

March 17, 1954

Internal Memorandum

Interview with Professor Lester Chandler

Professor of Economics, Princeton University

Mr. Chandler is one of the very able men in the field of Federal Reserve History and Policies. He did his doctoral thesis at the University of Missouri on Federal Reserve Credit Policies. He has written widely on economics and monetary theory.

Mr. Chandler related a conversation which he had with Mr. Sproul in which he first learned about this project. The upshot of it was that Mr. Chandler would very much like to do a book on "Ben Strong, Central Banker". He has not in mind a complete biography of Mr. Strong, though I may have succeeded in interesting him in the springs of the man's actions and the personal life which bears so little seeming relation to his official life and which obviously must have had an inter-relationship.

Mr. Chandler's interest is in the work which Mr. Strong carried on as an international banker from 1914 to 1928 (I hope I headed this Ben Strong Central Banker. It was as an international banker that he was working, but it was also as a central banker. The concept was double and Mr. Chandler's interest is in the central banking feature). I discussed with Mr. Chandler the possible setup of the main project. He agreed that it would be far better not to set up a big research organization, but to have the work farmed out. He thought that a loose supervisory and consultative group, as for instance, this present Committee, should sit at the center and make its arrangements with people interested in working in the field. Whether these arrangements would consist of direct grants to individuals, whether these grants would be always the same amount, or whether they would be tailored to the needs of the individual in terms of time, secretarial assistants, research assistants, etc., was a matter which would have to be discussed.

Mr. Chandler's own choice would be to take perhaps six months off from University work, in order to do the preliminary setting of the book and the creative thinking which must go into it. He says he is able, once that is done, to carry on a book with University teaching, but that he cannot do the heavy task of thinking it out if he must also do lectures.

If Mr. Chandler can carry out his plan, it is one which should be recommended under the main project. He will keep us in touch with his own thinking on the matter and will recommend other people that come to mind. He suggested that Dr. Patterson might be interested and when I told him of our conversation, it was obvious that he was greatly pleased. This may mean two good books from Princeton.

Mr. Chandler said that he thought the best man to do the definitive history was Dr. Karl Bopp of the Philadelphia Federal Reserve Bank. He also suggested that a man named Professor Charles R. Whittlesey (check this) might be valuable.

I suggested that Mr. Chandler might know someone in Chicago who would be valuable to work on this project. On the contrary, he said that there was in Chicago a strong feeling (in which Milton Friedman and Frank Knight both participated) that the Federal Reserve System would better be abolished. He thought the matter was discussable, but that there was no point in trying to get good work out of men whose entire attitude was destructive.

This was a valuable interview. There is every hope that good work will come from it.

MA:lk