



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 11, 1936.

Mr. Marriner S. Eccles, Chairman,
Board of Governors of the Federal Reserve System,
Washington Building,
Washington, D. C.

Dear Governor:

I hope to get the Williams and the Frazier-Lemke material to you on Monday. We have been very short handed on stenographers for the past few days.

I had the memo on fiscal and monetary policy with special reference to the tax on undistributed earnings brought up to date and mimeographed. It occurred to me that in addition to Board members you might be interested in sending copies to the various Presidents who know you took an active part in the tax legislation.

Would you like me to prepare any material for your vacation trip?

I had to ring off the other day because Mr. Goldenweiser came into my office. What I was going to suggest, but didn't have the opportunity, was that you should ask for the Organization Chart of the Division. That brings out very clearly, I think, the unbalanced nature of the Division by indicating that with the exception of my two Juniors there is no research being carried on in monetary problems.

If and when you get around to possible people, I have three men in mind, who although still in their early thirties have already established reputations for interpretive and analytical work of a high order. One is George Terborgh, at present with Brookings. He was one of the authors of the Brookings NRA study. He was with the Division from 1931 to

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1933 but found the atmosphere so uncongenial and felt that his work was so futile since nobody made any use of it, that he left. I have gone over some of his work here and think it excellent.

The second is Arthur Gayer of Columbia. He has written a book on public works which is widely used and quoted, and another one on monetary policy and economic stabilization, which received excellent reviews. He shares our general attitude on monetary and fiscal matters. He is an Englishman and a member of the Keynes school. In addition, he has a facile pen, as so many Englishmen have, and a gift for understandable exposition. He is, I believe, becoming a naturalized citizen.

The third is Arthur F. Burns, who teaches at Rutgers and is a research associate of the National Bureau of Economic Research. His book on production trends is an outstanding piece of work. He is thoroughly conversant with all production and income statistics and has given evidence of a fine analytical mind. I do not know whether he would be available.

Silverman, whom I mentioned before, is to my mind the best man for our purposes in the country. He is, however, not available now, being Director of Research at the Railroad Retirement Board. He might become so later, however, if the Supreme Court declares the Railroad Retirement Act unconstitutional, as seems likely.

I am sure Viner would give you excellent and unbiased advice. The last time I saw him he said he was concerned with the lack of good research men in the System, saying that the Board would hold the fate of the country in its hands in the next five years, and that it should be preparing now for that time.

Sincerely,



Lauchlin Currie.