

June 30, 1958

REPORT  
ON THE PROJECT ON THE  
HISTORY OF THE FEDERAL RESERVE SYSTEM

The Project

On January 21, 1954, the Rockefeller Foundation made a grant of \$10,000 to the Committee for the History of the Federal Reserve System 1/ for "an exploratory study of historical materials relating to the Federal Reserve System." The grant was to be administered by the Brookings Institution.

On April 20, 1954, the Committee reported on the very considerable success it had had in finding useful collections of papers on the early History of the Federal Reserve System and requested a five-year grant to undertake "a comprehensive history of the Federal Reserve System, including the editing for publication of certain source materials, the writing of biographic sketches of some of the most important figures, the composing of books, monographs and articles on special facets of the structure which emerge as of particular interest, and perhaps a popular history or two designed for wide public reading." The request stated:

. . . . The Committee now knows that what needs to be done is much more than a single history of the Reserve System -- it is an appraisal of one of the most extraordinary inventions in this democracy, a review of experience in its functioning, an analysis of its performance illumined by the papers and the memories of men who helped develop it and who took part in its

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1/ The original members were: Allan Sproul (Chairman), W. Randolph Burgess, Robert D. Calkins, William McC. Martin, Jr., Walter W. Stewart and Donald B. Woodward. Added later were F. Cyril James and Joseph H. Willits.

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

The proposed study was to be broad in scope, covering the entire System, including the twelve regional banks. The project contemplated three main activities:

(1) further archival work and research, intended to discover and make available materials that would be useful in the preparation of the history of the Federal Reserve System;

(2) interviews with individuals who had participated in the life of the System, in order to obtain personal recollections of value to future historians; and

(3) arrangements for

(a) the writing of a "definitive" history of the Federal Reserve System as the central responsibility of the Committee,

(b) the encouragement of monographs and essays dealing with special phases of the history of the System, and

(c) the editing and publishing of important documents relating to the history of the System.

The request for a grant of \$310,000 for the support of these activities was approved by the Rockefeller Foundation on May 21, 1954.

The grant was for the five-year period ending May 31, 1959.

### Inception of the Project

The inception of the project can be traced at least as far back as Professor Robert Warren's statement in 1946 that "never before had there been an economy that expected the majority of its people to be totally dependent upon the continuity of a stream of money income," and his insistence that the primary task of the Federal Reserve System is one of seeing that this continuity of the stream is not interrupted by monetary failure. Students on many levels who tried to test the validity or the effect of this belief found that although the functions of the Federal Reserve System are essential to efficient operation of the American economy, the System itself was not generally understood nor its evolution adequately recorded.

What was worse, the materials which would be essential in any re-examination of the record were disappearing. In the words of the original proposal, "the papers which would be needed as source material in writing an adequate history are scattered between government, banking and private files. It is not even known what exists, nor where some of what exists could be found. The men who have acted as architects and builders of the present Federal Reserve System are already beginning to disappear. Those living, whose memories form a most valuable supplement to any papers which they may have, should be approached and asked to contribute personal knowledge and access to papers before it is too late."

Concern over such matters led to conversations in 1953 between Mr. W. Randolph Burgess, formerly vice president of the Federal Reserve Bank of New York, and Mr. Donald B. Woodward, an economist who had had occasion to do research work in the field of Federal Reserve operations. They discussed the problem with Mr. Allan Sproul, then President of the Federal Reserve Bank of New York, with Walter W. Stewart, formerly Director of Research for the Federal Reserve System, and Adviser to the Bank of England, and others. It was the informed and contagious enthusiasm of these men that inspired the project proposals, first "for an Exploratory Project looking toward the Collection, Appraisal, Editing, and Use of Historical Materials on the Federal Reserve System," and then for the longer and more extensive undertaking planned to be finished by 1959.

The vision was inspiring. Its public value in a period when the field of monetary history seemed particularly arid promised to be high.

#### Work Begins

The expectation in January of 1954, when the pilot project was started, and in April of the same year when the success of the first explorations became clear, was that Mr. W. Randolph Burgess, monetary expert and writer, then on temporary appointment to the Treasury, would take personal charge of the project when he was released, and would possibly become the new historian of the System. The plan provided that at that time a new executive secretary would be secured, and Miss Mildred Adams, a writer on economic and political subjects who

had left the field of journalism to organize and carry out the pilot project, would then be freed to become one of the writers commissioned under the main project. Working quarters were provided by the Federal Reserve Bank of New York; the co-operation of Board of Governors of the Federal Reserve System and the Federal Reserve Banks was assured.

A major setback came when Mr. Burgess was drawn more deeply into public affairs as Deputy to the Secretary of the Treasury, and the Under Secretary of the Treasury. He consented to stay on the Committee, but discouraged any hope that he might soon leave the field of active participation in the management of the nation's finances for the quieter role of monetary historian.

At this point the Committee began a diligent search for an historian to assume direction of the project. Meanwhile, it proceeded with its archival and research activities and undertook to encourage several monographic studies in accordance with the original plan. From January 1954 to June 1956 Miss Mildred Adams served as Executive Director of the project. While the Committee searched for an historian, Miss Adams, with characteristic ingenuity and effort, was highly effective in advancing both the archival work and the monographs.

#### The Search for An Historian

The search for an historian occupied the major attention of the Committee for two years. The quest was for an able scholar with the skill of an historian who could grasp the role of personalities and the importance of critical events in the development of the System, and who at the same time had an adequate grasp of central banking.

The limited number of economic historians with monetary knowledge or experience in the United States, Canada, and Great Britain was carefully scrutinized. With the help of Miss Adams, a long list of possible candidates, with career data, was prepared and considered. From these a small group was selected for further consideration, and several were interviewed. The leading choices for this important assignment eliminated themselves. Others were eliminated by the Committee after thorough consideration. During its search the Committee approached or seriously considered such students of the subject as: Philip Bell, Karl Bopp, Lester V. Chandler, Howard Ellis, Bray Hammond, Per Jacobsson, F. Cyril James, Paul McCracken, Redvers Opie, Winfield Riefler, George Roberts, Harold Roelse, Raymond Saulnier, R. S. Sayers, Leonard White, Brooke Willis, Lucius Wilmerding, Donald B. Woodward, Ralph Young, and many others. But ill fortune frustrated its best efforts. Those whom the Committee wanted had other commitments, and those whom they could get they could not for various reasons accept with confidence. At one low point in the discussions of the Committee the difficulties were attributed by Dr. Walter Stewart to "the frailty of our distinction." Another statement of Walter Stewart, expressing the view of the Committee, was, "I wish that the workers were as willing as the field is ripe." Experts themselves of the highest order, they could not easily agree on the appointment of men of less than perfect qualifications to chronicle events in which they, most of them, at one time or another, had had an active hand. Various proposals to "find and develop" a younger man for the task came to failure.

### The Next Crisis

By the spring of 1956, the failure to find a qualified historian and the impending retirement of President Allan Sproul from the Federal Reserve Bank of New York and his resignation as Chairman of the Committee presented a critical problem. The idea of devoting three to five years to such a major study had appealed to no scholar able or willing to accept the challenge. The Committee was not inclined to push forward with its other activities until there was a clarification of its obligations with respect to the main history. That a "definitive" history of the nature and scope originally contemplated was not feasible had become clear. The Committee thought it likely, however, "that a history of scholarly character and substantial worth" could be brought into being, and it expressed confidence that a number of highly worth-while monographic studies dealing with important aspects of the history of the Federal Reserve System were feasible and desirable.

### Revision Proposed

In a letter to the Foundation on June 5, 1956, Allan Sproul reported these conclusions. He explained that the Committee had been reluctant to launch monographic studies of the sort proposed until the fulfillment of its principal commitment for a "definitive" history could be insured, or until a reorientation of approach could have the sanction of the sources of its funds. He reported the Committee's view that the funds could properly and wisely be used for selective monographic studies, even though the history might not be feasible.

Accordingly, Mr. Sproul on behalf of the Committee requested the approval of the Foundation to relieve the Committee of its obligation to bring about the writing of a "definitive" history and instead to allow it to develop and encourage slightly less ambitious studies on the History of the Federal Reserve System, including such monographs, essays, and histories as may be possible. This was expected to result in the preparation and publication of a one- or two- volume history of the System if such a treatment were at all feasible. The Committee proposed to encourage worth-while monographic studies and essays that would contribute to a better understanding of the System, and would develop this part of the project as a supplement to, or a substitute for, a more comprehensive historical treatment.

It also asked to transfer the executive as well as the administrative responsibility for the project to the Brookings Institution, with the understanding that the Committee would continue to serve the project as an Advisory Committee.

#### Foundation Reply

The Foundation (in a letter from Dean Rusk on June 19, 1956) gave its assent to the transfer of full responsibility for the project to the Brookings Institution. It also agreed that the word "definitive" might be "de-emphasized," since the Foundation had in mind "a living history and appraisal of one of the unusual inventions of government, a review of the experience of its functioning, and an analysis of its performance illumined by the papers and memories of men who helped develop it and who took part in its operation."

But the Foundation expressed its reluctance to abandon a "definitive" history as a target, if by so doing this would rob the effort of its central rationale and deprive it of an idea around which to organize the remaining work. It added: "Most specifically, we would not wish to press for an effort which could only result in a second-rate job which was only definitive if measured by its bulk."

And in explanation it stated:

"In trying to assess present prospects, it should be said, on the negative side, that the Foundation would not be satisfied with a miscellany of incidental monographs or papers which would not, in total, amount to a serious and reasonably comprehensive account of the Federal Reserve experience. We can well imagine that a one- or two-volume history supplemented by first-class incisive monographs would come as close to the original plan as is now feasible."

The Foundation indicated a willingness to substitute the "living history" concept for a "definitive" history and suggested two alternatives (a) "a carefully planned series of monographs drawn together by a one- or two-volume general history of the System," which would require no further reference to the Trustees of the Foundation, or (b) "an even more carefully planned series of monographs, with an over-all editor, which in total would comprise a responsible and comprehensive account of the Federal Reserve System," which "would involve thoughtful strategic planning of monographs in relation to each other and would hopefully produce a series which would not leave any major segments of the story unexplored." This latter alternative, if chosen, should, it was thought, be at least reported to the Board of Trustees; "anything less would, of course, require reconsideration by our Board since the main purpose of the original grant would be directly involved."

### Next Steps

At the time there was some hope that the Brookings Institution with the advice of the Committee might be able to proceed with the first alternative. It negotiated with three different authors of promise, but was unable to find a satisfactory basis for undertaking the study with any of them. It considered the possibility of laying a specific list of monographs before the Foundation for approval, but was unable to negotiate adequate "tentative" commitments to make such a plan feasible. The search for personnel has gone on, but several of the more promising younger scholars have elected other research engagements in preference to this. Thus it now appears that, even if modified as suggested, the project could not now be organized and staffed so as to offer reasonable assurance of success.

### The New Crisis

Meanwhile, though the Committee has to its credit some notable achievements, there are other less favorable developments.

The Committee itself is no longer intact. Allan Sproul has resigned and moved to the West Coast. Walter Stewart has died. Randolph Burgess is now occupied with important official duties in Europe.

The shortage of personnel is in no way relieved. In fact the situation is less favorable now than it was four years ago. Universities are competing avidly for able scholars. Some of the most able have major commitments. The new Commission on Money and Credit, sponsored by the Committee on Economic Development, will shortly be competing for the all too few specialists in this field.

These developments have been discussed with Mr. Buchanan from time to time, and it has been agreed that unless a qualified historian, commanding the confidence of the Committee, could be obtained relatively soon to assume responsibility for the project, it would be preferable to terminate the project and release the unused balance of the appropriation.

### Achievements

Though the central purpose of this project has not been achieved, there is reason to take satisfaction in its other achievements. These achievements fall mainly in archival activities and research and in the promotion of monographs. The following may be noted:

(a) Archival and Research Efforts were from the start one of the Committee's major preoccupations. The location and compilation of research aids was one of the chief goals of the project. It included interviews with some 90 men whose work in the Federal Reserve System went back to its early days; the location of pertinent papers belonging to key people who had had a formative part in the System and their moving (when possible) to recognized places of deposit where students could consult them; visits to and interviews with officers of the twelve Federal Reserve Banks; the compilation of biographic and bibliographic card files bearing on the System and so constructed as to be of quick aid to students and to writers of monographs or major works.

Those four divisions of effort produced a valuable amount of material, and some unexpected results.

### Paper Search

The hunt for papers was more fruitful than had been expected. As reported earlier, 106 pertinent collections were discovered. A report on the location of these collections with some indication of their size and condition was prepared. The Committee was instrumental in getting several collections out of cellars and into libraries where students could consult them.

It was also found that certain collections already on deposit needed servicing in order to make them more useful to students, and this in two notable instances the Committee was able to accomplish. The Carter Glass papers, on deposit in the Alderman Library at the University of Virginia, were rough-sorted according to date, but no one knew what was in them nor where to find it. Under the leadership of the late E. A. Kincaid, then emeritus professor of economics at the University of Virginia, and with a grant from the Committee, the papers were inventoried. With a subsequent small grant to the library under the direction of Francis L. Berkeley, an index was prepared. Copies of the inventory have been distributed to 36 selected libraries, and copies of the index will follow.

The second grant followed the discovery that New York City, the financial center of the United States and at certain periods a critical center of monetary affairs for the whole world, had no financial library which students could use as a base for research on the monetary history that is made daily in the city. Recognizing the need for such a center, the Committee held a series of conferences with officials of Columbia

University for the purpose of stirring interest among their librarians. As a tangible example of the kind of material which needed such a home, the Committee persuaded Mrs. Frank Vanderlip to part with her husband's papers (dealing with the debates on monetary reform which led to the creation of the System) and then granted \$1,500 to the Columbia University Library to pay the costs of arranging them for student research. Following this, Mr. George Harrison, second President of the Federal Reserve Bank of New York (and recently deceased) entrusted his papers to the same library with the encouragement of the Committee.

In the course of this branch of the work the Committee collected a number of items for which a permanent place should be found. Papers belonging to James Curtis, Frederic Curtiss, Paul Warburg, Leon Fraser and others, a unique compilation of court decisions affecting the Federal Reserve System which was compiled for us by the then Chief Counsel of the System, Mr. George Vest -- these are examples that rank as important by-products.

Meanwhile, the second branch of original research -- the interviewing of persons active in the early days of the System's development -- proved at once more tantalizing and more complicated than had been expected. A report made to the Foundation in October 1955 described and evaluated the three types of interviews developed -- the memory type, directed toward retired officials for the purpose of eliciting residual impressions of early days (of which some 90 were recorded), the bank interview leading toward "the sketching of what might be called an historical profile of each of the twelve Federal Reserve Banks," and the group or conference

interview. Of this latter type the most important were two which the Committee held at Princeton among its own members. These contain material of extraordinary interest and potential value. Transcripts of all three types form a valuable part of the Committee files. It is unfortunate that pressures of time made it impossible for the staff to carry these further. Both the bank interviews and the conferences, if enlarged and refined, would have yielded riches that in the time available could barely be touched.

The third branch of research activity took the form of industrious creation of card files designed to ease the student's task by speeding the finding of essential data. As reported to the Foundation in October 1955, these card files include first, career and basic biographic data for all Board members, senior officers and directors of the twelve Federal Reserve Banks from 1914 to 1954, with some later additions for 1955; we also have a sub-file for economists and monetary experts who are important in Federal Reserve History and for those who might become participants in this project.

Second, a chronological card file covering the forty years of System history has been developed. This file lists not only pertinent government officials but also the legislation affecting the System, the litigation, the chief Congressional hearings, the policy actions taken. In addition to this an "Influential Events" file was designed in order to supply a quick guide to the social and political atmosphere in which the monetary history was unrolled.

Third, an extraordinary bibliographic file was established. It covers the periodical contributions and independently printed material -- doctoral theses and the like -- which form so large a part of modern monetary literature and which are not brought easily to hand in the usual bibliography.

The original intention was to have these card files duplicated for the benefit of students in other centers than New York, but this has not yet been done. They would be of service to any student working in this field, and of special value to such a group as the new Commission on Money and Credit.

One unexpected but briefly important aspect of the research and archival efforts was the effect of bank interviews on the whole process of evaluating and keeping records in the Board and the twelve Banks. In her visits to the twelve Federal Reserve Banks, Miss Adams found very early that a combination of limitations on space and lack of historic awareness in certain of the banks had already resulted in the destruction of irreplaceable old records and was steadily eating away at what remained. In her report for 1954-55, appended to the Committee report of October 1955, she described conditions in the individual banks and noted the effect of so-called "destruction schedules" on future historical studies. With the encouragement of the Committee she was able in the spring of 1956 to secure from a pertinent System committee a change of wording by which the retention of certain papers was stressed at the same time that permission was granted to destroy others.

Since then, it has become apparent that the visits made, the questions asked, the questionnaires provided in the course of visits to bank librarians have resulted in a marked change of attitude among System librarians. Newly aware of the importance of archives and historical material, feeling with this an enhancement of the value of their own work, they are now constantly on the outlook for archival and historical material and actively interested in its preservation.

#### Other Influences

No report of the work accomplished under this project would be complete without mention of peripheral and associated activities which owe impetus or encouragement to the efforts of this Committee. The work done and the interest created are continuing to set off chain reactions. The publication of Bray Hammond's book on Banks and Politics from the Revolution to the Civil War is one of these; his second volume when completed will be another. Allan Sproul's important speech entitled "Reflections of a Central Banker," made at a luncheon meeting of the American Economic Association and the American Finance Association in December of 1955, and reprinted in the Journal of Finance, for March 1955, continues to suggest to students that monetary history needs further work. The Committee would not claim credit for the founding of the new Commission on Money and Credit, but it is not without significance that members of the one are active in various aspects of the other. There is every reason why the files on the History of the Federal Reserve System could facilitate the work of this new commission.

(b) Encouragement of Monographic Studies. At the outset the Committee offered encouragement to a number of scholars who were contemplating research in specialized aspects of the history of the Federal Reserve System.

Benjamin Strong -- Central Banker, by Lester V. Chandler

One of the most important activities of the Committee was the commissioning of the biography of Benjamin Strong -- Central Banker by Professor Lester V. Chandler of Princeton. In this project the Committee provided counsel, editorial suggestions, and the necessary financial support.

Making use of hitherto unused files in the Federal Reserve Bank in New York and in possession of the Strong family, Professor Chandler prepared a fascinating twelve-chapter study of Benjamin Strong's influence in shaping the developments of the Federal Reserve System from its inception to 1928, when Governor Strong died. The manuscript, which is now in press, has been read by the whole Committee and the response has been enthusiastic. One member of the Committee, for example, has stated, that "It is an outstanding job, and alone, I feel, justifies the formation of the Committee on the history of the Federal Reserve System." Another member of the Committee has commented: ". . . . This seems to me a splendid job and I feel very proud to have had some responsibility for its having been done. This manuscript should be very instructive and useful and it comes at a very fortunate time when the Federal Reserve System and its policies are again a matter of

widespread interest." Another has said, "I am enthusiastic about this book." The volume will be published by the Brookings Institution in the fall of 1958.

#### Other Monographic Studies

Other monographic studies which the Committee coaxed, encouraged, and helped include the following:

1. A study of "Selective Credit Controls," by Carl Parry, who died suddenly in Washington in January 1958. Before his death he had completed the study and he left it almost ready for publication. The Brookings Institution will do what it can to arrange a reading of this manuscript and help in arranging for publication.
2. A study of the "Legal Aspects of the Lending Function of Federal Reserve Banks," by Howard Hackley, now General Counsel for the Federal Reserve Board. This study was encouraged by the Committee. The author had completed the major part of the study before assuming his present position. He hopes to be able to finish the manuscript by the summer of 1958. The Institution hopes it may be of some assistance in arranging for publication.
3. The Committee was able to assist Mr. Bray Hammond, formerly of the staff of the Federal Reserve Board, who has been writing his history of banking in the United States. The first volume, "Banks and Politics in the United States,

from the Revolution to the Civil War," was published by the Princeton Press in 1957, and Mr. Hammond is now embarked on a second volume which will deal with the same subject from the Civil War to the Banking Act of 1935, thus including the first twenty-two years of the System's life. These volumes were projected before the Committee came into existence. The Committee has followed the work with interest, however, and its Executive Director aided Mr. Hammond in finding a publisher for the first volume and actively encouraged work on the second. It is especially gratifying that the first volume received a Pulitzer Prize for 1958.

4. For some time the Committee and Miss Adams in particular have urged Mr. Allan Sproul to write up his experiences with the New York Bank. Thus far no definite arrangements have been made, but Mr. Sproul is considering the possibility of publishing a volume of his addresses while President of the Bank, and of preparing a second study of Policy Making in Critical Years. This would include an eye witness account of the Treasury-Federal Reserve Accord of 1951. Other possible subjects have been explored. It is hoped that some arrangement can be made to finance the writing of these studies.

### Evaluation

The disappointment of Committee members over the failure of their efforts to secure an historian of the desired dimensions to replace the author originally intended for "the history" should not obscure either the quantity or the quality of the work done under the auspices of the Committee. The Strong biography alone is a noteworthy accomplishment, and indeed may well justify the entire project. Added to that are the two technical monographs written by Messrs. Hackley and Parry, the interviews and the location of papers, the encouragement of a center for banking collections at Columbia University, the work done within the System to create a sense of the importance of preserving historic records, the creation of research aids in the form of biographic, institutional and bibliographical files, and the various foci of interest planted among banking librarians and among monetary economists.

More surprising, perhaps, was the effect which this work had at various levels of the System itself. Not only did it brake the automatic destruction of archival material, but by some curious magic it sowed within the System a sense of the importance of the history of the daily processes with which men and women were working; this, we are assured, means not only more attention to the saving of useful records, but will also be of continuing benefit to scholars in the field.

The whole body of work done, work inspired, and interest created represents an example of the kind of contagious educational stimulus made possible by Foundation funds. The Committee knew that the field of monetary history had been largely abandoned. It chose to apply a specific stimulus to work in that part of the field which concerned the Federal Reserve System. The field is still neglected, but the encouragement that has been given will help to induce others to work in this area. A country with an economy which depends for its life on "the continuity of a stream of money income" needs to know more than it does about the institutions that influence the flow of that stream and the forces that tend to clog or to stimulate its flowing.

#### Conclusions and Recommendations

The Institution and the Committee regard the accomplishments of this Committee as important contributions toward the eventual understanding of the role and the development of the Federal Reserve System. The Committee deeply regrets that it has been unable to find qualified personnel to carry out the exceptional purposes which the Committee had sought to achieve. The Committee has come reluctantly to the conclusion that the project should be terminated on June 30, 1958, and the unspent funds should be released. In making this proposal the Committee offers several specific recommendations:

1. The subject continues to be important, and is perhaps more important now, as our financial institutions and policies come under further investigation, than it was

when originally proposed. It is urged, therefore, that in the years immediately ahead, the Foundation give sympathetic consideration to requests for support from able scholars for the preparation of monographic studies on important aspects of the history of the System, and that this support be extended to cover the preparation of memoirs and other studies by distinguished participants in the System who wish to record their experience and impressions. Such materials will become of great value to future students of central banking.

2. The lack of qualified scholars with an interest in the history of central banking and central bank policy represents a serious gap in scholarship. Encouragement in the form of scholarships or research grants to develop scholars in this field of interest would be well justified.
3. In this, and in other important fields, where a generation of elder statesmen is available and willing to assist young scholars to understand the development of contemporary institutions and policies, some machinery (preferably in the form of the research seminar, with a director and funds for grants and travel) could properly be established in existing institutions to encourage and consider research opportunities and findings. Such seminars would afford an invaluable opportunity to transmit to younger scholars the experience and wisdom of those who have helped to shape

our economic life. It is hoped that the Foundation may find ways to assist the development of such seminar groups for they will not only help to explore the origin and development of social institutions, but will in addition transmit something of the wisdom of the past to the future.

4. To these ends the Brookings Institution will be glad to co-operate and do what it can to further the research objectives stated.
5. The physical property belonging to the Committee -- file cabinets, research and bibliographic aids, and so on, were moved to the Brookings Institution in June of 1956 and have been kept under lock and key except when opened for use by properly qualified research students. It is recommended that they be kept in that Institution, that books contained in the material be incorporated in the Brookings library, and that files be made available to properly qualified research students at the discretion of the President, and with due regard for the confidential nature of certain information included in them.

#### Financial Report

The Foundation appropriated a total of \$320,000 for this project. The first grant of \$10,000 in January 1954 (GA-SS 5405) was used for the pilot project over the first four months. The subsequent grant of \$310,000 in May 1954 (RF #54061), to run until May 31, 1959, has financed the work since May 1954. Most of the expenditures were made

during the first two years for the archival and monographic work carried on under the supervision of the Executive Director. When after June 1956 the efforts to find an author were unavailing, further expenditures for archival work and monographs were limited to necessary outlays to complete commitments already made.

Of the \$320,000 provided in the two grants (which we were authorized to treat as one grant), \$99,830.19 has been expended or committed. Of this sum \$90,484.29 was expended or committed before June 30, 1956, and \$9,345.90 during the past two years.

The expenditures to June 30, 1958 have been for the following purposes:

Executive Director and her staff . . . . .	\$ 49,367.09
Archival and bibliographical work . . . . .	6,149.88
Kincaid-Glass project . . . . .	5,036.24
Chandler-Strong project . . . . .	20,600.01
Two conferences of Committee at Princeton . . .	1,996.50
Other travel . . . . .	4,828.57
Office costs (direct and indirect) . . . . .	<u>11,851.90</u>

Total . . . . .	\$ 99,830.19
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Of the total grant, \$95,238.39 has been paid to the Institution. An additional payment of \$4,591.80 is due the Institution to balance the account.

We believe that highly worth-while results for the longer run have been achieved for the money expended. We regard the accomplishments reported as well worth the time and effort devoted to the project.

by the Committee and the Institution, and we are glad to have had the opportunity of serving in this effort.

Respectfully submitted,

Robert D. Calkins, President  
The Brookings Institution

Copies for the Committee:

Mr. Allan Sproul  
Mr. W. Randolph Burgess  
Mr. F. Cyril James  
Mr. William McC. Martin, Jr.  
Mr. Joseph H. Willits  
Mr. Donald B. Woodward

7/17/75

MEMO

To: RDC

From: eb

Re: History of the Federal Reserve System

A grant of \$10,000 was received from the Rockefeller Foundation for the pilot study: request for grant, January 7, 1954; notice of grant, January 21, 1954; payment of grant, February 5, 1954. Report on pilot project: 4/20/54. (unexpended balance of grant added to grant for major study)

Request for grant for History of Federal Reserve System: April 26, 1954; notice of grant: May 24, 1954. amount of grant: \$310,000 (in addition to previous \$10,000 grant). Payments under the grant to be on a semi-annual basis, contingent on receipt by the Rockefeller Foundation of a project budget at the beginning of each year.

Payments received (additional to the original \$10,000):

June 1954 — \$26,662.50

Jan. 1955 — 26,662.50

Jan. 1956 — 31,913.39

Aug. 1958 — 4,591.80 (received after notice of termination, to balance acct. of expend.)

Project terminated June 30, 1958; formal notification by RDC to Dean Rusk (with financial statement) July 16, 1958. Total expenditures (both grants) — \$99,830.19.

Original members of the Committee on the History of the Federal Reserve System

were:

Allan Sproul (Chairman)

W. Randolph Burgess

Robert D. Calkins

William McC. Martin, Jr.

Walter W. Stewart

Donald B. Woodward

Added later: F. Cyril James

Joseph H. Willits

(Mr. Stewart's name does not appear on the final report.)

PROJECT: Federal Reserve Study

FOUNDATION: ROCKEFELLER

Pilot Study

Request for grant: January 7, 1954

Notice of grant: January 21, 1954

Grant: \$10,000

Period: to April 30, 1954 (extended 4/30/54 to 9/30/54) Unexpended balance added to later grant.

Payment: February 5, 1954

Terms: For an exploratory study of historical materials relating to Federal Reserve System, to be administered by BI in collaboration with Com. on Hist. of FRS.

Reports: Statement of receipts and expenditures at end of period of grant.

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History of the Federal Reserve System

Request for grant: April 26, 1954

Notice of grant: May 24, 1954

Grant: \$310,000 (in addition to the \$10,000 grant)

Period: Five years (to May 31, 1959)

Payment: semi-annual, contingent on receipt of project budget at beginning of each year.

Terms: For the preparation of a History of the Federal Reserve System, on the understanding that the project would be administered jointly by the Brookings Institution and the Committee on the History of the Federal Reserve System. Any balance unexpended on May 31, 1959 will revert to the Foundation.

[Letters of 6/5/56 and 6/19/56]—Full responsibility for administering project transferred to the Brookings Institution, with the Committee serving in an advisory capacity.

Reports: Annual statements of receipts and expenditures.

SCHEDULE

Budgets submitted	Payments Received	Progress Reports Submitted	Financial Reports	
			(due annually)	Sent
	2/5/54 \$10,000	4/20/54 - Report on Pilot Project		11/22/55 MM
6/15/54 (1954-55)	6/29/54 \$26,662.50	6/5/56 - Report by Allan Sproul	Statement of financial status as est. for 6/30/56	6/5/56
	Jan. 1955 \$26,662.50	7/16/58 - R.S.C.		7/16/58 M
12/21/55 (1955-56)	1/9/56 \$31,913.39			3/14/57 M
	8/22/58 4,591.80			

March 3, 1959

Mr. John H. Greenfieldt  
Office of the Comptroller  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Mr. Greenfieldt:

I beg to enclose herewith my further and final report of our expenditures for the project on the History of the Federal Reserve System, under grants by the Rockefeller Foundation numbered GA-SS 5405 and 54061 and totalling \$320,000.

As you will recall, the project was cancelled as of June 30, 1958, except for certain cleanup expenditures which were outstanding on that date. Meanwhile, we had included an estimate for these items in a table of expenditures which I submitted under date of July 15, 1958.

As requested in your letter of August 22, 1958, I have now revised this report so as to reflect solely our actual costs and no estimates, which I submit herewith in two parts.

The first part is a schedule of obligations and disbursements, July 1, 1958, to March 1, 1959, which explains what items in the expenditures for 1957-58 were estimated and compares these with actual payments. The second part represents a re-working of our summary report for incorporation of the changes.

You will note that we have absorbed a small difference of \$5.92 between our advance report and actual experience, so that expenditures aggregating \$99,830.19 are equal to the total of \$99,830.19 which we have received from you for the project, including \$4,591.80, received August 1958.

I trust that you will now be in a position to formally close the grant on your books. If not, please let us know what is required further.

cc: Dr. Calkins  
Mr. Akers  
Miss Long  
Mrs. Birkel  
Miss Maroney

Yours sincerely,

Treasurer

Enc.

Schedule of Obligations and Disbursements

Project on the History of the Federal Reserve System  
July 1, 1958, to March 1, 1959

	<u>Estimated Further Expenses June 30, 1958</u>	<u>Actual Costs These Items</u>	<u>Differences</u>
Staff salaries - for editorial work on manuscript for Chandler-Strong project . . .	\$ 500.00	\$ 543.63	+43.63
Contract costs - for indexing and proof- reading work on Chandler manuscript . . . .	850.00	756.65	- 93.35
Honorarium for Miss Adams (Executive Director of project) . . . . .	1,200.00	1,000.00	-200.00
Supplies and miscellaneous - for binding and mailing the Carter Glass Papers Inventory . . . . .	600.00	576.25	- 23.75
Manufacturing cost - Chandler/Strong project .	<u>6,775.00</u>	<u>7,054.39</u>	<u>+ 279.39</u>
Totals . . . . .	\$9,925.00	\$9,930.92	+ 5.92
Less transfer to general funds . . . . .	<u>          </u>	<u>- 5.92</u>	<u>- 5.92</u>
Totals under grants . . . . .	\$9,925.00	\$9,925.00	-
Expended prior to June 30, 1958 . . . . .	<u>89,905.19</u>	<u>89,905.19</u>	
Totals on Summary Reports			
July 15, 1958 . . . . .	\$99,830.19		
March 1, 1959 . . . . .		\$99,830.19	

Final Report of Expenditures  
Project on the History of the Federal Reserve System  
Under Rockefeller Foundation Grants GA-SS 5405 and 54061 (\$320,000 Combined)

Expenditures - Objects	Fiscal Years ended June 30					Totals
	1954	1955	1956	1957	1958	
Salaries . . . . .	\$ 8,865.30	\$23,016.10	\$20,829.43	\$ 652.39	\$ 2,438.04	\$55,801.26
Contract costs . . . . .	1,333.33	6,380.42	2,482.53	2,701.14	2,431.65	15,329.07
Honoraria . . . . .	-	400.00	50.00	-	1,000.00	1,450.00
Miscellaneous services . . . . .	-	547.99	174.44	379.64	-	1,102.07
	<u>10,198.63</u>	<u>30,344.51</u>	<u>23,536.40</u>	<u>3,733.17</u>	<u>5,869.69</u>	<u>73,682.40</u>
Grant to Columbia University . . . . .	-	-	1,500.00	-	-	1,500.00
Travel and subsistence . . . . .	957.66	3,500.11	1,159.41	253.13	93.04	5,963.35
Supplies and miscellaneous . . . . .	882.35	1,910.13	1,295.90	348.75	889.04	5,326.17
Brookings Institution Overhead Allowances	-	3,000.00	3,000.00	-	-	6,000.00
Manufacturing cost . . . . .	-	-	-	-	7,358.27	7,358.27
Totals . . . . .	<u>\$12,038.64</u>	<u>\$38,754.75</u>	<u>\$30,491.71</u>	<u>\$4,335.05</u>	<u>\$14,210.04</u>	<u>\$99,830.19</u>

Expenditures - Purposes						
Executive Director and her staff . . . . .	\$ 8,669.85	\$20,490.00	\$18,819.19	\$ 188.05	\$ 1,000.00	\$49,167.09
Archival and bibliographical work . . . . .	-	3,141.69	3,008.19	-	-	6,149.88
Kincaid-Glass project . . . . .	1,333.33	2,737.91	-	-	941.25	5,012.49
Chandler-Strong project . . . . .	-	3,000.00	2,482.53	3,165.48	12,175.75	20,823.76
Two Princeton University conferences . . . . .	-	1,996.50	-	-	-	1,996.50
Travel - General . . . . .	957.66	2,397.33	1,127.41	253.13	93.04	4,828.57
Office costs - direct . . . . .	1,077.80	1,991.32	2,054.39	728.39	-	5,851.90
Office costs - indirect . . . . .	-	3,000.00	3,000.00	-	-	6,000.00
Totals . . . . .	<u>\$12,038.64</u>	<u>\$38,754.75</u>	<u>\$30,491.71</u>	<u>\$4,335.05</u>	<u>\$14,210.04</u>	<u>\$99,830.19</u>

I certify that this is a true and correct statement of our costs for the project on the History of the Federal Reserve System. Our preliminary statement, dated July 15, 1958, contained an estimated \$9,925.00 in commitments for further expenses. Those estimated figures have been eliminated from the present statement, and the actual costs of liquidating the commitments have been inserted in their place. The substitutions alter slightly the composition but not the totals of the last two columns, in accordance with details on the attached schedule.

Treasurer, The Brookings Institution  
March 2, 1959

July 16, 1958

Mr. Dean Rusk  
President  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Dean:

In 1954 the Rockefeller Foundation made two grants to be administered by the Brookings Institution for the Committee on the History of the Federal Reserve System. I am enclosing herewith a report on that project, which records a number of worthwhile accomplishments and also reports our failure to find a suitable historian to undertake the principal writing assignment. The Committee considers that the forthcoming volume on "Benjamin Strong -- Central Banker," by Lester V. Chandler, is a major contribution for which the Committee can take some credit. This volume is being published by the Brookings Institution and will appear in the early fall.

The Committee has concluded that, in light of its inability to proceed with the original plan or a suitable modification of the plan, the project should be terminated as of June 30, 1958. This and several related recommendations are found on pages 21-23 of the enclosed report.

During the period of its operation, the Committee has expended \$99,830.19, the majority of which was spent on archival work and central staff, which was maintained during the first two years of the project for the purpose of collecting papers and doing background research which would be helpful in writing the history. When we encountered difficulties in finding a suitable historian these activities were curtailed and the funds conserved. To date the Foundation has paid to the Brookings Institution under these

7/16/58

two grants \$95,238.39. An additional payment of \$4,591.80 is due the Institution to balance the account. We will be glad to receive a check for this sum if it meets with your approval.

A full financial statement up to June 30, 1958 for the project is enclosed. A similar statement is being sent to the Comptroller of the Rockefeller Foundation.

Let me say finally that the entire Committee appreciates very much the interest, the financial support, and the patience of the Foundation during these past four years while efforts were being made to undertake the project originally contemplated. We are especially sorry that it was not possible to carry out the project at this time.

Sincerely yours,

President

**Enclosures**

cc Mr. Meyer  
Mr. Murphree  
Mr. Bickel

FINANCIAL REPORT - June 30, 1958  
Project on the History of the Federal Reserve System  
Under Rockefeller Foundation Grants GA-SS 5405 and 54061 (\$320,000 Combined)

<u>Expenditures - Objects</u>	<u>Fiscal Years ended June 30</u>					<u>Totals</u>
	1954	1955	1956	1957	1958	
Salaries . . . . .	\$ 8,865.30	\$23,016.10	\$20,829.43	\$ 652.39	\$ 2,394.41	\$55,757.63
Contract costs . . . . .	1,333.33	6,380.42	2,482.53	2,701.14	2,525.00	15,422.42
Honoraria . . . . .		400.00	50.00		1,200.00	1,650.00
Miscellaneous services . . . . .		547.99	174.44	379.64		1,102.07
	<u>10,198.63</u>	<u>30,344.51</u>	<u>23,536.40</u>	<u>3,733.17</u>	<u>6,119.41</u>	<u>73,932.12</u>
Grant to Columbia University . . . . .			1,500.00			1,500.00
Travel and subsistence . . . . .	957.66	3,500.11	1,159.41	253.13	93.04	5,963.35
Supplies and miscellaneous . . . . .	882.35	1,910.13	1,295.90	348.75	912.79	5,349.92
Brookings Institution Overhead Allowances		3,000.00	3,000.00			6,000.00
Manufacturing cost . . . . .					7,084.80	7,084.80
Totals . . . . .	<u>\$12,038.64</u>	<u>\$38,754.75</u>	<u>\$30,491.71</u>	<u>\$4,335.05</u>	<u>\$14,210.04</u>	<u>\$99,830.19</u>
<u>Expenditures - Purposes</u>						
Executive Director and her staff . . .	\$ 8,669.85	\$20,490.00	\$18,819.19	\$ 188.05	\$ 1,200.00	\$49,367.09
Archival and bibliographical work . .		3,141.69	3,008.19			6,149.88
Kincaid-Glass project . . . . .	1,333.33	2,737.91			965.00	5,036.24
Chandler-Strong project . . . . .		3,000.00	2,482.53	3,165.48	11,952.00	20,600.01
Two Princeton University conferences .		1,996.50				1,996.50
Travel - General . . . . .	957.66	2,397.33	1,127.41	253.13	93.04	4,828.57
Office costs - direct . . . . .	1,077.80	1,991.32	2,054.39	728.39		5,851.90
Office costs - indirect . . . . .		3,000.00	3,000.00			6,000.00
Totals . . . . .	<u>\$12,038.64</u>	<u>\$38,754.75</u>	<u>\$30,491.71</u>	<u>\$4,335.05</u>	<u>\$14,210.04</u>	<u>\$99,830.19</u>
<u>Receipts (GA-SS 5405 and 54061)</u> . . . . .	<u>10,000.00</u>	<u>53,325.00</u>	<u>31,913.39</u>	<u>-</u>	<u>-</u>	<u>95,238.39</u>
Deficit . . . . .						\$ 4,591.80

I certify that the above statement is correct, with the understanding that expenditures for 1957-58 and the total include \$9,925.00 which is reserved for liquidation of commitments outstanding as of June 30, 1958. These accounts have been audited through June 30, 1957, by G. P. Graham and Company, Certified Public Accountants, Washington, D. C. Accounts for the period, July 1, 1957 - June 30, 1958 are now under audit.

  
Treasurer, The Brookings Institution

July 15, 1958

# THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

OFFICE OF THE COMPTROLLER

ROWEN S. STEEL, COMPTROLLER  
JOHN H. GREENFIELDT, ASSISTANT COMPTROLLER  
JOHN H. GREYERS, ASSISTANT COMPTROLLER

CABLE ADDRESS:  
ROCKFORD, NEW YORK  
TELEPHONE:  
COLUMBUS 5-8100

August 22, 1958

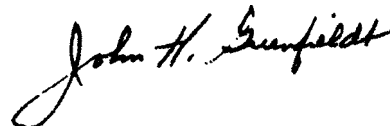
Re: RF 54061

Dear Miss Maroney:

In accordance with President Calkins' request of July 16 we are enclosing a check in the amount of \$4,591.80.

May we thank you for submitting the detailed summary of expenses, actual and committed, for the period July 1, 1954 through June 30, 1958. We note that you have entered the amount of \$9,925 as a commitment for further expenses. We shall, of course, expect to receive a statement of the actual costs incurred in the liquidation of these obligations. When that statement is received we shall be in a position to formally close the grant on our books. We would hope that this statement might be received some time before May 31, 1959.

Sincerely yours,



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

FW:CH  
Enc.

July 25, 1958

Mr. Leland DeVinney  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Lee:

Thank you very much for your note of July 23 regarding the report on the project for the History of the Federal Reserve System. I am glad to have your approval regarding the disposition of the physical property.

We will send you in the near future copies of the Benjamin Strong biography and any other publications we can bring into being.

Sincerely yours,

President

cc: Mr. Akers  
Miss Maroney  
Mrs. Birkel ✓

# THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

## THE SOCIAL SCIENCES

NORMAN S. BUCHANAN, DIRECTOR  
LELAND C. DEVINNEY, ASSOCIATE DIRECTOR  
KENNETH W. THOMPSON, ASSOCIATE DIRECTOR  
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ERSKINE W. MCKINLEY, ASSISTANT DIRECTOR  
MONTAGUE YUDELMAN, ASSISTANT DIRECTOR

CABLE ADDRESS:  
ROCKFOUND, NEW YORK  
TELEPHONE:  
COLUMBUS 5-8100

July 23, 1958

Dear Bob:

This will acknowledge and thank you for your letter of July 16 to Dean Rusk and the enclosed report on the project for the History of the Federal Reserve System and recommendations concerning termination of the project. Needless to say, we share both your disappointment about the failure to find the key person required to bring this project to successful completion and also your qualified satisfaction about the accomplishments that have been achieved.

I am passing the financial report along to our Comptroller for appropriate action.

We note your recommendations on pages 21 to 23 and, of course, will give these our continuing attention. We concur in the recommendation concerning disposition of the physical property belonging to the Committee. We look forward to seeing the biography of Benjamin Strong when it comes from the press and subsequent monographs as these may appear.

Sincerely yours,

*Leland DeVinney*  
Leland DeVinney

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

LCD:eo

cc: Mr. Akers  
Miss Maroney  
Mrs. Birkel ✓

July 16, 1958

Mr. John H. Greenfieldt  
Assistant Comptroller,  
The Rockefeller Foundation,  
49 West 49th St.  
New York 20, N. Y.

Dear Mr. Greenfieldt:

Re: Rockefeller Foundation Grants GA-SS 5405 and 54061  
For a Study of the History of the Federal Reserve System.

At this time, I am writing you further pursuant to my letter of April 3, 1958, following your inquiry on the status of the above account.

It is my understanding that Dr. Robert D. Calkins, President of The Brookings Institution, is mailing a full report, with conclusions and recommendations, to the President of the Rockefeller Foundation. A copy of his report is enclosed herewith. This report also contains a financial statement in cumulative or summary form. (See last three pages.)

In addition, I beg to submit herewith a more detailed financial report. I have previously filed reports for our fiscal years ended June 30, 1954 and 1955. On this current report, I have added expenditures for our fiscal years ended June 30, 1956, 1957, and 1958, showing total expenditures of \$99,830.19 against receipts of \$95,238.39, for GA-SS 5405 and 54061 combined. (Dr. Calkins will also send this statement to Dr. Rusk.)

I would like to add the following explanation of my certification: The total of expenditures shown is \$99,830.19. Of this amount, \$89,905.19 had been disbursed as of June 30, 1958. The balance of \$9,925.00 represents charges which we have entered to set up a reserve for further costs which are impending. These items are the cost of binding and distributing the inventory of the Glass papers; amounts needed for proof work, indexing and manufacturing cost in connection with the biography of Benjamin Strong by Dr. Lester V. Chandler; and for the unpaid fee and expenses of Miss Adams for her work on conclusion of the project during the spring of 1958.

While this procedure was necessitated by steps taken toward the termination of these grants, I of course will expect to file a further report, as the Foundation may require, on the disposition of this reserve fund.

Yours very truly,

Treasurer.

ROCKEFELLER FOUNDATION GRANTS  
for the History of the Federal Reserve System

RECEIPTS AND EXPENDITURES

Grants

R. F. #5404 (for pilot project) . . . . .	\$ 10,000.00
R. F. #54061 . . . . .	<u>310,000.00</u>
Total (administered in combination) . . . . .	<u>\$320,000.00</u>

Receipts

Under #5404 . . . . .	\$ 10,000.00
Under #54061. . . . .	<u>85,238.39</u>
Total Receipts . . . . .	\$ 95,238.39

Expenditures (fiscal years ended June 30)

1953-54 . . . . .	\$ 12,038.64
1954-55 . . . . .	38,754.75
1955-56 . . . . .	30,491.71
1956-57 . . . . .	<u>4,335.05</u>
Total to 6/30/57 (audited and certified by the Treasurer). . . . .	\$ 85,620.15
1957-58 (estimated) . . . . .	<u>11,965.96<sup>a</sup></u>
Total Estimated Expenditures. . . . .	<u>97,586.11</u>
Cash deficit impending . . . . .	<u>\$ 2,347.72</u>

<sup>a</sup> Includes \$7,500 for manufacturing cost of Chandler manuscript.

January 16, 1958

MEMORANDUM

To: Miss Mildred Adams  
From: Mildred Maroney

I am summarizing below the financial status of the Federal Reserve Project under grants totalling \$320,000 by the Rockefeller Foundation. I should emphasize two points.

1. For the moment, this report is in summary form. I shall be glad to supply a report in more detailed form for the next report to the Comptroller of the Rockefeller Foundation. In this connection, I would like to point out that the last such report was rendered under my certification for the period ended June 30, 1955. From time to time, I have prepared such reports for a subsequent period, but as far as I am aware Dr. Calkins did not submit them.

2. Figures below are necessarily tentative. They are firm in so far as actual disbursements are concerned, but I am not able to estimate the requirements for completion and publication of the Chandler manuscript. (I have no knowledge of its nature or the schedule for publication.) I might also raise for consideration the question of additional charges for overhead by The Brookings Institution. The only such charges so far have aggregated \$6,000, or \$3,000 per annum for the two year period June 30, 1954 to June 30, 1956. That amount was approximately 9.5% of expenditures in the same period, but was not so computed. As you will recall, the charge was pre-determined at \$3,000 per annum by agreement with the Committee on the History of the Federal Reserve System, but was suspended when the project ceased having a formal budget status.

Fiscal Years	Receipts	Expenditures
1953-54	\$10,000.00	\$ 12,038.64
1954-55	53,325.00	38,754.75
1955-56	31,913.39	30,491.71
1956-57	—	4,335.05
1957-58 (to Dec. 31)	<u>          </u>	<u>2,618.72</u> a/
Totals, to Dec. 31, 1957	95,238.39	88,238.87
Outstanding Commitments:		
To University of Virginia		365.00 b/
For committee work, editing, and publication of Chandler ms.		?
For additional overhead at B. I.		?

a/ This amount includes an advance for expenses which is outstanding to Lester Chandler in amount of \$1,800 (subject to accounting). The balance was expended at Brookings Institution between July 1, 1957 and December 31--mainly for secretarial work and supplies in connection with the Chandler ms.

b/ Question of amount.

**Status of Rockefeller Foundation Grants 5404 and 54061  
For Federal Reserve Study**

Fiscal Years ended June 30	Grants	Receipts	Expenditures
1954	\$ 320,000.00	\$10,000.00	\$12,038.64 <u>a/</u>
1955		53,325.00	38,754.75 <u>a/</u>
1956		31,913.39	30,491.71 <u>b/</u>
1957		—	4,335.05 <u>b/</u>
<hr/>			
Totals, as of 6/30/57 .....	320,000.00	95,238.39 <u>d/</u>	85,620.15

**Commitments outstanding:**

University of Virginia (est.) for  
indexing Glass papers

365.00

Lester V. Chandler, for expenses  
of Ben Strong biography

1,800.00 c/

For printing biography ?

?

For other expenses

?

a/ Reported to Rockefeller Foundation in detail

b/ Not yet reported to Rockefeller Foundation

c/ Balance of advances outstanding; not yet translated to expenses  
(carried as receivable pending accounting)

d/ Of this amount, \$85,620.15 has been carried to income account to  
cover expenses to 6/30/57. The balance of \$9,618.24 which  
has been received but not expended is carried as a liability  
(prepaid grants).

*Mem - 7/31/57*

3/12/57

# HISTORY OF THE FEDERAL RESERVE SYSTEM

	<u>Received</u>	<u>Allocated</u> <u>2/15/57</u>	<u>Expended</u> <u>12/31/56</u>
Rockefeller Grants . . . . . \$320,000	\$95,238.39	\$88,169	\$83,342

[From Miss Maroney's report of 2/15/57]

*Franklin D. Roosevelt*  
*7/10/56*

July 10, 1956

Mr. Dean Rusk, President  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Dean:

On behalf of Allan Sproul, I should like to acknowledge your letter of June 19. It appears that the plans we are endeavoring to make would conform with the first alternative outlined in your letter, and would present no special problem.

In the event Dr. Opie should not be available, we shall search further for the appropriate personnel in the hope that we may carry through the project as closely as possible in accordance with the plans originally contemplated. We shall be glad to keep you informed regarding developments.

With very best wishes,

Sincerely yours,

President

*cc: Mr. Allan Sproul*

FEDERAL RESERVE BANK OF NEW YORK

ROUTE SLIP

Date 6/21/56

To Dr. Calkins

Of \_\_\_\_\_

From \_\_\_\_\_

**ALLAN SPROUL**  
~~E. Medley~~

- |  |   |
|--|---|
| <input type="checkbox"/> For your information              | <input type="checkbox"/> Attend to                              |
| <input type="checkbox"/> Note and return                   | <input type="checkbox"/> Prepare reply for my signature         |
| <input type="checkbox"/> Note and forward to Files         | <input type="checkbox"/> For signature, if you approve          |
| <input type="checkbox"/> As requested                      | <input type="checkbox"/> See (phone) me re. attached            |
| <input type="checkbox"/> For your comments and suggestions | <input type="checkbox"/> Does attached meet with your approval? |

Other remarks:

Miss Adams left instructions that when this letter was received here it should be forwarded to you.

# THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

OFFICE OF THE PRESIDENT

June 19, 1956

Dear Mr. Sproul:

My colleagues and I have given your letter of June 5, addressed to Dr. Norman Buchanan, the careful consideration which it clearly deserves. Let me say at once that we appreciate the thoughtful interest and time which the members of your Committee have given to the history of the Federal Reserve System.

The resolution of your Committee concludes with a recommendation and a request. The request is that full responsibility for administering the project be transferred to the Brookings Institution, the Committee to serve in an advisory capacity to Brookings. That seems to us reasonable and wise, and requires no legislative action under the resolution of our Trustees. Since this step is within the discretion of Brookings and your Committee, we need only to record that it is entirely agreeable to The Rockefeller Foundation.

Turning to the recommendation that the Committee (presumably now Brookings) be relieved of an obligation to prepare a "definitive" history as the principal objective of this undertaking, the problem is somewhat more complex. The salient facts seem to be (a) that the Trustees of the Foundation made the grant in the hope that a comprehensive and up-to-date history of the Federal Reserve would result; (b) that the Committee, after serious and diligent effort, has concluded that a "definitive" history is not feasible; and (c) that the Committee believes, however, that it is desirable and important to proceed with historical work on the Federal Reserve, to include selected monographs and a one- or two-volume history of the System, if feasible.

Perhaps we should first de-emphasize the intimidating word "definitive". No history is likely to be definitive to a conscientious historian. This word was not used in our resolution of appropriation nor was it used in our letter of notification to Brookings. What we essentially had in mind was "a living history and appraisal of one of the unusual inventions of government, a review of the experience of its functioning, and an analysis of its performance illumined by the papers and memories of men who helped develop it and who took part in its operation", to quote from one of our internal papers on the subject.

In trying to assess present prospects, it should be said, on the negative side, that the Foundation would not be satisfied with a miscellany of incidental monographs or papers which would not, in total, amount to a serious and reasonably comprehensive account of the Federal Reserve experience. We can well imagine that a one- or two-volume history supplemented by first-class incisive monographs would come as close to the original plan as is now feasible.

We should be reluctant to agree that a "definitive" history is no longer the target, if by doing so we were to rob the effort of its central rationale and deprive it of an idea which could serve to organize the remaining work. We ourselves have not, on the other hand, insisted upon the word "definitive" and would not expect the impossible or impractical. Most specifically, we would not wish to press for an effort which could only result in a second-rate job which was only definitive if measured by its bulk.

Would it be helpful to your Committee to accept the quoted portion in the fourth paragraph, above, as an alternative to "definitive"? If so, we see no particularly difficult problem here. One of two alternatives would seem to meet the purposes for which our grant was made: (a) a carefully planned series of monographs drawn together by a one- or two-volume general history of the System (b) an even more carefully planned series of monographs, with an overall editor, which in total would comprise a responsible and comprehensive account of the Federal Reserve System; this would involve thoughtful strategic planning of the monographs in relation to each other and would hopefully produce a series which would not leave any major segments of the story unexplored.

I do hope this letter will help to clarify the position and might open the way for a satisfactory conclusion. We must rely heavily upon the advice and judgment of your distinguished Committee. Alternative (a), above, would require no further reference to our Trustees; if alternative (b) were adopted, we would at least wish to report this amendment to our Board; anything less would, of course, require reconsideration by our Board since the main purpose of the original grant would be directly involved.

May I say once again how grateful we are for the time and anxiety which the members of your Committee have themselves invested in this undertaking.

Sincerely yours,

*Dean Rusk*

Dean Rusk

Mr. Allan Sproul, Chairman  
Committee on the History of  
the Federal Reserve System  
33 Liberty Street  
New York 45, New York

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

33 LIBERTY STREET, NEW YORK 45, NEW YORK

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.

June 5, 1956

Dear Dr. Buchanan:

This letter is to report on the progress of work under the direction of the Committee on the History of the Federal Reserve System, and to make recommendations for the future of this project which is supported by a grant from the Rockefeller Foundation.

The original request of this Committee for financial support contemplated three main activities: (a) archival and research, intended to discover and make available materials that would be useful in the preparation of the history of the Federal Reserve System; (b) interviews with individuals who have participated in the life of the System, in order to obtain personal recollections of value to future historians; and (c) arrangements for the writing of a "definitive" history of the Federal Reserve System as the central responsibility of the Committee, the encouragement of monographs and essays dealing with special phases of the history of the System, and the editing and publishing of important documents relating to the history of the System. The grant made by the Rockefeller Foundation was for the support of these activities.

Two previous reports which this Committee has made since January, 1954, when the first pilot grant was made, review the details of work which was commissioned and of research and archival studies accomplished up to July 1, 1955. Rather than furnish a supplementary report for the year ending in June, 1956, I should like to put before you a summary of the Committee's entire achievement so that you may see how far we have gone toward our goal in spite of serious difficulties encountered in finding research personnel.

A. Archival Activities

The archival activities of the Committee have progressed well under the able direction of Mildred Adams. We have reason to take pride in the general work of location and preparation of papers and materials. We believe we have greatly increased the availability of research materials which will be of benefit to historical studies of the System whether conducted under this Committee or not. This work is now largely completed, for the time being, and Miss Adams has resigned as Executive Director effective July 31, 1956.

The search for private collections of papers which bear on the creation and development of the System was one of the first undertakings of the Committee. More than a hundred of these collections have been found. Considerable data about them and their owners have been organized, duplicated

and distributed as a research aid to the Library of Congress, the New York Public Library, the libraries of the Federal Reserve Board and the twelve Federal Reserve Banks, and to some twenty universities which are distinguished for the quality of graduate work offered in the fields of economics and monetary affairs.

The Selective Inventory of the Papers of Carter Glass, made by a group of graduate students working under the direction of Dr. Elbert A. Kincaid of the University of Virginia, was completed in the autumn of 1954. Copies of this important research aid, mimeographed and put into binders, were in May, 1956, distributed to the same libraries which received the data on private collections.

In the process of this paper hunt we have steadily disclaimed any wish to amass collections ourselves, and have asked only that they be put where scholars could consult them. In several instances we have been instrumental in saving papers from destruction and suggesting depositories which were glad to get them and render them useful to students. This applies particularly to the papers of Ogden Mills, Emanuel Goldenweiser, Col. Leonard Ayres, now in the Library of Congress; of Fred I. Kent, now at Princeton, of Frank Vanderlip being set in order at Columbia. There are many other instances.

In the course of its search for papers, the Committee found that New York City, now the financial capital of the world, has no library where the private papers of bankers and financiers who have played so important a part in building the American economy to its present strength are collected in a center equipped for the use of scholars. On conferring with the appropriate officials of Columbia University, we discovered a quality of interest in this project which might lead to the establishing of such a center were it properly encouraged and financed. As a first move in this direction, and for the immediate purpose of sorting and cataloging the rich Frank Vanderlip collection (which had been disintegrating in a Dutchess County garage until our executive director found it and steered it to Columbia), we made a sub-grant of \$1,500 to the library of Columbia University. The University plans to seek other funds for the prospective Finance Library Center from other sources.

In 1954 and 1955, this Committee made a survey and summary report on historical materials in the libraries and files of the Federal Reserve Board and the twelve Federal Reserve Banks, and reported that, not only had considerable early materials been destroyed, but that a continuing program of destruction threatened more recent records. At that time we formulated and distributed a list of materials which the twelve Banks might be presumed to wish to keep as historically valuable, and which answered the repeated question, "But what do you mean by historical material?"

This problem was brought to the attention of the Conference of Presidents of the Federal Reserve Banks, which had a working subcommittee on the Destruction of Records. After several conferences and repeated discussion, the subcommittee revised its Destruction Manual to emphasize the importance of preserving records described as of historical value, and changed its name to Sub-Committee on the Retention and Disposal of Records. It is the hope of the Committee on the History of the Federal Reserve System that this achievement, reaching direct to the operating level of the Banks, may preserve for the use of future historians important materials which would otherwise be slated for destruction.

The card files which were started early in the life of this Committee have now become highly valuable research tools, and are so keyed together as to make it possible to move easily back and forth between desired details of period, office, people, policy, legislation and litigation involving the System. In addition to this Time File, Persons File, files for banks and economists, we have a bibliography of considerable size, still in the process of growing. When completed, it could form the basis for a highly valuable reference bibliography on central banking, with particular reference to the unpublished material which forms so important a part of that literature. The original intention was to set these files up in such a manner that they could be reproduced and distributed to other research centers, but thus far we have not felt justified in undertaking so costly a step. They are, however, ready to serve where needed.

### B. Interviews

The Committee has experimented with interviewing techniques and has made transcripts of several conferences, which will be of use to historical scholars. The work of interviewing, however, has not been expanded because it was felt that interviews should be coordinated with historical research under the general direction of the contemplated historian.

### C. Research and Writing

The research and writing activities represent both achievements and disappointments. Progress has been greatly impeded by the lack of qualified personnel.

The Committee achieved an initial success in its selection of Dr. Lester Chandler of Princeton to write a biography of Benjamin Strong, the first Governor of the Federal Reserve Bank of New York. The subject was one which interested him, but one which he might never have undertaken except for the aid given by the Committee. This work is proceeding at a satisfactory pace, and there is every reason to expect that an illuminating biographical work relating to the history of the Federal Reserve System will be finished in 1957 as planned.

A substantial number of topics for monographic treatment have been suggested and considered. For a number of them personnel is available. The Committee has been impressed with the possibility of making significant contributions in the field by encouraging essays and intensive monographic studies on particular aspects of the System and its experience. Indeed some members of the Committee are of the opinion that a comprehensive history cannot be written until after a number of principal episodes have been thoroughly explored in monographic studies. Definite assignments for such studies were postponed, however, pending the selection of a scholar to direct the entire project and to serve as author of the basic history.

The loss of Dr. W. Randolph Burgess, who had been expected to take major responsibility for the project and to write the definitive history of the System, has been a major disappointment. After it became clear that Dr. Burgess could not leave the national service, we approached other distinguished scholars in the field, but found them unable to put aside existing commitments. We next turned to the possibility of using younger men, either

as a writing team or as a group which might function through and be inspired by seminar discussions in which members of the Committee and others of mature experience and attainment. Two years of searching among men of caliber and proven ability have given us a heightened appreciation of the difficulties inherent in the very condition which gave rise to the original request for a grant. Economic historians equipped to study and write about monetary affairs are few in number, and modern research into the development of the role of central banking in the American economy is extremely limited. The Committee has thus far been unable to overcome the deficiency of personnel which characterizes this field of study.

At the present time, the Committee is conducting negotiations through the Brookings Institution with Dr. Redvers Opie as a possible director and historian for the project. Whether Dr. Opie will be available or not cannot be ascertained until late July or early August, after he had had an opportunity to consider this assignment in relation to his other commitments. If he should be available, he would undertake a major history of perhaps two volumes, encourage the preparation and publication of supplementary monographs and essays, and we hope organize (with the aid of funds obtained for the purpose) a seminar on the development of central banking as a means of stimulating younger men to work in this field and to offer a means of drawing on the experience of older men who have worked in the System. If Dr. Opie should not be available, the search for a director and historian would be continued in the hope that someone of similar quality can be found.

Meanwhile, the Committee would like to commission several monographic studies by authors familiar with the experience of the System. These studies would cost little and they would contribute importantly to the general purposes of the project.

With encouragement from the Committee, a legal history of the Federal Reserve System has been started by Howard Hackley of the legal staff of the Board of Governors. The portion now in draft gives an impressive and highly useful record of legislative changes and judicial interpretations bearing on the authorities under which the System has operated. It is hoped that this study can be made one of the publications of this Committee.

Mr. Bray Hammond, whose new book, American Banks and Politics from the American Revolution to the Civil War, had informal aid from the executive director of this Committee which led to its publication by the Princeton University Press, is outlining for us a monograph on "The Evolution of the Payments Mechanism." The payments mechanism is of key importance to the smooth operation of the banking system and of the whole economy. The development and implications of the mechanism are seldom understood. A preliminary memorandum outlining this project has been prepared. The Committee hopes to work out an arrangement whereby Mr. Hammond would undertake this study for the Committee.

The retirement of Dr. John Williams from the New York Federal Reserve Bank offers the possibility that he may write a small volume, perhaps of essays, on the development of monetary theory and policy during the last quarter century. Such a contribution should be a publication of the Committee. On the basis of preliminary discussions with Dr. Williams, it seems likely that such an assignment would be welcome.

These are some of the more urgent topics but there are others which the Committee would like to encourage or sponsor, when a director has been chosen.

#### Administration and the Future

The foregoing achievements of the Committee are substantial, even though the search for a distinguished scholar, trained in the economic and historical disciplines, equipped with sufficient knowledge of monetary theory, minded and able to accept a commitment to head this project and to write the desired "definitive" history, has not been successful.

During the past two years two types of difficulties have been encountered in the operation of the Committee. The first has arisen from the recognition by the Committee that it had assumed a commitment to the Rockefeller Foundation for a "definitive" history as the principal objective of the Committee work. The second has been the difficulty of exercising administrative responsibilities by means of a committee consisting of members geographically scattered and all busy.

As the explorations of the Committee have continued, it has become increasingly clear that a "definitive" history of the nature and scope originally contemplated is not feasible at this time. The Committee considers it likely, however, that a history of scholarly character and substantial worth may be brought into being, and it is confident that a number of highly worthwhile monographic studies dealing with important aspects of the history of the Federal Reserve System are feasible and desirable. The Committee has been reluctant to launch monographic studies of this sort until the fulfillment of its principal commitment for a "definitive" history could be assured or until a reorientation of approach could have the sanction of the source of its funds. The Committee believes that the funds can be properly and wisely used for selective monographic studies and that these would represent an important contribution to historical research, even though a definitive history is not now deemed to be feasible. After two years of experience the Committee is of the opinion that this is the way to proceed and that it requires greater latitude and freedom with respect to its obligation to the Foundation.

Accordingly, the Committee requests the approval of the Foundation for a clarification and reinterpretation of the project. The original intent of the project was to undertake certain archival activities and interviewing, to assure the writing of a "definitive" history of the Federal Reserve System, to encourage monographs and essays on the history of the System, and to edit and publish documents. Most of these obligations present only minor problems. The Committee, however, would like to be relieved of its obligation to bring about the writing of a "definitive" history, and would like instead authority to develop and encourage slightly less ambitious studies on the history of the Federal Reserve System, including such monographs, essays, and histories as may be possible. The Committee would expect that its continued activities would result in the preparation and publication of a one or two volume history of the System, if such a treatment proves feasible. It would expect also to encourage worthwhile monographic studies and essays that would contribute to a better understanding of the System, and would develop this part of the project as a supplement to, or a substitute for, more comprehensive historical treatment. The Committee believes that this greater flexibility will assist substantially in stimulating further worthwhile work in this field.

The administrative difficulties confronting the Committee have arisen because of the time required to communicate with Committee members, to schedule meetings, and to conduct negotiations. There has been no lack of interest and attention by Committee members. All members of the Committee have been most loyal in attending a substantial number of meetings. Nevertheless, delays have been inevitable. The Committee recently asked the Brookings Institution, which has collaborated on the project from the beginning, to accept an added degree of administrative responsibility by initiating proposals for the consideration of the Committee and by appointing a staff member to assume a degree of executive responsibility for the project.

The transfer of this added administrative responsibility to the Brookings Institution has been occasioned by my resignation as Chairman of the Committee on the ground that my departure for the West Coast puts a necessary end to my active participation in Committee work, and by the resignation of the Executive Director, as well as by the desire to facilitate administrative action.

The Committee is now of the opinion that this partial transfer of administrative responsibility is not enough, if negotiations are to proceed promptly for monographic and other studies. After two years of exploratory work, it is believed that the time has come to transfer further responsibility to the Brookings Institution. Accordingly, the Committee recommends that the Brookings Institution assume full administrative and executive responsibility for the project, the Committee continuing to serve the project in an advisory capacity. This arrangement is acceptable to the Brookings Institution, and the Committee requests the Foundation to approve this transfer of responsibility. The Institution would continue to consult the Committee on all major matters of studies and personnel connected with the project, and the Committee would read and criticize manuscripts and be generally available for consultation, as it now is. We believe that this transfer of administrative and executive responsibility for the project will simplify and promote the organization of the research activities which the project has always contemplated.

We would welcome a statement from the Foundation indicating its approval of the use of its grant for the continuance of the project with these two modifications -- an increased degree of flexibility in the interpretation of the responsibility of the Committee for the preparation of a "definitive" history of the Federal Reserve System and a transfer of administrative responsibility to the Brookings Institution.

Representatives of the Committee and of the Brookings Institution will be glad to call on you in the near future for such discussion of this proposal as the Foundation desires.

A copy of a Committee Resolution embodying the above recommendations and a statement of estimated expenditures as of June 30, 1956 are attached.

Very truly yours,

Allan Sproul,  
Chairman.

Dr. Norman S. Buchanan, Director  
Division of Social Sciences  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Attachments (2)

STATEMENT OF FINANCIAL STATUS  
OF THE PROJECT OF THE  
COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM  
AS ESTIMATED FOR JUNE 30, 1956

Grants received from the Rockefeller Foundation:

January 21, 1954 (for nine months) . . . . .	\$ 10,000.00
May 21, 1954 (for five months to May 31, 1959) . . . . .	<u>310,000.00</u>
Total . . . . .	\$320,000.00

Expenditures: January 21, 1954 to June 30, 1956:

Salary and Contract Payments . . . . .	\$ 67,551.90
Travel, Grants, Miscellaneous Expenses . . . . .	11,241.93
Overhead . . . . .	<u>6,000.00</u>
Total . . . . .	\$ 84,793.83
Commitments Unexpended June 30, 1956 . . . . .	<u>3,375.00</u>
Total Expenditures and Commitments . . . . .	\$ 88,168.83
Balance Unexpended and Uncommitted, June 30, 1956 . . . . .	\$231,831.17

# COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

## RESOLUTION

WHEREAS, the Committee on the History of the Federal Reserve System recognizes the following situation:

1. That it was established for the purpose of developing available materials and a history of the Federal Reserve System;
2. That it obtained a grant from the Rockefeller Foundation specifically for archival activities, the interviewing of experienced participants in the System, the writing of a "definitive" history of the Federal Reserve System, the encouragement of other monographs and essays on the history of the System, and the editing and publication of relevant documents;
3. That the Committee has made substantial achievements in finding and making available private collections of archival materials, in collecting remembered incidents from older officers, and in facilitating the preservation of important records within the System;
4. That the Committee has in progress a promising biography of Benjamin Strong, the first Governor of the Federal Reserve Bank of New York;
5. That after two years of effort to find an appropriate author to undertake the "definitive" history of the System, and after numerous alternatives have been considered or attempted, and have resulted in failure, the Committee has reluctantly concluded that a "definitive" history cannot now be prepared under its sponsorship;
6. That substantial and important contributions can and should be made through historical research to promote a better understanding of the role of this unique System and that such contributions can be made through monographic studies that examine important episodes in the history of the System, through essays by participants in the affairs of the System, through the most comprehensive history that may now be feasible, and through other supplementary publications;
7. That such a program of studies and writings, though definitely worthwhile and probably feasible, is not regarded by the Committee as the "definitive" history originally contemplated;
8. That, therefore, the Committee should seek an understanding with the Rockefeller Foundation which will permit and authorize the Committee to use the funds at its disposal for a program of studies that may offer important contributions to the over-all history of the Federal Reserve System, including as comprehensive a history as possible and such monographs, essays, or other publications as may be approved by the Committee; and that the Committee be relieved of its obligation to bring about the writing of a "definitive" history in the usual meaning of the term;

9. That after nearly two years of experience during which the Committee has endeavoured to exercise its administrative responsibilities as a group, it has become increasingly clear that administrative responsibilities for the project should now be transferred to the Brookings Institution and that this Committee should operate as an Advisory Committee to the project;

10. That the Committee has previously asked the Brookings Institution to assume larger responsibilities for initiating plans and proposals, which it has been willing to accept, and that the Committee has confidence in the capacity of the Brookings Institution to organize appropriate studies in line with the purposes of the project;

11. That in launching this revised research program the Institution will need the administrative freedom implicit in the proposal herein presented, in order to make plans and negotiate promptly with personnel, and that this transfer of increased responsibility to the Brookings Institution is made acute and especially desirable by reason of the resignation of the Executive Director of the Committee on the History of the Federal Reserve System effective at the end of July, 1956, and by the resignation of President Allan Sproul as Chairman of the Committee at the end of June, 1956;

Now, therefore, BE IT RESOLVED That the Committee recommends to the Rockefeller Foundation that authorization be given for the use of the unexpended funds in its existing grant for historical research and the preparation of a substantial history, historical monographs, or other essays and documents on the history of the Federal Reserve System.

AND FURTHER BE IT RESOLVED That the Committee request the approval of the Foundation for the transfer of full responsibility for administering the project to the Brookings Institution with the understanding that the Committee on the History of the Federal Reserve System will serve in an advisory capacity to the Institution with regard to research and writing for this project.

Resolution Approved by  
The Committee on the History of the Federal Reserve System  
February 4, 1956

Alternate Text - Clause of Enactment

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

- I. That the Brookings Institution appoint a full-time staff member in the field of central banking who could devote his entire time to the development and direction of projects on the History of the Federal Reserve System.
- II. That the Brookings Institution assume responsibility for initiating programs, finding and employing properly qualified personnel, and the submission of these proposals to the Committee for review, criticism, and authorization; it being understood that such programs will include the stimulation of interest in the field of central banking, the commissioning of monographs, the continuing hunt for an historian, and all other activities necessary to carry the project to successful fruition.
- III. Under these arrangements the Committee will continue to:
  - (a) review general policy and individual projects;
  - (b) authorize expenditures jointly with the Brookings Institution;
  - (c) counsel and advise those commissioned to work on projects, and
  - (d) read and criticize manuscripts.

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

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

**January 16, 1956**

**Mr. George E. Van Dyke  
Assistant Comptroller  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York**

**Dear Mr. Van Dyke:**

**Thank you for your letter of January 9 and for sending us the check for \$31,913.39, representing payment in full for our 1955-56 estimated budget, less the unexpended carryover for June 30, 1955. We appreciate very much your sending this payment.**

**Sincerely yours,**

**President**

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

THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

OFFICE OF THE COMPTROLLER

H. MALCOLM GILLETTE, COMPTROLLER  
GEORGE E. VAN DYKE, ASSISTANT COMPTROLLER

CABLE ADDRESS:  
ROCKFOUND, NEW YORK

January 9, 1956

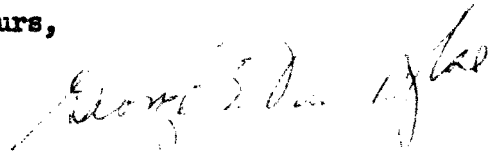
RF 54061

Dear Mr. Calkins:

In accordance with the budget for the year beginning July 1, 1955 in the amount of \$44,445 which you submitted with your letter of December 21, we are pleased to advise you that we are forwarding a check to Miss Maroney, Treasurer, for the amount of \$31,913.39, representing payment in full of your 1955-56 estimate, less the unexpended balance of \$12,531.61 reported as of June 30, 1955.

We have noted the fact that you plan to submit a revised budget for the current fiscal year sometime in February.

Very truly yours,



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

fw  
Copy to Miss Mildred Maroney

# THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

## THE SOCIAL SCIENCES

NORMAN S. BUCHANAN, DIRECTOR  
LELAND C. DE VINNEY, ASSOCIATE DIRECTOR  
ROGER P. EVANS, ASSISTANT DIRECTOR  
KENNETH W. THOMPSON, ASSISTANT DIRECTOR

CABLE ADDRESS:  
ROCKFOUND, NEW YORK

January 4, 1956

Dear Bob:

It occurs to me that it might be useful, from your point of view as well as ours, if I attempt to summarize what I take to be the outcome of our somewhat protracted discussions at the Commodore Hotel last week.

As I think we agreed, the first question to be answered by your Committee is how far the various monographs that you now have in contemplation, and perhaps to some extent committed, come towards providing a comprehensive history of the Federal Reserve System such as was contemplated at the time the original grant was made. As I read the action and discuss its background with people who were here at the time, there seems to be no question that the Trustees understood that the main purpose of the grant was to provide a comprehensive history. As I recall our conversation, this was also your view. Furthermore, everyone seems to agree that the history should be carried well beyond the 1930's in order to be of much use. How far this will be possible if the Federal Reserve Board and others will not make available materials after the mid-1930's is for the Committee to decide.

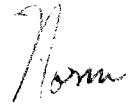
We agreed also, I think, that the value of monographic studies—even fairly comprehensive ones—depends very largely on who is to undertake them. The plan proposed to the Trustees called for the work to be done by a person in whom the Committee had great confidence. If now that plan is not feasible, then I think you agreed that we need to know who in fact will do the monographs in place of the comprehensive study. Does the Committee feel confident that there are people of high competence who could and would get the monographs under way without much further delay?

Once you tell us what monographs you contemplate, who is to do them, etc., then I think we can fairly easily determine here whether or not further clearance is necessary from the Trustees in view of what they understood to be the plan at the time they made the grant. I take it this is essentially the same point which concerns some members of your Committee when they speak of "the moral aspects of the grant."

Does the above about represent the outcome of our discussion?

With best regards,

Sincerely yours,



Norman S. Buchanan

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

NSB:bn

December 21, 1955

Mr. George E. Van Dyke  
Assistant Comptroller  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Dear Mr. Van Dyke:

I have deferred answering your letter of November 15 in which you requested a copy of the budget for 1955-56 for the study of the Federal Reserve System. We had hoped that we could submit a revised budget before this time. Actually the work of the Committee is under review at present, and it will be February before our final budget can be determined with any reliability.

Accordingly, I am sending you herewith a revised statement of estimated expenses for 1955-56 based on present salary commitments and other foreseeable expenses. The total amounts to \$44,445.00, from which may be deducted the unexpended balance from 1954-55 of \$12,531.61. Accordingly, I should like to request payment on January 1, 1956 of \$31,913.39, representing the amount required to finance our operations on a minimum basis for the current fiscal year. These figures are to be considered in substitution for those given in my letter to Mr. Gillette dated November 7, 1955, which were based on our preliminary budget for the year.

In filing this request for payment I should like to explain that when the plans of the Committee are definitely settled in February 1956, we shall wish to submit a revised budget and request a further payment if additional funds should be needed during the current year.

Sincerely yours,

President

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

# THE BROOKINGS INSTITUTION

## Project on the History of the Federal Reserve System R. F. 54061

Estimate of Expenditures, July 1, 1955 - June 30, 1956

Salary Commitments (employees of Brookings Institution . . . . .	\$ 16,845
Salary Estimates (employees of Federal Reserve Bank and miscellaneous personal services) . . . . .	3,100
Contract with Lester V. Chandler - Ben Strong Study . . . . .	6,500
Travel, supplies, and miscellaneous expenses . . . . .	5,000
Brookings Institution Overhead . . . . .	3,000
New Projects and Contingencies . . . . .	<u>10,000</u>
Total expenses, 1955-56 . . . . .	\$ 44,445.00
Unexpended Balance, Budget for 1954-55 . . . . .	<u>12,531.61</u>
Cash Requirements, 1955-56 . . . . .	\$ 31,913.39

# THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

OFFICE OF THE COMPTROLLER

H. MALCOLM GILBERT, COMPTROLLER  
GEORGE E. VAN DYKE, ASSISTANT COMPTROLLER

CABLE ADDRESS:

ROCKFOSD, NEW YORK

November 25, 1955

RF 54061

Dear Miss Maroney:

Thank you for your letter of November 22 with which you submitted a statement of receipts and expenditures for the period ended June 30, 1955 under the captioned appropriation.

We note that you report an unexpended balance remaining as of June 30, 1955 in the amount of \$12,531.61. This balance will be taken into consideration when forwarding our next payment to you.

In the interim, we shall look forward to receiving the 1955-56 budget from Dr. Calkins.

Very truly yours,

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

fw  
copy to Dr. Robert D. Calkins

November 22, 1955

MEMORANDUM

To: Mr. Calkins

From: Mildred Maroney

On November 7, you reported to the Comptroller of the Rockefeller Foundation that the estimated budget for the year 1955-56 is \$55,000, in connection with the Federal Reserve project.

He replied to you requesting a breakdown of this figure. He also asked for other items, which I have supplied (copy on your desk). But this particular item is one which I think you will want to draft, since my own version of it is so sketchy.

For whatever it may be worth to you, the following is my version:

I. Commitments known to treasurer:

<u>Salaries</u>	Miss Adams for 12 months. . . . .	
	Miss Burnett for 4 months. . . . .	
	Mrs. Singer for 3 months. . . . .	
	Miss Burstein for 12 months . . . . .	
	Total . . . . .	<u>\$16,641.09</u>

<u>Contract</u>	Lester V. Chandler	
	Payment due 6/1/55 (paid in Sept.) . . . .	\$ 1,500.00
	Payments due in 1955-56 . . . . .	<u>5,000.00</u>
	Total . . . . .	<u>\$ 6,500.00</u>

<u>Brookings Institution Overhead</u> . . . . .	<u>\$ 3,000.00</u>
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II. Undesignated expenditures (contingency figure) . . . . . \$28,858.91

Total (estimated for Trustees, Nov. 1955) . . . . . \$55,000.00

Part II above merely represents a residual figure, that is, \$55,000.00 minus the specific items listed above. I have sent a copy of this to Miss Adams for assistance toward refinement.

Due to a failure in our tickler system, we neglected to pay Dr. Chandler \$1,500 which was due June 1, 1955, and this must be comprehended in the budget for 1955-56. We paid it in September, when we ourselves discovered the omission; he never said anything about it. This comes out in the wash. Expenditures for 1954-55 would have been \$1,500 higher had we paid it when scheduled.

I have also reported to Miss Adams that expenditures in the first quarter of 1955-56 aggregated \$9,050.94.

November 22, 1955

Mr. George E. Van Dyke,  
Assistant Comptroller,  
The Rockefeller Foundation,  
49 West 49th Street,  
New York 20, New York.

Dear Mr. Van Dyke:

I have received from you a copy of your letter of November 15 to Dr. Calkins in regard to the statements which you require in connection with your appropriation R. F. #54061 for the preparation of a history of the Federal Reserve System.

Dr. Calkins will supply the detailed breakdown of expenditure estimates as projected for the year ending June 30, 1956.

I am supplying herewith the report of actual expenditures for periods ending June 30, 1955 and the resulting position as of July 1, 1955. This report is in two parts.

The first represents a cumulative statement which is set forth in terms of two grants (R. F. #5404 and #54061), which, according to the notification of May 24, 1954, were to be treated as a combined sum of \$320,000.00. As of June 30, 1955, we had expended \$50,793.39 against receipts aggregating \$63,325.00, and the unexpended balance of \$12,531.61 was carried to our liabilities in the form of prepaid grants, applicable to the budget for 1955-56.

(Of the total expended to June 30, 1955, \$12,038.64 was expended in 1953-54 and \$38,754.75 in 1954-55. Another breakdown of the total indicates that \$13,080.32 was disbursed in the form of reimbursements to the Federal Reserve Bank of New York, while \$37,713.07 was disbursed by the Institution as employer or vendee. The latter figures includes \$3,000 of indirect costs or general overhead covered by agreement with the Committee on the History of the Federal Reserve System for an annual charge at that rate beginning July 1, 1954.)

Mr. Van Dyke

11/22/55

Page 2

The second part of my report is a budget statement for 1954-55, which is prepared on a basis consistent with an estimate of \$53,325 for the fiscal year, as submitted by Dr. Calkins to the Rockefeller Foundation June 15, 1954. This statement reclassifies expenditures for 1954-55 for the purposes of the Committee. It also raises the total for 1954-55 from \$38,754.75 to \$40,793.39 by inclusion of the deficit for 1953-54 in the amount of \$2,038.64. This is necessary from a budgetary viewpoint to finance the deficit, although obviously the deficit is eliminated through the cumulative report of receipts and expenditures, which ends with the identical balance of \$12,531.61.

I trust that this information will supply your needs, except as to the breakdown of requirements for 1955-56. If not, please feel free to communicate with me further.

Yours very truly,

Treasurer

Enc.

# THE BROOKINGS INSTITUTION

Project on the History of the Federal Reserve System  
Administered Jointly with the  
Committee on the History of the Federal Reserve System  
Under R. F. Grants #5404 (\$10,000) and #54061 (\$310,000)

## Financial Report June 30, 1955

### Receipts:

R. F. Voucher #540873, February 3, 1954 . . . . .	\$10,000.00
R. F. Voucher #344779, June 29, 1954. . . . .	26,662.50
R. F. Voucher #548783, December 16, 1954. . . . .	<u>26,662.50</u>
Total . . . . .	\$63,325.00

### Expenditures, years ended June 30:

	1954	1955	
Salaries . . . . .	\$ 8,865.30	\$23,016.10	
Contract payments . . . . .	1,333.33	6,380.42	
Honoraria . . . . .	-	400.00	
Miscellaneous personal services. . . . .	-	547.99	
Total, personal services . . . . .	<u>\$10,198.63</u>	<u>\$30,344.51</u>	
Travel and entertainment. . . . .	957.66	3,500.11	
Supplies . . . . .	303.00	416.54	
Freight and express charges . . . . .	154.06	11.79	
Equipment. . . . .	4.64	742.23	
Equipment rental . . . . .	324.16	231.36	
Equipment maintenance . . . . .	-	44.00	
Telephone and telegraph . . . . .	95.47	413.29	
Postage . . . . .	1.02	8.70	
Books and subscriptions . . . . .	-	42.22	
B. I. overhead allowance . . . . .	-	3,000.00	
Totals . . . . .	<u>\$12,038.64</u>	<u>\$38,754.75</u>	<u>\$50,793.39</u>

Balance on hand, June 30, 1955 (carried as prepaid grants) . . . . .	\$ 12,531.61
Grants receivable (unpaid balance, July 1, 1955) . . . . .	<u>256,675.00</u>
Total available for the period July 1, 1955-May 31, 1959. . . . .	<u>\$269,206.61</u>

I certify that the above statement is correct.

Treasurer,  
The Brookings Institution

November 22, 1955

# BUDGET STATEMENT

Project on the History of the Federal Reserve System  
Under R. F. Grant #54061  
Fiscal Year 1954-55

This statement is prepared on a basis consistent with estimates submitted to The Rockefeller Foundation, by Dr. Calkins, June 15, 1954.

	Estimated June 15, 1954	Actual Performance 1954-55
Salaries . . . . .	\$21,388.00	\$21,232.90
Office costs and travel . . . . .	5,000.00	4,169.08
Research contracts. . . . .	8,937.00	8,356.27
Brookings expenses and overhead . .	3,000.00	3,000.00
Contingencies . . . . .	15,000.00	
Two Princeton conferences . . .		1,996.50
Deficit for 1953-54 . . . . .	<u>                    </u>	<u>2,038.64 *</u>
	\$53,325.00	\$40,793.39
Receipts, for 1954-55 . . . . .		<u>53,325.00</u>
Balance available for 1955-56. . . . .		\$12,531.61 **

\* Expenditures, 1953-54 (\$12,038.64) less R. F. #5404 (\$10,000.00).

\*\* See also cumulative report of receipts and expenditures under R. F. #5404 and #54061 (combined).

THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

OFFICE OF THE COMPTROLLER  
H. MALCOLM GILLETTE, COMPTROLLER  
GEORGE E. VAN DYKE, ASSISTANT COMPTROLLER

CABLE ADDRESS:  
ROCKFOUND, NEW YORK

November 15, 1955

RF 54061

Dear Mr. Calkins:

We have your letter of November 7 with reference to the above appropriation for the preparation of a history of the Federal Reserve System.

It is noted that you estimate your budget for the year 1955-56 at \$55,000. Last year you submitted a detailed breakdown of your projected expenditures for the year, and we would very much appreciate it if you would follow the same procedure this year.

We also note that you request a payment of \$43,000 to meet the estimated expenses for the current fiscal year. We assume this amount represents the full amount of your budget, less any unexpended funds remaining from 1954-55. In accordance with our official notification of May 24, 1954, it is customary for us to forward our remittances in semi-annual payments, and if this is convenient to you, we shall plan to forward our first semi-annual payment upon receipt of your budget. Our second semi-annual payment will be available about the first of January, 1956; however, we shall require a signed statement of receipts and expenditures for the year ended June 30, 1955 before forwarding it to you.

Very truly yours,

*George E. Van Dyke*

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

fw  
Copy to Miss Mildred Maroney, Treasurer

November 7, 1955.

Mr. H. M. Gillette  
Comptroller  
The Rockefeller Foundation  
49 West 49th Street  
New York 20, New York

Re: Grant 54061

Dear Mr. Gillette:

On May 24, 1954 I was advised of the grant of \$310,000 to the Brookings Institution for the preparation of a history of the Federal Reserve System. To date the Institution has received under this grant \$53,325 toward budget for 1954-1955, and \$10,000 under a previous grant (GASS 5404).

To June 30, 1955 the Institution has expended \$50,793.39. The estimated budget for the year 1955-1956 is \$55,000. Accordingly, I should like to request payment of \$43,000 to meet the estimated expenses for the current fiscal year.

Sincerely yours,

President

cc: Mr. Akers  
Miss Maroney  
Mrs. Wilson ✓

✓  
*File*

July 21, 1955

MEMORANDUM

To: Mr. Calkins  
From: Mildred Maroney

This is a preliminary statement of the status of funds for the Federal Reserve study. For reasons which are apparent below, there is no urgency about cash requirements for 1955-56, and I would a little prefer deferring request to Rockefeller Foundation until we freeze figures (in August). Also, budget for 1955-56 may be excessive?

GRANTS

R. F. GA SS 5404 (pilot project).....	\$10,000.00	
R. F. 54061 .....	<u>310,000.00</u>	
Total (to be handled as a combined sum) .....		\$320,000.00

EXPENDITURES

1953-54 .....	12,038.64	
1954-55 (preliminary figure) .....	<u>38,754.75</u>	
Total .....		- <u>50,793.39</u>
Unexpended balance of grants .....		<u><u>269,206.61</u></u>

PREPAYMENTS BY ROCKEFELLER FOUNDATION

1953-54 .....	10,000.00	
1954-55 (budget for 1954-55) .....	<u>53,325.00</u>	
Total .....		63,325.00
Less Expenditures (from beginning to 6/30/55) .....		- <u>50,793.39</u>
Balance of prepayments, 6/30/55 .....		<u><u>12,531.61</u></u>

CASH REQUIREMENTS, 1955-56

Budget as estimated May 13, 1955 .....	65,000.00	
Less prepayments brought forward .....	<u>12,531.61</u>	
Cash Requirements, 1955-56 (?) .....		<u><u>52,468.39</u></u>

FEDERAL RESERVE - 7/1/54 - 6/30/55  
Under R. F. 54061 (\$310,000)

SALARIES (and OASI)	Tentative Budget	Expended to Oct. 31	Committed 7/1 - 6/30
Mildred S. Adams .....			
Marguerite Burnett 10/13 - 4/13)			
Ellen Colt Singer 9/9 -			
Irma Burstein 11/1 -			
Employees of Federal Reserve Bank			
Brookings stenographers .....			
Misc (Elizabeth Abolin) .....			
Total salaries .....	21,388.00	<u>5,951.88</u>	<u>17,569.27</u>
CONTRACTS			
E. A. Kincaid (balance) .....		2,666.66	2,666.66
Lester Chandler .....		1,000.00	1,500.00
Beatrice Bulla (?) .....		—	?
Total contracts .....	8,937	<u>3,666.66</u>	<u>7,166.66</u>
HONORARIA			
November conference .....		—	300.00
Other .....		—	?
Total honoraria	—	—	<u>?</u>
TRAVEL .....	3,000.00	<u>400.31</u>	<u>?</u>
MISCELLANEOUS (BI and Fed Res. Bank)			
Stationery .....		33.78	
Telephone and telegraph .....		55.18	
Equipment .....		677.88	
Equipment rental .....		42.60	
Equipment maintenance .....		44.00	
Entertainment .....		3.20	
Books .....		4.30	
Other .....		.60	
Total miscellaneous .....	2,000.00	<u>861.54</u>	<u>?</u>
OVERHEAD ALLOWANCE .....	3,000.00**		3,000.00**
CONTINGENCIES .....	15,000.00		
Deficit under R. F. 5044 (1953-54) ....			<u>2,038.64</u>
TOTALS	53,325.00	10,880.39	30,074.57

\* Assumes extension of appointments to 6/30/55

\*\* Question whether this provision includes B. B. stenos and misc. direct costs  
or whether it is an allowance for B. I. indirect costs

(Incomplete)

Adams, Mildred

February 8, 1955

Miss Mildred Adams  
33 Liberty Street  
New York 45, N. Y.

Dear Miss Adams:

As promised, I have gone over the record of expenditures with a view to pulling out the costs of the November conference at Princeton, which amounted to \$872.39 as set forth in Part II of the attached report of expenditures. This figure differs only slightly from Mr. Singer's earlier computation, due to a \$10.00 adjustment in the bill from Princeton Inn. We also have added 50 cents for travel by Dr. Calkins, which item represents the cost of cancelling his reservations.

All other travel in my report is accounted for by trips to Denver, Ithaca, Charlottesville, Boston and Washington, including bills and advances by the Bank, items paid by Brookings, less refunds to Brookings. As explained on the telephone, it is not possible at this juncture to further break down these items by projects, because I do not know what the projects are, or if I did, I would not be able to tell what trips and what salaries are assigned to them. But I shall be glad to cooperate with you in the development of classification consistent with your budgetary criteria, in so far as you want this done.

Apart from the re-classification in the enclosure, I have raised the overall totals of expenditures by \$49.04. This correction is explained as follows:

1. I find I overstated payments to Dr. Kincaid by \$0.01. I guess we owe him that penny!

2. I understated travel by \$75.30. This is due to the fact that a supplementary bill which we received in December from the Bank in New York was erroneously posted to another account, and we have since corrected

3. In the previous report, the supplementary payment of \$26.25 to Miss Bowen was counted twice because we paid her once via the register of vouchers and again via the payrolls; meanwhile, the latter check has been cancelled.

The three adjustments in combination amount to \$49.04.

Total expenditures, as of Dec. 31, become \$31,306.99 instead of \$31,257.95. The unexpended balance of \$320,000 was \$288,693.01, and the unexpended balance of cash receipts (prepayments at Dec. 31) was \$32,018.01.

Yours sincerely,

Treasurer

Report of Expenditures  
STUDY OF THE HISTORY OF THE FEDERAL RESERVE SYSTEM

December 31, 1954

OBJECTS OF EXPENDITURE —	I. Fiscal Periods		
	1/1/54 - 6/30/54	7/1/54 - 12/31/54	Totals
<u>Salaries</u>			
Mildred Adams . . . . .			
Ellen Colt Singer . . . . .			
Marguerite Burnett . . . . .			
Irma Burstein . . . . .			
Dorothy Bowen . . . . .			
Elizabeth Abolin . . . . .			
OASI paid by B. I. . . . .			
Bank payrolls (reimbursed)			
Total Salaries . . . . .	8,669.85	10,270.17	18,940.02
<u>Contract payments</u>			
E. A. Kincaid . . . . .	1,333.33	2,666.66	3,999.99 a/
Lester V. Chandler . . . . .	—	2,000.00	2,000.00 b/
Adelphia Reporting Bureau	—	208.62	208.62
Total contracts . . . . .	1,333.33	4,875.28	6,208.61
<u>Travel and subsistence</u> . . . . .	957.66	1,378.02	2,335.68 c/
<u>Office Costs of Committee</u> . . . . .	695.07	1,244.88	1,939.95
<u>Brookings Institution Expenses</u> <u>and Overhead</u> . . . . .	382.73	1,500.00	1,882.73
Total Expenditures . . . . .	12,038.64	19,268.35	31,306.99

RECAPITULATION, 1/1/54—12/31/54:	II. Purposes of Expenditure		
	Unclassified	Princeton Conf. Nov. 1954	Totals
Salaries . . . . .	18,882.65	57.37 d/	18,940.02
Contract payments . . . . .	5,999.99	208.62	6,208.61
Travel and subsistence . . . . .	1,729.28	606.40	2,335.68
Office costs of Committee . . . . .	1,939.95	—	1,939.95
B. I. Expenses and Overhead . . . . .	1,882.73	—	1,882.73
Total Expenditures . . . . .	\$30,434.60	\$ 872.39	\$31,306.99

a/ Due to oversight, less than contracted by one cent (we owe Dr. Kincaid one cent).

b/ Includes payment due 1/1/55.

c/ Includes \$75.30 omitted from previous report.

d/ salary supplements (56.25) plus 2%