

Internal MemorandumInterview with Harold Roelse

This was more in the nature of a conversation on a train from Washington to New York, but it contains useful information and therefore is worth recording.

According to Mr. Roelse, the Research Department in New York and the concept of research started from the newspaper and reporting point of view. It was begun by Shepard Morgan, who came from The New York Sun, Carl Snyder, who had served on a newspaper, and Mr. W. Randolph Burgess.

Carl Snyder was a statistician, largely self-taught, a man of abounding curiosity and a great deal of imagination. This imagination he used in inventing ways and means of presenting statistical material which was not sufficiently refined as yet to pass present-day standards. If he had no reliable series on which to base reasoning in the field in which he was thinking, he was quite able to invent approximations or estimates which would serve. In this, he was really ahead of his time.

The G.N.P. (gross national product) and similar statistical symbols widely used nowadays are in fact hardly more solid than were certain of Mr. Snyder's constructions, but they are so widely used and so well understood by statisticians that they are most solidly accepted by the statistical fraternity.

Mr. Snyder did his best work under Mr. Strong. After Mr. Strong began to fail, Mr. Snyder was left to go his own way and not often called in on policy matters. This was a great disappointment to him.

Also he had personal difficulties which made things harder. He did not marry until he was 55, and his wife, a much younger woman, did not stay with him very long. After the divorce, she married again, and that was a second blow to Snyder's pride. However, in the last years of his life, she redeemed herself in the eyes of Snyder's friends by taking care of him until he died.

Mr. Roelse talked in some detail about the shift from operating men to research men in the president's post, in connection with the great responsibility now put on research men compared with what they were expected to produce in Snyder's day. He says that the research in other banks has vastly improved since 1930. Other banks have smaller staffs, but their men are competent.

The change over from operating to research emphasis in the matter of men who are expected to go to the presidency of a Federal Reserve Bank has come about since a redefinition of the president's job. (Is this the Balderston Report again?) As the job is now defined, the president is supposed to be concerned chiefly with policy, and the operating responsibility in the bank is left to the first vice president. This puts a very heavy strain on the research temperament, and Mr. Roelse obviously has some doubt as to whether it will prove to be as satisfactory as was expected when they turned from experience to theoretic brains.

In that regard, he spoke with affection and some concern of Mr. Sproul, who was, of course, a research man in San Francisco before he came to New York. He says that the burdens Mr. Sproul carries are tremendous and that they have taken their toll of his health and strength. He has to take the lead for all 12 banks in disputes with the Board, and frequently this has not been appreciated by the other 11. He works what do not necessarily seem long hours, but a heavy briefcase goes home with him every night, and he is never free of the burden of the job. His innate gaiety is seldom allowed to show itself, and his wit, when it appears, may be sharpened by that of chance or light appearance. Mr. Roelse is obviously devoted to Mr. Sproul and rather worried about the strain which the job imposes on his health.

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