoover Library and to Berkeley to see Mr. Chester Davis. I shall also have a free week-end in the bay region which, considering my well-known affection for the territory, I expect to be pure pleasure.

So far as I know, the chief thing left undone is the James matter, and that, of course, is beyond the control of any of us. Perhaps I should remind you that the date when the Executive Committee's patience



officially expires is April 21st. One might, I should think, expect that by that time Dr. James would know (a) how his wife was going to be, and (b) whether she would tolerate being moved back to the United States. Perhaps you already know those things by the time you read this letter.

As for other things which were pending, a draft report on publishers will be included with this letter or has already been sent you. I would appreciate it if you would read for information and crispness and let me know your reaction. Your suggestion that I see Mr. Scherman at the Book-of-the-Month-Club was an excellent one. He made more sense than all the other people put together, and I for one am convinced that if we can tackle the problem on the basis of promotion and distribution rather than straight publishing, we will get a lot further.

I went to Columbia and saw Dr. Logsdon, the head of all libraries, in the preliminary talk which was solicited before Dean Brown and Mr. Sproul might discuss the matter of putting financial collections there. A copy of my letter which reports to Mr. Sproul has already been sent you.

Otherwise, things jog along in their usual routes. No Progress Report has gone out since November for the reason that we held those two lively conferences at Princeton. I hesitate to send one out until there is news about the historian, but unless it comes soon, I think we should probably contemplate one. That, however, can wait until I get back.

Wish me luck, and Mrs. Singer will know where I can be reached at any moment in any place.

Best as always,

  
Mildred Adams

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

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

*Copy for  
Mr. Woodward*

March 28, 1955

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

Dear Dr. Calkins:

As you know, the term for which Miss Burnett was originally appointed expires on April 15th and it was agreed by the Executive Committee that she be reappointed for another six months of work. However, as I think you know, she wants to take two months off, and it was therefore suggested that she be reappointed for two months from April 15th to June 15th and then take two months off, to be reappointed for the remaining four months. The dates on this latter are not yet settled.

Mr. Woodward writes me under date of March tenth that, as the Executive Committee had approved the idea of a six-month extension, he saw no reason why we need refer to them this splitting of the six-month term unless you thought it necessary. If you do, he suggests that the matter be cleared with Mr. Sproul and Mr. Burgess by letter.

I am referring this detail to you on the eve of my trip to the west. If this suggestion of Mr. Woodward's is agreeable to you, we will let the matter ride.

Cordially,

Mildred Adams

cc. to: Miss Maroney  
Mr. Akers  
/ Mr. Woodward

March 25, 1955

MEMORANDUM

To: Mr. Calkins  
From: Mildred Maroney

I have canvassed with Miss Adams what is impending in expenditures for the Federal Reserve project. There are some vaguenesses, which apply more to the time scheduling than to amounts; hence what I have been able to figure out is necessarily subject to correction.

Meanwhile, here are my best guesses.

The total expenditures this fiscal year will come to ~~\$38,000-\$40,000~~, as compared with a budget of \$53,325. I will assume the larger figure and add to it the deficit of \$2,038 for 1953-54 which has to be absorbed by the \$53,325.

receipts

Thus I get a total of \$42,000 to charge against the cash ~~budget~~ of \$53,325, leaving \$11,000 available for the budget commencing July 1, 1955 to June 30, 1956.

The 1955-56 budget is very tentatively estimated at \$65,000. This means that cash requirements for the ensuing year would be \$54,000; that is, \$65,000 minus \$11,000.

Although Miss Adams will again review the account with me in April, I believe these estimates are as close as we will get for purposes of the Board meeting. /

The matter of cash requirements is less pressing. Since we do not have a cash problem, I think it desirable to await developments, preferably until after the first of July before we submit any further request for funds to the Rockefeller Foundation.

---

/ For everything except our own payroll, bills are very slow in arriving. For instance, the last bill we have had from the Bank was for the month of January. Thus, we have to estimate for five months of the current year. Also, while items on our own payroll can be computed precisely for the months ahead, this is not true of salaries and expenses which are billed by the Bank. They are not based on any precise commitments of record in my office and they vary a good deal from month to month.

TRUSTEES

WILLIAM R. BIGGS *Chairman*  
HUNTINGTON GILCHRIST *Vice Chairman*  
ARTHUR STANTON ADAMS  
DANIEL W. BELL  
ROBERT D. CALKINS  
LEONARD CARMICHAEL  
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JOHN W. HANES  
LEWIS WEBSTER JONES  
JOHN E. LOCKWOOD  
EVERETT LYON  
ROBERT BROOKINGS SMITH  
LAURENCE F. WHITTEMORE  
DONALD B. WOODWARD

# The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

HONORARY TRUSTEES.

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

OFFICERS

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

March 23, 1955

Miss Mildred Adams  
Committee on the History of the Federal Reserve System,  
33 Liberty Street,  
New York 17, New York

Dear Miss Adams:

The revised cost of the November conference at Princeton is \$1,096.74. The difference between this figure and a former figure of \$872.39 is accounted for by (delayed) payment of honoraria and \$24.35 in bills from the Bank identified as travel in connection with the November conference.

The above account is probably complete by now, but it illustrates the lag between conferences and arrival of bills. For the January conference, we have accumulated a total of \$754.74 and you must judge whether this is complete.

I thought these figures might be helpful in connection with impending budget estimates. Also, please feel free to call on me for any other assistance which you may require. In connection with budget preparation, I have some tentative worksheets for all our projects, but in the case of Federal Reserve I know too little about sub-project planning to work this up independently.

Mr. Calkins' deadline for completion of estimates is May 1st, when he hopes to mail agenda for the meeting of the Board of Trustees on May 13th.

Yours sincerely,

Treasurer.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Copy on  
Mr. Woodward

March 23, 1955

Dear Mr. Sproul:

Yesterday, the 22nd, I went up to Columbia to lunch with Dr. Logsdon, head of the Columbia Libraries, and Mr. Baughman who has charge of the Special Collections. With them was Mr. W. L. Williamson, who is head of the Butler Library which houses works on economics.

They asked a great many questions about this project, and answered questions about Columbia's way with manuscript collections. At the end of an hour and a half I was fairly sure that their major doubts were mostly answered, their interest caught and that they would move forward. They are now going to draft a memorandum which will be submitted to us and Dean Brown; this will serve as a basis for Dean Brown's eventual conversation with you.

The crux of the difficulty seemed to be a set of practical considerations arising out of the fact that more people (and corporations) are keeping more papers (and offering them to libraries) than ever before. They said, for example, that the New York Transit Authority had offered them three warehouses full of records, which they had declined. They wanted a guess as to how many collections there might be, what size they might be, how much work it would be to service them -- a reasonable request, but one for which there is no way of providing an exact answer.

We settled finally on an arbitrary figure of twenty-five possible collections which might be expected to come their way. Against that

theoretical possibility, and with an equally arbitrary figure of probable size, they would figure shelf space and service requirements.

There was also the suggestion that they would find out more than they now know about the areas in which the Baker Library at Harvard and the International Finance Division of the Princeton Library work so as to avoid overlapping.

On the service side, they are aware that much more needs to be done in their own organization if they undertake to carry out this proposal. They admitted ruefully that the Hepburn papers were given to the Business Library. Instead of being passed on to Special Collections, which includes manuscripts, they were stored and forgotten until we began to ask about them.

The basic fact seems to be that the Columbia libraries have devoted little attention to manuscript collections. Logsdon's last words to Baughman as I went out were, "Well, Johnny, I guess we'll have to get you a manuscripts man," and an improvement in manuscript handling there may be a by-product of our proposal. We discussed in detail the Library of Congress method with manuscripts. Columbia does not index so fully nor service so well, but at least they recognize the difference.

At one point, they disclaimed any expectation that we would furnish subsidies with the supposititious collections. Obviously, if a banker, or a foundation, chose to endow a financial and monetary manuscript collection, such an endowment would not be refused. But this seems to form no part of their thinking on the subject under consideration.

When we get their memorandum, we will know more surely what this preliminary interview accomplished. I had the feeling that it did clear away underbrush and set a basis for the discussion which Dean Brown wants with you. At least, I am sure no doors were closed.

Faithfully yours,

*M.A.*

Mildred Adams

Mr. Allan Sproul  
33 Liberty Street  
New York 45, N. Y.

c.c. - Mr. Woodward ✓

C O P Y Letter from Shepard Clough to Donald Woodward

*Committee on Federal  
Reserve History*

CENTRAL--HOTEL MAINZ

Direkt am Hauptbahnhof

Mainz a. Rh.,  
Telefon 5285. Privat: 5632

March 20, 1955

Dear Don:

Our current correspondence is encountering all kinds of vicissitudes. Your last letter caught up with me while on a lecture trip in Belgium and is being answered while I am nursing a cold at a historical convention.

I am pleased that you are awaiting my return before replacing me on the Committee. I am pleased and flattered.

As you can imagine, I am having a wonderful year. My Rise and Fall of Civilization has just appeared in German and my American Way will be out soon in German, Japanese, Chinese, and Spanish! My teaching is very limited so I am making progress with other writing.

Yours,

Shep

# RECEIVED Central Hotel Mainz

Direkt am Hauptbahnhof

85 Zimmer · 120 Betten · Mit allem Comfort  
Fließ. warmes u. kaltes Wasser in allen Zimmern  
Zimmer mit Bad und Toilette, Telefon  
Lift · Garage · Konferenz-Säle · Bar  
Terrassen-Restaurant · Park-Wache  
- Eigene Wäscherei und Bügerei -  
Bank-Verbindung: Süddeutsche Bank

Mainz a. Rh.,  
Telefon 5285 · Privat: 5632

March 20, 1955

Dear Don:-

Our current correspondence  
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I am pleased that you are



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RECEIVED

APR 6 1925

COMMITTEE ON THE HISTORY

OF THE

FEDERAL RESERVE SYSTEM

As you can imagine, I am having a  
wonderful year. My rise + Fall of Civilization

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Japanese, Chinese, and Spanish! My

looking is very limited as I am

making progress with other writing.

Yours,

Thos.



Mr. Donald Woodward  
Committee on the History of Federal R. System

33 Liberty St.

New York 45, N. Y.

**Central-Hotel**

FRANZ SEYFRIED

Mainz am Rhein

---

U. S. A.

March 17, 1955

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

Dear Allan:

Dr. Willits has just told me that Dr. James had to go for a short trip to England but will be back in Montreal in a few days.

Dr. Willits has very kindly consented to attempt to have a definitive conversation with Dr. James very shortly on his return. Dr. Willits has kindly agreed to go personally to Montreal if that has any likelihood of being useful. I trust you will agree with my statement that such a trip, or a trip by Dr. James to New York or Philadelphia, would be an appropriate expenditure by the Committee.

I will be out of town from March 18 to March 31 but will be reachable by telephone. My office will know my schedule. I have asked Dr. Willits to have no hesitation in calling me if I can be of any possible use during that time; of course the same applies to you.

Cordially,

cc: Dr. Joseph Willits  
Dr. Robert Calkins  
Mr. Randolph Burgess  
Miss Mildred Adams

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

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

March 17, 1955

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

Dear Don:

This letter is merely to confirm receipt of your letter of March 17th which we discussed on the telephone yesterday. I think the whole committee is in full agreement that anything which can be done to bring Dr. James to the task of being our "historian" should be done. This would certainly mean that the expense of a trip to Montreal by Dr. Willits or by Dr. James to New York or Philadelphia will be an appropriate expenditure from the committee's funds.

For the moment, then, we can do no more than pray for a successful outcome.

Yours sincerely,

  
Allan Sproul

# The Brookings Institution

Washington 6, D. C.

March 16, 1955

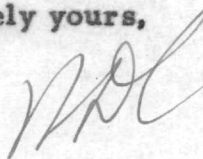
Miss Mildred Adams  
Committee on the History of  
the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

Thank you very much for the copy of your letter to Miss Maroney. I think the procedure you and Don Woodward are working out regarding the approval of expenditures seems quite satisfactory. I shall be glad to look at the statement of your procedure when it arrives.

Thank you also for the correspondence about Dr. Johnson.

Sincerely yours,



President

cc: Mr. Akers  
Miss Maroney  
Mr. Woodward ✓

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM McC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

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

March 15, 1955

Dear Don:

Thanks ever so much for your letter of March 10th, with its four points of authorization. I hope these will clear the situation and make things move more smoothly all around.

The enclosed career data on Edgar A. J. Johnson is sent you at the request of Mr. Sproul. It came originally from Walter Stewart, who presented Johnson's name for consideration at the time when the preferred list was being made up. By coincidence, he heard recently from Mr. Johnson that the latter is finishing his work in Yugoslavia and looking about for a new connection. Dr. Stewart forwarded the career data to Mr. Sproul with the suggestion that the Committee might want to reconsider this name if Dr. James finds he cannot accept the post.

Mr. Sproul asked that I forward the career sheets with Dr. Stewart's suggestion to the members of the Executive Committee.

Best as always,

  
Mildred Adams

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

Enc.

## COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Edgar A. J. Johnson

Date of birth - 31 January 1900

EDUCATION

BS, University of Illinois - 1922  
 AM, Harvard University - 1924  
 PhD, Harvard University - 1929  
 Post Doctoral studies, Oxford, Cambridge Universities, 1929-30

ACADEMIC POSITIONS

1922-1923 Instructor in Economics, University of Oklahoma  
 1924-1926 Assistant Professor of Economics, University of Oklahoma  
 1926-1929 Instructor-Economics and Tutor in the Division of History,  
 Government and Economics, Harvard University  
 1929 - Concurrently - Instructor in Economics, Massachusetts Institute of Technology  
 1929-1930 Fellow of the Social Science Research Council (England)  
 1930-1931 Associate Professor of Economics, George Washington University  
 1931-1937 Assistant Professor of Economics, Cornell University  
 1937-1941 Associate Professor of Economic History, New York University  
 1941-1945 Professor of Economic History, New York University  
 1945 Delivered lectures at St. Andrews University (Scotland) and Oslo  
 University (Norway)  
 1951 (summer) Visiting Professor of Economics, University of California (Berkeley)

Other Professional Activities

1937 - Present Editor, Prentice-Hall, Inc., Economic Series  
 1941 - 1943 Editor, Journal of Economic History  
 1940 - 1942 Consulting Economist, General Motors Corporation

Military and Governmental Activities

1 Dec 1943 - 1 Mar 1944 - Trade and Industry Branch of COSSAC (Chief of Staff,  
 Supreme Allied Commander) London  
 1 Mar 1944 - 18 Apr 1944 - Supreme Headquarters Allied Expeditionary Forces,  
 (Economics Branch), England  
 1 Apr 1944 - 9 May 1945 - Head of Economics Branch, SHAEF Mission to Norway,  
 (Scotland and London)  
 9 May 1945 - 26 Oct 1945 - Chief, Economics Branch, Allied Land Forces, Norway (Oslo)  
 26 Oct 1945 - 8 Dec 1945 - Acting Head, Supply Control Branch, United States  
 Forces, European Theater, (Frankfurt)  
 5 Jun 1946 - 19 Sept 1946 - Director of the (Korean) Department of Commerce,  
 (Seoul, Korea)  
 19 Sept 1946 - 12 Feb 1947 - Civil Administrator of the Government of Korea, (Seoul)  
 12 Feb 1947 - 15 Aug 1948 - Chief Advisor to the Government of Korea, (Seoul)  
 15 Aug 1948 - 11 Nov 1948 - Deputy Chief, Civil Affairs Section, United States  
 Army Forces in Korea (Seoul)  
 11 Nov 1948 - 1 June 1951 - Director, Korea Division, Economic Cooperation Adminis.  
 12 Aug 1951 - 31 Dec 1951 - Economic Adviser to MSA Mission to Greece  
 1 Jan 1952 - present - Deputy Director, USOM (FOA) Mission to Yugoslavia

Publications (Books)

1. American Economic Thought in the 17th Century, London: King, 1932
2. Some Origins of the Modern Economic World, New York: Macmillan, 1935
3. Predecessors of Adam Smith, New York and London: Prentice-Hall, 1937
4. Economic History of Modern Britain, New York: Nelson, 1939
5. Translator of Pioneers of American Economic Thought (by Ernst Teilhac),  
New York: Macmillan, 1935
6. Origins and Development of the American Economy (with Herman Krooss),  
New York: Prentice-Hall, 1953

Articles

Articles in the following journals:

1. Quarterly Journal of Economics
2. American Economic Review
3. Journal of Political Economy
4. Journal of Economic History
5. Economic History
6. International Journal of Ethics
7. New England Quarterly
8. Revue Economique et Sociale

Approximately 75 book reviews in historical and economic journals.

Professional Societies and Clubs

1. Economic History Association
2. Harvard Club of New York City
3. University Club of Washington, D. C.
4. Cosmos Club, Washington, D. C.

Decorations

1. Cross of King Haakon
2. Bronze Star
3. Order of the British Empire



COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

*Copy for  
Mr. Woodward*

March 15, 1955

Dear Miss Maroney:

Following your letter of March 7th with regard to the question as to whether Mr. Woodward should authorize all expenditures or delegate authority in certain fields to me, I have, in accordance with Dr. Callkins' suggestion, laid the whole problem before Mr. Woodward.

After detailed consideration of the expenditures, both regular and extraordinary, and the manner in which they have been handled, Mr. Woodward has decided that he would prefer to proceed as follows:

- (1) That he would delegate to the executive director (my new title) authority to approve ordinary office and travel expenses. This he does on the understanding that this office has now had enough experience in its present quarters and with its present staff to know how its regular expenses run; those customary expenses fall well within the budget.
- (2) That unusual expenditures which are contemplated or an increase in monthly bills which threaten to out-run the budget will be reported to him for approval before they are sent on to you.

In order to ward off any chance of misunderstanding, Mr. Woodward has asked me to draft a statement embodying this procedure which will be forwarded to him and to Dr. Calkins for their joint approval.

In the meantime, may I also report these details. Mr. Woodward has approved our use of a part-time typist, borrowed from the Bank, for March and April. If we decide we will need her beyond the first of May, the matter will be brought up for further discussion. He has also approved what will be unusually high travel expenditures this spring, when I must make one trip to Dallas and San Francisco, and another to Kansas City and Minneapolis, in addition to the usual trips to Washington.

I hope this procedure will help to clear the matter of authorization of expenditures, and make it move more smoothly for everyone concerned.

Most sincerely yours,

Mildred Adams

Miss Mildred Maroney  
The Brookings Institution  
722 Jackson Place N. W.  
Washington 6, D. C.

c.c. - Mr. Akers  
Dr. Calkins  
Mr. Woodward ✓

March 10, 1955

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

Dear Mildred:

1. I approve the use of a part-time typist from the Bank for March and April. If she is to be used beyond May 1st I understand this will be discussed.
2. I don't really see why the matter of Miss Burnett needs to go before the Executive Committee again. The Executive Committee approved a six-months extension and as I understand it you are simply suggesting that the six-months' work be done over a period of eight months without additional cost to the Committee. If however, Dr. Calkins feels it necessary to clear the matter with Mr. Sproul and Mr. Burgess I suggest this be done by mail. When next you write Dr. Calkins why don't you include this comment from me for his consideration.
3. You certainly should proceed in my opinion, with the two trips that are planned.
4. I agree with the plan for you to approve ordinary office and travel expenditures and obtain authorization from me for extraordinary expenditures. I suppose in order to be entirely clear, there should be a supplementary statement on this matter attached to the memorandum of agreement between the Committee and Brookings. This supplementary statement I should think, would need clearance only by Dr. Calkins and me. How about you drafting a few lines of literature and submitting it to each of us.

Cordially,

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

TELEPHONE: RECTOR 2-5700, EXTENSION 286

ALLAN SPROUL, *Chairman*  
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DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

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

March 9, 1955

Dear Don:

Apropos of your telephone call this morning, a letter has come in from Miss Maroney, of which I am sending you a copy.

The crux of the answer to the authorization of expenditure problem would seem to lie in paragraphs three and four of Miss Maroney's letter. I would suggest that you follow Brookings' procedure as it is explained here, and delegate to me authority to approve ordinary office and travel expenses. (We know that the bank bills, which cover both of these categories, run between \$400 and \$500 a month. Any considerable rise above that figure constitutes an automatic warning bell!)

I would suggest that, again following Brookings, the office turn to you for authorization when any new expense not specifically authorized by the Executive Committee is undertaken, or when we see ourselves threatened by an over-run in any section of the budget.

At the moment, and as illustration, I would like to report three items for your approval. First, we are borrowing from the Bank typing pool a part-time typist to help us overcome a lag in our file-making. The due proportion of her salary will be charged on the regular monthly Bank bill. We expect to need her through March and April at least. If by May 1st we continue to need her I will again ask your approval.


Second, the six-months appointment of Miss Burnett for part-time work on regional bank archives expires April 15th. (You have a copy of a recent letter to Dr. Calkins about this). I reported this to the Executive Committee and asked for her services for another six months, a request which was generally approved. Now I find that she wants two months' leave without pay in July and August. Dr. Calkins, in a letter received this morning, thinks the best arrangement on that would be to terminate Miss Burnett's appointment when her two months' leave begins, and resume her appointment when she resumes work.

This should, I assume, be cleared in detail with the Executive Committee, but time is short and we may find ourselves without an Executive Committee meeting before April 15th. To cover this contingency, would you approve the extension of Miss Burnett's appointment for two months to June 15th on the understanding that this matter will be presented to the Executive Committee at their next meeting. We can then reappoint her for four months starting September 1st.

Third, I am, as you know, going to Dallas and San Francisco in April, to Kansas City and Minneapolis in May. This will finish the first round of the regional bank visits which have proved so fruitful. Travel costs will, of course, be heavier than usual, but they will come easily within the budget. As this has been discussed earlier, I take your approval for granted on this item.

I hope this plan of delegating authority to me to approve ordinary office and travel expenditures, and requesting that I ask your authorization for extraordinary expenditures, may meet your approval. If it does, I will report it to Brookings. I will need a letter on this for our files.

Best as always,

  
Mildred Adams

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

Enc.

The Brookings Institution

Washington 6, D. C.

722 Jackson Place, N. W.

March 7, 1955

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

Dear Miss Adams:

This letter is an answer to yours of March 3, with particular reference to the question whether Mr. Woodward should authorize all expenditures or, if not, how much or what sort of expenditure could be exempted from this requirement.

The other day when we were working on the budget format, you also raised this issue and I deliberately refrained from expressing an opinion because of my own uncertainty. I agree with you that it would be burdensome to Mr. Woodward to have every little thing cross his desk, and this might also create delays. On the other hand, as I stated, the lines of authority have never been wholly clear.

For operations which lie entirely within the Institution, Mr. Calkins is in the last analysis responsible for all expenditures, as he is under our bylaws charged with financial administration, but although we are quite rigid about holding salaries within the framework of presidential appointments and authorizations, Mr. Akers and I do not feel called upon to clear innumerable other details of expenditure with him. Instead, we work within the framework of budget provisions, understandings between the president and project directors with respect to authority he has delegated to them, and so on. We pass questions to the president when conditions are peculiar or when there is a threat of overrun or when for other reasons it is our judgment that he should be consulted.

I had an opportunity to discuss your problem with Mr. Calkins this morning, and he advised me to write you to this effect: He says there was an understanding that the Committee would appoint someone to authorize expenditures, and it appears that Mr. Woodward is the person who has been assigned this responsibility. Therefore, he suggests that Mr. Woodward is the person to be consulted regarding the extent to which he wishes to be burdened with details or to delegate his authority.

Mr. Akers and I would appreciate it if you will let us know of Mr. Woodward's reaction to this problem, in order that we will not be in the position of disbursing funds without proper authorization.

I will certainly call at your office if I do come to New York. I had hoped for personal reasons to come this spring for two days, but I may have to postpone it.

Sincerely yours,

s/ Mildred Maroney

Treasurer

# The Brookings Institution

Washington 6, D. C.

March 8, 1955

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

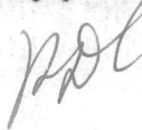
Dear Miss Adams:

I have your letter about Miss Burstein's compensation. Miss Burstein's salary is paid on a weekly basis. In figuring the amount due we translate that to a daily basis and then multiply by the number of days for which compensation is paid. This will be changed to an annual basis on May 1, when the salary change goes into effect. I have written the letter, and propose to send out a notification to Miss Burstein in early April.

I think the best arrangement to follow with regard to Miss Burnett is to terminate her appointment when her two months leave begins, and resume her appointment when she resumes work. I assume that you are planning to send definite word regarding this when it has been cleared with the Executive Committee.

With very best wishes,

Sincerely yours,



President

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



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

OFFICE OF THE CHAIRMAN

March 8, 1955.

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

Dear Don:

Thank you for your note about Alex.  
I'll talk to you in April.

Regards.

Sincerely,

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

Winfield W. Riefler,  
Assistant to the Chairman.



March 7, 1955

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

Dear Win:

Mildred Adams has mentioned your suggestion of Alex Sachs for our Committee. As you well know I have the highest regard and the greatest affection for Alexander. I do however, have some reservations about his possible functioning in relation to the Committee. I expect to be in Washington sometime in April and I wonder if it would be agreeable to hold the question until I am there and can talk with you about it. Or alternatively of course, I would like ever so much to catch you anytime you are in New York.

Cordially,

DEW:lw

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HUNTINGTON GILCHRIST, *Vice Chairman*  
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DANIEL W. BELL  
ROBERT D. CALKINS  
LEONARD CARMICHAEL  
WILFRED L. GOODWYN, JR.  
JOHN W. HANES  
LEWIS WEBSTER JONES  
JOHN E. LOCKWOOD  
LEVERETT LYON  
ROBERT BROOKINGS SMITH  
LAURENCE F. WHITTEMORE  
DONALD B. WOODWARD

# The Brookings Institution

Washington 6, D. C.

722 JACKSON PLACE, N. W.

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JOHN LEE PRATT  
HARRY BROOKINGS WALLACE

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MILDRED MARONEY  
*Treasurer*  
ELIZABETH H. WILSON  
*Secretary*  
SHELDON B. AKERS  
*Executive Manager*

March 18, 1955

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

Dear Mr. Woodward:

I am enclosing a copy of a letter to Miss Adams, which I have written in response to two requests, one verbal and one written, for an answer regarding the question whether your authorization is required on all expense vouchers or requests for disbursement in connection with the Federal Reserve study.

I believe that I am not the person who should answer but am rather one of those who should ask this question.

In going through my file of documents in connection with this project, I find that I never answered your letter of October 4, which I regret as it was very helpful toward an understanding of the nature of and reasons for the administrative arrangements.

*copy attached see*

When Miss Adams was here last week, we had some conferences on the question of budget classification and preparation with a view to organization of the account on a basis which will supply the Committee's requirements for information and reporting.

I believe we are gradually but definitely "shaking down" to a basis of mutual understanding and tolerance which, I realize, is required by this alliance.

Yours sincerely,

*Mildred Maroney*

Treasurer.

March 7, 1955

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

Dear Miss Adams:

This letter is an answer to yours of March 3, with particular reference to the question whether Mr. Woodward should authorize all expenditures or, if not, how much or what sort of expenditure could be exempted from this requirement.

The other day when we were working on the budget format, you also raised this issue and I deliberately refrained from expressing an opinion because of my own uncertainty. I agree with you that it would be burdensome to Mr. Woodward to have every little thing cross his desk, and this might also create delays. On the other hand, as I stated, the lines of authority have never been wholly clear.

For operations which lie entirely within the Institution, Mr. Calkins is in the last analysis responsible for all expenditures, as he is under our bylaws charged with financial administration, but although we are quite rigid about holding salaries within the framework of presidential appointments and authorizations, Mr. Akers and I do not feel obliged to clear innumerable other details of expenditure with him. Instead, we work within the framework of budget provisions, understandings between the president and project directors with respect to authority he has delegated to them, and so on. We pass questions to the president when conditions are peculiar or when there is a threat of overrun or when for other reasons it is our judgment that he should be consulted.

I had an opportunity to discuss your problem with Mr. Calkins this morning, and he advised me to write you to this effect: He says there was an understanding that the Committee would appoint someone to authorize expenditures, and it appears that Mr. Woodward is the person who has been assigned this responsibility. Therefore, he suggests that Mr. Woodward is the person to be consulted regarding the extent to which he wishes to be burdened with details or to delegate his authority.

Miss Adams

2

March 7, 1955

Mr. Akers and I would appreciate it if you will let us know of Mr. Woodward's reaction to this problem, in order that we will not be in the position of disbursing funds without proper authorization.

I will certainly call at your office if I do come to New York. I had hoped for personal reasons to come this spring for two days, but I may have to postpone it.

Sincerely yours,

*Mildred Marney*  
Treasurer

October 4, 1954

Miss Mildred Maroney, Treasurer  
The Brookings Institution  
722 Jackson Place, N.W.  
Washington 6, D. C.

Dear Miss Maroney:

Many thanks for your letter of September 30 and the enclosure.

I think I am to some degree responsible for what I admit is a rather unusual organizational and procedural set up. But various requirements seem to point toward it.

I am sure that the purposes of the Committee on the History of the Federal Reserve System are best served by the presence of a number of officials on that Committee. Their participation in the Committee's endeavors provide status and access that might otherwise be difficult to obtain - indeed probably impossible in some cases. And if these individuals are to be involved, they must be on a committee which has reality; this means some responsibility for work done.

On the other hand the Committee is not incorporated and therefore as you know, not an appropriate recipient of a grant. Furthermore it does not have specific organization and housing advantages, nor should it. And it can benefit greatly by association with an established, highly reputable, scholarly organization. Thus for three reasons an association with Brookings is advantageous to the Committee.

On the other hand I dare to think that the position of Brookings is not unfavorably affected by association with the Committee.

What therefore seems advantageous organization to achieve objectives is clear. But it does make for some cumbersomeness in operation.

That presumably can only be met by some ingenuity and tolerance among the various people involved. Happily there is every evidence, including your good letter that this is being supplied.

I expect I shall see you on Wednesday and also at the Board meeting a little later.

Very truly yours,

DEW:lw

TRUSTEES

WILLIAM R. BIGGS, *Chairman*  
HUNTINGTON GILCHRIST, *Vice Chairman*  
ARTHUR STANTON ADAMS  
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JOHN W. HANES  
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DONALD B. WOODWARD

The Brookings Institution

Washington 6, D. C.

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MILDRED MARONEY  
*Treasurer*  
ELIZABETH H. WILSON  
*Secretary*  
SHELDON B. AKERS  
*Executive Manager*

September 30, 1954

Mr. Donald Woodward  
122 E. 42nd St.  
New York 17, New York

Dear Mr. Woodward:

The copy of my September 24 letter to Professor Chandler (enclosed herewith) was mailed to you earlier, but I inadvertently addressed the envelope to 122 E. 66th St., which is Mrs. Brookings' address when in New York. I hope I have it right this time.

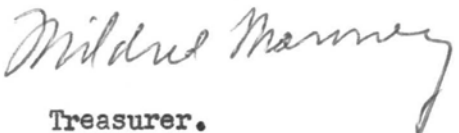
The purpose of my somewhat involved explanations to Dr. Chandler was an attempt to prevent the kind of confusion which has developed in the case of Dr. Kincaid's contract. I find that these things are harder to straighten out if people don't know what their responsibilities are until after they have spent the money.

Personally, I would much prefer when possible to take salaried people or wage earners on our own payroll, where we can meet employer tax responsibilities in the course of our normal routines. And I would extend this preference to many people who are working for principals under so-called "contractual arrangement." (In the end, burden of proof of contractual character will rest on us, I believe.)

But Dr. Calkins seems to have a preference for shifting these responsibilities, particularly in the Kincaid case. So I will help Dr. Kincaid as much as I can consistently with the principle of non-acceptance of responsibility.

Perhaps I shall see you this autumn.

Yours sincerely,

  
Treasurer.

# The Brookings Institution

Washington 6, D. C.

September 24, 1954

Professor Lester V. Chandler  
Department of Economics  
Princeton University  
Princeton, New Jersey

Dear Sir:

We are enclosing herewith the first advance of \$1,000 toward your expenses for assistants and secretarial help as provided for under Item 3 of an agreement approved by Dr. Calkins for the Institution and the Committee on the History of the Federal Reserve System on September 14, 1954 and by yourself on September 16, 1954.

In this connection, I believe you should be informed that in my opinion the payments to you under this section of the agreement constitute reimbursement for wages and salaries of persons who are not employees of the Institution or of the Committee on the History of the Federal Reserve System, and that you are the employer in these cases. (We shall be obliged to report these payments in our annual information return of payments to individuals not subject to withholdings, and you would be entitled to adjust your own gross income received for your expenses.)

Therefore, in my opinion, you should anticipate the responsibility of making withholdings of income and social security tax as required of employers by law, and of paying the additional tax as employer under the Federal Insurance Contributions Act (OASI). The latter item may of course be included among your expenses under the contract.

The regulations governing withholding, payment, and reporting of taxes withheld are fairly complex, and I have devoted considerable thought to the possibility of exemption from such requirements in cases of these research contracts. In the case of persons who are employed by the Institution and compensated through our own payroll, there are no exemptions for withholding of income tax but there are exemptions for OASI if the employee earns less than \$50 in a calendar quarter. (These are regulations applicable to non-profit institutions, which would not in my opinion apply to you as the employer.)

As I interpret the regulations, the only possibility of exemption for you would be for "service not in the course of the employer's trade or business (other than a farm operated for profit)," in which cases withholdings both of income tax and payroll tax are required only if \$50 or

more is earned in a quarter and employee works on 24 or more different days in that quarter or 24 or more days in the preceding quarter." I am not in a position to judge whether or not this provision would be applicable to you.

As suggested, the foregoing represents only my opinion. In doubtful cases, it is customary to seek a special ruling which you may do by consulting your District Director of Internal Revenue.

Otherwise (if you concur with my interpretation), you would be assisted in your paper work by obtaining the following materials from your District Director of Internal Revenue:

Circular E Revised January 1954 Employer's Tax Guide  
Form 941 Employer's Quarterly Return  
Form W-4 Employee's Exemption Certificate  
Form W-2 Employee's Statement of Withholdings  
Form SS-4 Employer's Application for Social Security Number  
Form SS-5 Employee's Application for Social Security Number

(Stating number of employees you expect to have.)

I regret exceedingly the involved character of this explanation, but feel it should be made at this time in order to head off possible complications later.

If there is any way in which we can help you further with these matters, please feel free to call on me or on Mr. Sheldon B. Akers, the Executive Manager.

Yours sincerely,

*Mildred Maroney*

Treasurer

Enclosure



COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

*Copy for  
Mr. Woodward*

March 7, 1955

Dear Miss Maroney:

Thanks for your good letter of the 4th of March which clarifies for us the relationship between your responsibilities and those of Mr. Akers. I am passing it on to Mrs. Singer, and we will try to see that (a) expense vouchers go to Mr. Akers and (b) documents affecting budgetary problems or accounting procedures go to you.

It is a great help to be able to see these matters "in the round." We are all grateful to you and looking forward to seeing you here.

Cordially yours,

*llg*

Mildred Adams

Miss Mildred Maroney  
The Brookings Institution  
722 Jackson Place N. W.  
Washington 6, D. C.

c.c. - Mr. Woodward ✓

C O P Y

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

*Copy for Mr. Woodward*  
→

March 4, 1955

Dear Win:

I saw Donald Woodward today and passed on to him your suggestion that the Committee consider putting Alexander Sachs on the Committee. Don says the idea is interesting but he has some doubts as to how successful it might be. He will be hoping to talk to you about it the next time he is in Washington.

Cordially yours,



Mildred Adams

Mr. Winfield W. Riefler  
Federal Reserve Board  
Washington 25, D. C.

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Copy for  
Mr. Woodward

March 4, 1955

Dear Dr. Calkins:

I note that in my letter of February 28th, I said that Miss Irma Burstein, whose salary is now [redacted] a year, was being paid on a monthly basis. I now find that the definition of that phrase is this. She is being paid each month on the basis of the number of workdays and paid holidays in that month. How this came about I do not seem to be quite clear, but it sounds like a somewhat awkward arrangement, and you may want to change it. Perhaps on May 1st, when her yearly salary is to be raised to [redacted] or July 1st, which is the beginning of our fiscal year, you would prefer to change the basis of her pay to correspond to that of Mrs. Singer who is paid 1/12 of her annual salary each month.

You will also remember that at the Executive Committee meeting on February 21st I brought up the desirability of asking Miss Marguerite Burnett to continue her work for the Committee for more than the six months period to which she was appointed. She deals with the attempted exploration of bank archives and their coordination. That project has gone more slowly than we had expected, but for reasons which are not in the least her fault. Approval for another

six months was general at the Executive Committee meeting.

I have spoken to Miss Burnett about the prospect of going on for another six months. She is pleased at the idea but wants to take a two-month leave this summer. She understands that this would be at her own expense. I have yet to suggest to the Executive Committee a specific plan of appointment, but I would think that this could be arranged in any way which is convenient for Brookings.

Considering her desire for two months off in the middle of the summer, the alternatives would seem to be (a) a continuation of Miss Burnett's present appointment for six months from April 15th (the date on which her present appointment ends) with leave without pay for July and August, or (b) a continuation of her appointment for three months, which would bring her to the middle of July, then a lapse of two months, and then a re-appointment for three months.

Would you let me know which course seems better from the Brookings point of view?

Sincerely yours,



Mildred Adams

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

c.c. - Mr. Akers  
Miss Maroney  
Mr. Woodward ✓

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  
ROBERT D. CALKINS  
F. CYRIL JAMES  
WILLIAM MCC. MARTIN, JR.  
WALTER W. STEWART  
DONALD B. WOODWARD, *Secretary*  
MILDRED ADAMS, *Research Director*

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

March 3, 1955

Dear Don:

The suggestion from Win Riefler, which I couldn't remember yesterday for the life of me, was that we might find it valuable to put Alexander Sachs on the Committee. I understood him to say that he had spoken to Sproul and Stewart on this, and that both of them had suggested that he check with you on it. Win says that Sachs has vast knowledge and that, in addition, he has the "synoptic" kind of mind which would be valuable for a project of this sort.

He seemed to have some feeling that there might be reasons why you might not think this a good idea, but he asked me to put it up to you. I did not get the impression that he would be surprised if you recommended against it. On the other hand, I'm sure he thought it a suggestion which would have value and that there ought to be some way by which the Committee could use Sachs, perhaps as a consultant or in some other way not clearly defined.

I think some reply probably should be made to Win on this, even a non-committal letter in which I say that I have batted the idea up to you. Perhaps you will want to phone me on it when you have a chance to think it over.

P.S. In view of our luncheon conversation, don't bother to reply. I'm writing Win. M

Best as always,

*Mildred Adams*  
Mildred Adams

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

**The Brookings Institution**

Washington 6, D. C.

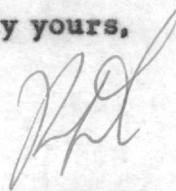
March 2, 1955

**Mrs. Ellen C. Singer  
Committee on the History of  
the Federal Reserve System  
33 Liberty Street  
New York 45, New York**

**Dear Mrs. Singer:**

I am very happy to report that effective March 1 your salary will be increased to the annual rate of [REDACTED]. We are very pleased to make this advance in recognition of the excellent service you have rendered.

Sincerely yours,



**President**

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

March 2, 1955

Dr. Shepard B. Clough  
Pension Europa  
Piazza Castello 99  
Turin, Italy

Dear Shep:

I do apologize for the long delay in answering your good letter of November 27 - which in turn, was a long delay in responding to mine. Apparently the Pixies are loose in this correspondence.

I suggest that we just leave the matter of the Committee on the Federal Reserve History in abeyance until you are back in this country and then let us talk about it sometime next Fall.

I do hope that everything is going most happily with you. You do a remarkable job in getting about the world. Do let me hear from you when you are back.

With warmest regards.

Cordially,

DBW:lw

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MILDRED ADAMS, *Research Director*

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

February 23, 1955

Dear Don:

In writing the Minutes of the meeting on Monday, I find a notation that you are going to reply to the letter of Shepard Clough dated November 27, 1954, in which he says that he must be in Europe until next fall and "Therefore, I do not tie your hands by accepting and leave you entirely free to find a replacement."

The original of that letter is here, but according to our files, you have a copy. If we are too optimistic, Mrs. Singer will send you the original. May we have a copy of your letter to Dr. Clough for our files?

Best as always,

  
Mildred Adams

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



December 7, 1954

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

Dear Mildred:

I've forgotten whether we discussed the matter of Clough on the telephone. In any event, I think this should come before the meeting of the Executive Committee for decision. Will you please be sure I have a note on it for that meeting?

Thine

ks

P. S. I entirely agree with your comments of November thirtieth about a future meeting. The Executive Committee should consider that question also.

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

December 1, 1954

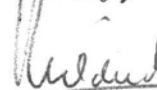
Dear Don:

A handwritten letter has just come in from Shepard Clough addressed to you at this office. I am enclosing a copy to save your eyes.

Do you want us to send him Progress Reports and so on in Italy, or shall we hold all that in abeyance until he gets home in September, 1955? Do you think that he might, if we wrote him air-mail, turn up a certain good suggestion for our historian that no one has thought of? I assume there is no reason for not welcoming him into the Committee, but the matter is sufficiently unusual so that I am not venturing to write a letter of welcome for your signature.

If you will let me know what you think we ought to do on this, I will go ahead with it.

Hurriedly,



Mildred Adams

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

Enc.

Villa Le Terrazze  
Via G. B. Morgagni 3/5  
Rome, Italy  
November 27, 1954

Dear Don:

Believe it or not but your letter of Oct. 29 has just reached me. Inasmuch as it comes without envelope I do not know whom to blame, but some one of my forwarders has slipped, I guess the one at Columbia.

As you can see, I am in Italy and shall not be back until September, 1955. At present I am looking into problems of Italian economic growth. The first of January I begin to teach at the University of Turin, with lectures all over the map in March.

I would gladly - enthusiastically - accept your invitation to join the Committee on the History of the Federal Reserve System, but obviously I cannot be of any use to you - unless by mail until next fall. Therefore I do not tie your hands by accepting and leave you entirely free to find a replacement.

Yes, I had heard of the project via Bob Calkins. I am delighted that the RF decided to support it.

I am having another wonderful year. So far we have stayed about a month each - Paris, Florence, Perugia, and Rome. Fortunately I have been able to get a lot of writing done in spite of all the travel.

Yours sincerely,

Shep

October 29, 1954

Dear Shep:

I have the honor formally to invite you to become a member of the Committee on the History of the Federal Reserve System. As you may already know, this group was working earlier in the year 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, at least one of whom will give us the advantage of insights and techniques in the field of history. On the desirability of Dr. Clough there is 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. Occasional face to face discussions are arranged ad hoc, and with a view to the convenience of Committee members.

I certainly hope that you will see your way clear to participate in this effort which promises to be extremely interesting. We would if possible like to have an answer in time (if it is favorable) to include you in a conference planned for November 21st.

With warmest regards.

Cordially,

---

Donald B. Woodward

Dr. Shepard Clough  
Professor of History  
Columbia University  
New York 27, N. Y.

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November 26, 1954

Dear Don:

A note addressed to you came in today from the secretary to Mr. Clough. It is of such nature that I think you would prefer to have the original kept here. Mr. Clough's secretary signs herself A. Herrick, secretary in the Department of History at Columbia. She says:

"After being sent to two other people by the name of Clough, your letter of October 29th finally reached the office of Shepard Clough.

I realize after reading it that you wanted an answer before November 21st. This note is to advise you that Professor Clough is now in Europe and will not return until September 1955."

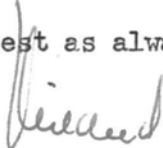
If you want your letter forwarded to Clough in Europe, I should think that Miss Herrick should be able to do it.

Secondly, I have received a note from Joseph Willits. He says:

"I am very happy to join the Committee, but I am quite certain I will be the feeblest member thereof. I join it because of what I will learn, not because of what I will give. I am not a "fachman" in this field, as you know."

I also have from Dr. Calkins a copy of the material he sent you about Karl Bode. It sounds interesting, and he said he was going to try to turn up some samples of Bode's writing.

Best as always

  
Mildred Adams

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

March 1, 1955

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

Dear Allan:

Dr. Willits has had some conversation with Dr. James and expects to have more soon. He suggests that we allow another week or two by which time he hopes the matter will be clarified.

Cordially,

DBW:lw

cc: Dr. Robert D. Calkins  
Mr. Randolph Burgess