

March 3, 1955

Internal Memorandum

Monographs

A conversation with Walter Stewart in Washington on February 28th brought forth several suggestions which concern monographs and should be put down on paper for a monograph file.

In talking of Mr. Riefler's suggestion that Loveday do a monograph on The Federal Reserve and European Reconstruction After World War I, Dr. Stewart was very dubious. At the meeting itself he had suggested Mr. Siepmann in place of Mr. Loveday. In this conversation, he seems to doubt that it is the business of this Committee to go further into the matter of European reconstruction after the first World War. The fear was not concerning the Federal Reserve participation in this, but rather that either of these two Europeans suggested would deal more completely with the European end than with the Federal Reserve end.

Dr. Stewart recalled that Mr. Riefler had spoken earlier of a legal man who was a brilliant student and who could do the legislative aspect of the Federal Reserve Act. The name, I think, was Howard Heckley. Dr. Stewart recommended that we not forget this and that we put this thing down as something well worth pursuing. (I have made inquiry to see whether a good law review study of the effects of the court on the Federal Reserve Act had been done. I got no encouragement whatsoever out of professors at Harvard, who not only said they knew of no such study but thought it was a rather arid field for exploration. This may, however, merely reflect their own lack of interest).

Dr. Stewart said incidentally that he himself was a little dubious about commissioning Bray Hammond, as he had got very little out of him in the past.

Dr. Stewart said that Woodlief Thomas has a great mass of material on brokers' loans in the early period. He thinks there might possibly be a Harpers' article in it. At any rate, it sounds as though this too might be a monograph.

In talking about what aspects of this whole thing I might do, we arrived at three suggestions: (1) the growth of what he calls the intelligence function of the Federal Reserve Board and I think of as the research function, (2) the international aspects of the Federal Reserve, (3) the regional character, rather, the importance of the regional character of the Federal Reserve System. Dr. Stewart is less interested in the third but is growing more interested than he used to be. I still think it is worth pursuing.

Concerning the growth of the research function, Dr. Stewart suggested that I phone Mrs. Goldenweiser that I had been talking with him and that he says I am to do a study of the growth of the research function and am therefore to see the Goldenweiser papers. He also suggests it might be worthwhile to find out what Shepard Morgan thinks worth remembering about that aspect of the System.

Over and over again the episode of the Bank Holiday comes out as a thing about which some kind of a monograph should be done. Dr. Stewart said that in his mind the turn in the affairs of the Federal Reserve System, or perhaps he meant in banking affairs in general, came when the government took charge at the time of the banking crisis. He mentioned George Harrison, Ogden Mills, Adolph Berle and Mr. Riefler as having had vivid memories and intimate connection with the thing.

Mr. Riefler suggested that there be a conference on the Bank of the United States. This goes back to an earlier suggestion which he made on this subject. A book has been written recently which he finds extremely interesting. Earlier he suggested that Joe Livingston of Philadelphia be turned loose on this project. This time he said that the closing of that bank raises the question as to whether the action taken was appropriate. He thought a conference might be held with George Harrison, Eugene Meyer, Uloyd Awalt and Joseph Broderick. (Mr. Case was also active at that time). Thinking about it further, he began to develop doubts as to whether these men could all be brought to speak to each other if they were in one room and

suggested that it might be possible to do the thing by means of separate interviews with them.

He also thought that a conference might be held on 1927 and the Bank of England. He suggested as participants Dr. Lester Chandler, Dr. Walter Stewart, Mr. Daiger who wrote a valuable piece in Current History at the time, Mr. Roy Young and Mr. Burgess. He would suggest that this not be done until after the Henry Clay book on Montagu Norman has been published.

Mr. Riefler thinks there should be a conference, perhaps with consultants, on the bank closings as a whole. Such a conference might include Chester Morrill, Mr. Fleming who was assistant to Eugene Meyer at that time, Mr. Walter Stark, Mr. Daniel Bell. Other names he mentioned were Raymond Moley and Adolph Berle. Mr. Riefler also asked whether the Roosevelt papers on this period were now open. He had in mind the phone call which was supposed to have gone from Hoover to Roosevelt at the time.

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