

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date July 29, 1944

To Chairman Eccles

Subject: Preparation of American

From Professor Hansen

"White Paper" on Full Employment

You will recall that at the Bretton Woods Conference we spoke about doing something on an American "White Paper" on Full Employment. At your suggestion I wrote to Gerhard Colm and urged that a careful statement be prepared which would be used by the President. I suggested that upon your return it would be a good idea for you and Harold Smith to get together and discuss the matter.

I have since seen Colm and find that my letter arrived at a very opportune time and served to help stimulate Harold Smith into action. He had just come back from a long visit with the President. They had discussed the fact that heretofore the administration had been going along on a more or less opportunist basis with respect to fiscal policy. During the war the policy has indeed been regularized more or less through the stabilization program. Smith urged, however, that in the next four years a systematic long-range program was urgently necessary and indeed, without it, the course of events might prove quite disastrous. The President appeared to be sympathetic with this idea.

My letter came, as you know, too late to do anything with the platform and anyway that was probably not in the cards.

Colm and I are agreed, however, that there should now be drawn up two papers: (1) a systematic document on full employment policy which the President might transmit to a Congressional committee (engineered perhaps so that the committee invites such action); (2) a "fireside chat" on a systematic full employment program.

I would urge that you arrange to see Harold Smith at the earliest possible moment. Indeed, he is expecting you to call him about this matter. If the above suggestions are agreeable to you, Colm and I (with perhaps Dick Gilbert, Ben Cohen, and Emile Despres) would get together periodically within the next few weeks and attempt to work up a first-class statement along both lines suggested above. While the drafting is going on we should, I think, meet from time to time with you and Harold Smith and possibly Roseman and Hopkins, in order to shape up the drafts in the best possible manner.

If you could see Harold Smith within the next two or three days, Smith would then give the green light to Colm and we could get busy next week.

A.H.H.
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