

THE WHITE HOUSE
WASHINGTON

August 3, 1939.

Chairman M. S. Eccles,
Board of Governors,
Federal Reserve System,
Washington, D. C.

Dear Governor:

My departure from the Division and my new duties raise certain problems relating to the staff:

1. Henry Edmiston will probably be made a very attractive offer (I understand \$5,600 a year) by the National Resources Planning Board, which is now attached to the White House and which is very desirous of securing a person familiar with the intricacies of federal finance, including estimating and the activities of all the lending agencies. I also am badly in need of such a person with whom I can work closely. I had hoped that your suggestion to Dr. Goldenweiser that Henry be put in charge of this whole field in the Division would be adopted and that I could have direct access to him. Dr. Goldenweiser, however, appears disinclined to move in the matter and Henry will probably have to make a decision within a few days. In these circumstances, I think that it will probably be both to his interest and mine for him to make the shift.

2. Mr. Bassie, in my former section, is, in my opinion, one of the most competent technicians in the country. He is being offered \$5,600 a year to go to Commerce (he is now getting \$4,600) to take charge of the work in developing basic economic indexes such as consumption, production and inventories. I think he will be a real loss but as his work has been subjected to severe criticism by Dr. Goldenweiser, Mr. Thomas and the Business Section I fear that his position here will be difficult and that the results of his brilliant work will get neither to the Board nor to the public. I cannot honestly advise him, therefore, to decline the Commerce offer.

3. Emile Despres, of the Federal Reserve of New York, who was with me last winter, has likewise been made an attractive offer by Commerce. I urge strongly that you endeavor to

secure him to carry on some of the work I have been doing. He has a thorough grasp of the economic problem in yours and my terms, has ideas, and can write simply and effectively. He has an attractive personality and Dr. Goldenweiser has frequently stated his desire to have him in the Division. He could fruitfully take my place on the technical staff of the Fiscal and Monetary Advisory Committee, as Dr. White would work closely with him. [I may as well be frank in saying that White dislikes and distrusts Dr. Goldenweiser and refuses to take him into his confidence in any way.] Despres is liked by Krost and Sweezy and the three could work closely in covering the fields of taxation, fiscal policy and recovery problems.

4. On particularly confidential material I should very much like your authorization to refer directly to Krost and Sweezy and, if you get him, Despres. In view of Dr. Goldenweiser's ill-concealed hostility you can readily understand my reluctance to route any very confidential material through him. If this arrangement cannot be sanctioned I shall have to rely entirely for my most important and confidential work on people in other Government agencies in whose discretion I have absolute trust. As I expect, of course, to work closely with you it would be an enormous advantage if you would retain your direct contact with my former section.

I have to date referred one proposed plan on which I am expected to advise to Dr. Goldenweiser for analysis and comments, and received back one paragraph, written by a junior economist, which is completely worthless for my purposes.

Lanshin Currie