

October 19, 1954

Internal Memorandum

With Dr. Karl Bopp at the Federal Reserve Bank of Philadelphia

Subject: Arrangements for the special committee agreed upon by the Executive Committee on Friday, October 15, 1954.

On October 15th it was agreed at a meeting of the Executive Committee that a special group should be formed consisting of Dr. Karl Bopp, Professor Lester Chandler and Professor Elmer Wood to define the job of preparation of the history and its scope and dimensions. Dr. Karl Bopp was asked and consented to form this Committee. In order to discuss arrangements Miss Adams went to Philadelphia to talk with Dr. Bopp. (See letter of October 20th to the entire Committee reporting the action of the Executive Committee on Friday, October 15th.)

Dr. Bopp asked first for information as to the relationship between the group which he was to set up, and the Committee on the Study of the History of the Federal Reserve System. I told him that the idea had grown out of my conversation with Dr. Elmer Wood earlier in the summer; that the decision to go ahead with this idea had been taken by the Executive Committee; that the entire Committee had been informed of that action. I also told him that before the Executive Committee meeting was held, Mr. Woodward had discussed the idea with all members of the Committee; he was therefore confident that there would be complete agreement on this idea.

Dr. Bopp also wanted to know what would be the relationship between the three-man group and the eventual author. I suggested that there might be two phases in the work of the group - first, the phase for which they were called into being - that is the making of the outline - and second, a later consultative phase in which the author would be given the right to consult the group when and

as he chose. His question seemed to stem from an uncertainty as to whether the group could regard itself as having a life of its own, or must always consider itself bound to include the author when called into session on pain of being considered disloyal by the author. The two-phase proposal seemed to satisfy his uncertainty on that point.

Dr. Bopp will himself inform Mr. Chandler and Mr. Wood of their invitation to this group rather than preferring that the invitation go from the Committee. A Committee letter should follow on word from Dr. Bopp, to acknowledge the existence of the new Sub-Committee.

Conference Timing. It was agreed that Dr. Bopp would talk to Mr. Chandler on Thursday of this week (which is Thursday the 21st of October), and that he would call Dr. Wood by telephone today or tomorrow. He would invite them to a conference at the earliest possible date. (Provided, of course, that they agree to this plan.)

Place. It was decided that the best locale would be Princeton, New Jersey and it was suggested that either the Princeton Inn or the Institute of Higher Learning might afford space in which to hold this conference. It was also agreed that there should be (as part of the whole plan) two conferences; the first at the earliest possible date, and the second one to follow after the work of formulating, definition and outline had been done.

Arrangements. The procedure which was suggested was a week-end conference of three days; the first day to be devoted to a three-man conference within the group itself; the second day to be held with as many of the Committee as could attend - they to be provided with a rough outline and to have a chance to discuss what was therein proposed and to make their own proposals; the third day would again revert to a meeting of the three men in order that they might exchange views on the opinions expressed by the larger Committee.

The group would then disperse and by means of correspondence and telephone calls would prepare the document for which they were drawn together. At the end of a month or six weeks at the latest, they would have this finished and the second conference meeting would then follow.

It was agreed that all possible aid in the way of conference techniques designed to bring about the highest possible degree of understanding and confidence should be invoked. Those mentioned were as follows:

(1) That Dr. Bopp should have freedom to telephone to his own group and that the Committee would pay the charges.

(2) That adequate stenographic aid should be furnished. Miss Dorothy Bowen who is Mr. Bopp's secretary will probably be the person asked to attend and take notes at the preliminary meeting of the small group.

(3) The third device might be a tape-recording setup which would take down the things said at the conference on tape; these notes would then be put on paper for the benefit of the group. It was suggested that a stenographer might also be present at the larger conference in order to render any help needed, whatever that might be.

(4) There is also the possibility that a stenographer or stenotypist might usefully help. (In the tape-recordings at the United Nations where these two techniques are used in meetings it is found that either alone is insufficient.)

(5) It was agreed that all possible effort be made to ward off dangers which are inherent in the long argument about 1935 as a possible cut-off date for the history. Dr. Bopp would prefer ending at the accord of 1951. Just what steps can be taken which will both encourage discussion and minimize friction remain to be seen, but it's suggested that Mr. Walter Stewart be consulted on this matter. Mr. Bopp was also warned that there

would, of course, be the peril that certain information would be judged confidential and withheld from the Committee or the author. This, however, did not seem to be so much a peril for this group as it does for the ultimate writer. (It should be stressed that publication will probably not be until 1959 and that what is confidential now may be safe for public reading then.)

Costs. It was agreed that the Committee would meet the full costs of these conferences, covering stenographic aid, long distance calls, tape-recording, traveling expenses of the group and the Committee, out-of-pocket costs for food and lodging. The matter of a possible honorarium was suggested. Dr. Bopp thought this might be important in the case of Dr. Wood because University of Missouri's salaries are very low. He felt that an honorarium of \$100 was amply sufficient. (Question - If an honorarium is provided for Dr. Wood, should one be provided for the other two men?) I left with Dr. Bopp the Proposal made to the Rockefeller Committee preliminary to the granting of the funds. This constitutes in a way a promise of what the Committee hopes to do and thereby acts as an informal and suggestive document for his own purposes. Also he was provided with a copy of a letter from Mr. Wood in mid-summer setting forth the topics which should be covered.

I asked him to let us know in what other way this Committee could help him and he has promised to do so.

Purposes. This discussion, having started with the expectation that what Dr. Bopp and his group would do was to define and perhaps provide an outline for the history, moved into other realms. The question of peripheral studies came up and the opinion was expressed that if this group in addition to defining could also outline what has been called the "grand design", it would be of the greatest assistance. This would mean that they would not only provide the outline of the history which is the core of the project (or Mr. Bopp's words

"what is the essence of the thing, that is the history"). They would also set forth what they felt to be proper subjects for individual monographs. This enlarging of the intent would do two things; it would provide the subjects for which the Committee might seek writers, and it would also give the Committee a proper depository for ideas which they did not think belonged in the main history.

The hope was expressed that during the work of the sub-committee the eventual author might emerge. Asking whether the Committee had any attitude on Chandler as a possibility, Dr. Bopp was told that they preferred not to put all eggs in one basket.

It was agreed that whatever techniques of meetings were used they should make possible both the small discussion and the whole group discussion. It was agreed that there would probably be a maximum of twelve people present and perhaps less than that as the whole Committee could hardly be expected to be able to get there. Under those circumstances, should there be a dinner the night before; should there be breakfast conferences; or exactly how should this thing be divided? It was agreed that Mr. Woodward and Mr. Stewart, who have participated in many conferences of this type, would have light to shed on this. The ideal is an atmosphere of ease and confidence; and the only reason for emphasis on techniques is an attempt to ward off unnecessary difficulties.

Attitudes. It is Mr. Bopp's belief that throughout Federal Reserve history it will be found that the basic problems persist, but that the answers change with time. He was not at all sure that a history could be broken down into even time intervals, or that time intervals were more than partially satisfactory. Objectives, guides to policies, mechanisms and personalities - all must be considered.

Also there emerged the feeling that some idea must be formulated as to who was going to read the history; who will be the eventual audience? Is it being

written for the informed public or the lay public or for students? This question was raised by Mr. Robert Hilkert a vice president of the Federal Reserve Bank, but it was implicit in the whole discussion. No answer was provided excepting that offered by Mr. Hilkert that the thing should be written so as to interest at least the bankers.

During the discussion Mr. Bopp suggested that there might be criticisms because he, Mr. Chandler and Mr. Wood came from the same school and were known to be friends. He suggested that Professor Howard Ellis of the University of California be invited to make a fourth member of the group. This would achieve a complete geographic coverage of the country and would avoid any charges that a small cabal had been formed. As the discussion went on the idea of a fourth man tended to drop out, but it should be cleared with the Executive Committee.

All these things will have to be submitted to the Executive Committee in a later memorandum. This internal memorandum is solely for the purpose of setting down the main outline as agreed on with Dr. Bopp. He will let us know the moment he hears from Dr. Wood and Dr. Chandler and has been able to set dates. It was understood that November would be the earliest and that it might possibly be necessary to wait until December.

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