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THE WORLD BANK

Washington, D.C.

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Washington DC 20433

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**PUBLIC DISCLOSURE AUTHORIZED**

L.B. Rist: Personnel Files, Archives,  
Research Department

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The World Bank Group  
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Personnel Files, Archives, Research Department (Memos regarding the function of the  
Research Department) - Correspondence

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July 23, 1946

MEMORANDUM

From: Mr. Leonard B. Rist

To: Mr. Eugene Meyer

Re: Functions of the Research Department.--

1. The Economic Research Department of an organization like the International Bank should be in a position :
  - a) to follow day to day development in the fields of politics, economics and finance through out the world;
  - b) to supply the President and the high staff with detailed information on the same matters within a minimum of time;
  - c) to set up inquiries and suggest judgements and opinions on the merits of any or all loan applications either taken individually or in relation to others ;
  - d) to keep the President and high staff posted on the trend of thought and tendencies of all other international organizations whose activity is related to the Bank's functions ;
  - e) to advise the President and higher staff and give them the background on almost any policy issue ;
2. In other words, the Research staff should include not only statisticians and practical economists but persons whose training is broad enough to allow them to perform a role of liaison and to guess the policy implications of the Bank's daily problems.
3. The Research staff should be of higher quality but small in number ; a working agreement should be arrived at with the International Monetary Fund for the purpose of avoiding duplication and the head of the Bank's Research Department should be kept closely advised on a confidential basis of the works of the Funds' Research Department.
4. Although the standing staff should be small, consultants should be hired whenever special problems of engineering or economics are urgent. An extensive survey of the possibilities in this field should be undertaken forthwith.



5. The Research Department should thus consider itself
  - a) as a small standing staff entrusted with three current functions :
    - day to day information,
    - reporting on loan applications,
    - and following trends of thought and tendencies outside the Bank
  - and
  - b) as a framework whose function is to direct the work of specialists belonging to other organizations or hired on a temporary basis and draw adequate conclusions therefore.
6. In view of its flexible character, the cooperation between the various members of the Research Department should be exceedingly close and it is essential therefore that the choice of the staff be a joint proposition. No appointment should be made without the mutual consent of the President and Vice-President on the one hand and of the head of the Economic Department on the other.
7. In order to serve its purpose, the Research Department should be aware of the policy problems which may confront the President and the head of the Department or his representative should be allowed to attend any meeting of the higher staff of the Bank where policy issues are liable to arise.
8. It is likely that the Board of Directors will ask that they be informed regularly on current world events. The issue of a small internal bulletin may be considered in the future, although this implies that a small number of the staff devotes its entire time to the drafting of a document which can be nothing than a digest.
9. During his trip to Europe Mr. Rist will further consider the problems raised above ; he shall bring to the attention of the President more detailed suggestions upon his return, but will keep in mind the necessity of hiring a first class staff of international character on a permanent basis. Informal inquiries will be made by him in Europe in this respect ; he will also inquire about consulting engineers and the like.
10. Mr. Rist's assistant, Miss de St Sauveur, will make an inquiry with the existing Research centers in Washington and vicinity and will report on their staffing, their means of information, their methods of work and how far the Bank can expect their cooperation in its future work.



August 20, 1946

Re p o r t

To : Mr. Leonard B. Rist

From : Miss Cathala de St Sauveur

Re : Organization of various Research Departments.-

The Economic Research Department of an international agency must a) facilitate the achievement of the goals of the Bank's policy and b) provide both the President and the Board of Directors with all valuable information concerning international finance fields.

The economy of the world is in a perpetual change. Moreover, a monetary policy is not immutably fixed and will depend upon circumstances, either politic or economic. In addition, banking and lending problems such as the International Bank is dealing with are still more <sup>to be</sup> sensible to the slightest movement in the world economy. To determine the reasons of these changing currents and their intricacies, their direction and their importance and to forecast what they will be in the near or far future is the essential and continuing task of an Economic Research Department.

The Economic Research Department of the International Bank for Reconstruction and Development must be aware of the general policy of the Bank, so as to be able of conducting researches in such fields the Bank is interested in and its main functions will be :

a) to collect and compile data and information concerning



*investment*  
international ~~banking~~ and development

- b) to analyze and interpret economic developments as a guide to the President and the Board in the formulation of policies, especially regarding loan applications.

Before the setting up of the Bank's Economic Research Department, a preliminary inquiry has been made concerning economic and financial information now available in Washington. The report considers Economic Research organization in various United States agencies such as Department of Commerce, Department of Treasury, Bureau of the Budget, Federal Reserve Board of ~~Governors~~, Chamber of Commerce of the United States and the International Monetary Fund.

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DEPARTMENT OF COMMERCE

The Department of Commerce is for the time being under a thorough reorganization necessitated by a lack of credits. This reorganization is now in progress but not yet complete. However, available present information is as follows :

- Four offices are dealing with <sup>*economic*</sup> ~~international~~ research, i.e.
1. Office of Business Economics
  2. Office of International Trade
  3. Bureau of the Census
  4. Office of Domestic Commerce

1. The Office of Business Economics (Amos E. Taylor, Director) is broken down into following sections :

- a) International Economics



- b) National Income Division
- c) Clearing office
- d) Current business analysis
- e) Economic programs division
- f) Business structure
- g) Regional economics

From our viewpoint, the two of them which are the most interesting are the International Economics and the Clearing Office.

a) International Economics (Robert Sammons, acting chief) is responsible for the preparation ~~to~~ of the United States balance of payments. It prepares quarterly reports and in the past it has done some work on the balances of payments of foreign countries and is apt to make these foreign balances of payments studies upon request. The National Advisory Council has too a working group which has a balance of payments subcommittee. The Chairman of the Working group is Mr. Andrew W. ~~Kamarck~~. This subcommittee prepares balances of payments studies for use in connection with loan applications submitted to the National Advisory Council. These reports are generally projections of foreign countries potential balance of payments position in years to come

b) National income Division (Milton Gilbert, Chief) prepares the national income and national productivity studies for the United States. These studies are broken down both by type of income (wages, rents, royalties etc.) and geographically by states. This Division does not do national income studies for foreign countries but doubtless follows the work which is done abroad in this respect.

c) Clearing Office (John T. Shires, chief) reports on all the international financial transactions between



the United States and the foreign countries. Its studies are a complete summary of the foreign credits granted by the American government showing all loans and credits made by it under its lending program, lend-lease program and others.

The following sections are related with more specific American interests. They are :

d) Current Business analysis :

which analyze statistics concerning general business in the United States.

e) Economic programs Division (S. Morris Livingston, Chief) cooperates with a committee of United States businessmen to reinforce and expand the United States economy.

f) Business structure (Louis J. Paradiso, Chief) studies the organization and methods of the United States business.

g) Regional Economics (John M. Blair, Chief) according to its name, studies the organization of the different economic regions of the United States.

2. Office of International Trade (Arthur Paul, Director)

The operations and research of this Office will be carried out by the three following sections, the first one being the most interesting from the international point of view :

- a) Areas branch (Herbert W. Parisius, Director)
  - European Division (Frederick Strauss Director)
  - Far Eastern Division (Charles K. Moses ")
  - Latin America Division (George Wythe ")
  - British Empire Division (John M. Cassels ")

These regional divisions are designed to promote the international trade of the United States and to conduct research into all aspects of the economies



of the foreign nations, i.e. production, trade reconstruction and development, markets, transportation and communication of all countries.

b) Commodities Branch (John C. Barton, Director) studies the world production, distribution and consumption of all major commodities.

c) Commercial intelligence Branch (E.E. Schnellbacher Chief) gives and collects information about foreign business firms.

### Foreign Trade Statistics :

Formerly there was a Division of Foreign trade statistics in the Office of International Trade, which has been cut out as a consequence of the actual reorganization of the Department of Commerce. This Division obtained data concerning the exports, imports and production of foreign countries. Now all requests for the foreign trade statistics of foreign nations should be made to the division directors listed above.

3. Bureau of the Census (J.C. Capt, Director and Philip M. Hauser, Assistant Director)

The Bureau of the Census prepares periodically census figures concerning :

- Agriculture
- Business
- Government
- Industry
- Foreign Trade

The latter, under the direction of J. Edward Ely, compiles monthly and annual figures showing the exports and imports of the United States. These figures are broken down



into a large number of items and categories. The foreign trade statistics in the United States are prepared with precision and are among the best.

4. Office of Domestic Commerce (H.B. McCoy, Chief)

This bureau deals but little with international matters. However it is in a position to answer research inquiries on all aspects of the United States domestic economy.

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FEDERAL RESERVE SYSTEM

In a recent statement Mr. Woodlief Thom<sub>a</sub>s, Director of Research and Statistics, ~~has~~ emphasized the conception of the role of monetary policy and the necessity for the authorities responsible for such policies to study all the aspects of the economy.

From its very beginning the Federal Reserve System has recognized the importance of research and has established research and statistical staffs whose main functions are :

- to compile information regarding domestic banking and development,
- to analyze and interpret economic developments as a guide to the System authorities in the formulation of policy,
- to publish the results of compilations and studies for the information of general public.

The scope of research activities of the Federal



Reserve System is principally aimed on the following subjects :

1. Banking and credit
2. Government finance
3. Capital markets
4. Domestic business
5. National income and labor
6. In the International field, the Research Dept is more generally interested in
  - Foreign developments
  - Central banks
  - Exchange control
  - Money markets and banking systems
  - x - Government finance
  - x - International investment and monetary stabilization
  - World trade
  - x - Capital movements
  - Balance of payments
  - Gold and silver movements

The information described above is studied at length by separate sections of the Board's Division of Research and Statistics. This Department has a staff of about 39 people which is yet considered as poor (only 6 persons for the European studies). They are mostly economists and a few statisticians (actuaries). The Research Department chooses either men just out the University (with the title of Research assistant) or men without degrees but broadly experienced on economic or monetary matters. The Department includes also a staff of draftsmen who prepare the charts which are to appear on the walls of the Board building and in its numerous publications, an administrative staff and editorial assistants.

A rich library with a large series of foreign reviews provides valuable information. Mrs. Alverne H. Sutherland is in charge of the library. Foreign and american news is reviewed every day by three people and clips <sup>are</sup> kept and classified.

Each of the twelve Federal Reserve Banks has also a



Research Department which works in close touch with the Board's Division of Research and Statistics.

The functions of the Research Department are double :

- a) to meet the problems of the present time, and
- b) to forecast the shape of events to come.

The reason why the research work is organized on such a broad basis could be found in the importance of this informal forecasting.

The Federal Reserve economists take an active part in discussion concerning the policy decision by the System authorities. Members of the staff attend Board meetings and participate in discussion. Moreover, Board actions on matters concerning economic questions are always predicated upon special reports on the particular problem established by the staff. In the Federal Reserve Banks the chief economist is usually an officer who works closely with the President of the Bank and attends the meetings of the Board of Directors.

1. Compilation of statistics :

The Federal Reserve System compiles statistics either directly or, more often, through data gathered by other government or federal agencies (Dept of Commerce, Bureau of the Budget, etc.) These statistics are more generally published in the Federal Reserve Bulletin.

2. Analysis of Banking and monetary statistics :

This analysis takes a large part of the operations of the Research Department. Among the most basic are the



examination of the supply and use of member banks funds, money supply, liquid assets, corporations funds, figures of industrial production, etc.

### 3. Publishing of information :

The Board publishes a) periodical information such as the monthly Federal Reserve Bulletin and the annual Report and b) occasional books or pamphlets concerning special problems (Banking studies, Postwar economic studies, Banking and monetary statistics, etc.)

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### CHAMBER of COMMERCE of the UNITED STATES

The Chamber of Commerce of the United States deals but little with international fields and the information obtainable is rather poor.

Its Research Department works the whole year according to the general line of policy drafted in an annual Board meeting. All the international information secured by it is obtained through the channel of the American Chambers of Commerce scattered all over the world. Most of them are statistics which are merely compiled without analysis.

The staff of economists is few in number but several economic advisers (whose list is given in annex) study such particular problems on behalf of the Chamber of Commerce.

Publishing : the periodical publishing issued is relating most exclusively to governmental affairs. However a weekly report on Business action, followed by a monthly report about the same matter



is regularly published.

They issue, too, occasional publications (see list in annex) such as the series of Postwar readjustments pamphlets. They have a good library.

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Rapport de Visite - Mardi 6 Aout 1946 -

Mr. William H. Taylor, Assistant Director of Monetary Research -  
Treasury Dept - Ext.305 - Room 3430

Accueil non seulement froid mais hostile. Nous recoit devant deux de ses collegues a qui evidemment il destine la tirade qu'il nous sert, i.e. tous les renseignements et informations detenus par le Treasury Dept sont top secret et reserves aux seules administrations americaines. Si nous avons une requete speciale a formuler, il faut l'adresser a l'Executive Director pour les U.S. (Mr. Collado) a la World Bank et si celui-ci le juge bon il la transmettra au National Advisory Council, lequel jugera en dernier ressort si elle est ou non recevable...

Mlle Zafiriou et moi meme protestons que nous venons - informally - rechercher simplement des informations quant au cadre general et a l'organisation du service des recherches. Les adjoints de Mr. Taylor ont l'air de parfaitement comprendre nos intentions et ont essaye a plusieurs reprises d'intervenir dans la discussion mais constamment interrompus par Mr. Taylor qui se plaint aigrement du nombre de fonctionnaires du Treasury qui ont quitte l'administration pour entrer au Fonds International et qui se servent de leurs relations anterieures avec leurs ex-collegues pour obtenir des renseignements confidentiels...

Nous obtenons cependant quelques vagues indications. Le Treasury organise ses classements de facon croisee : classement geographique par pays et ensuite classement par question particuliere. Il publie un bulletin hebdomadaire ; des informations plus speciales sont donnees en cours de reunions.

La chose la plus concrete que nous puissions obtenir c'est l'indication d'un general directory avec l'indication des differents services du Treasury (Federal Statistical Directory, publie par le Bureau of the Budget) que je vais me procurer.

Il est de toute evidence que le retour de Mr. Glasser facilitera la reprise de la question.



Rapport de visite - Mercredi 7 Aout 1946

Mr. Arthur W. Crawford - Finance Dept of Chamber of Commerce of the United States -

Nous recoit tres aimablement mais nous offre peu de renseignements utilisables. La Chambre de Commerce s'occupe evidemment a) des affaires interieures americaines et b) des affaires internationales mais les renseignements lui parviennent essentiellement par le canal des Chambres de Commerce americaines d'une part et internationales de l'autre. Eux-memes ne font qu'une compilation de documents sans critiques ni recherches.

Ils ne publient aucun renseignement d'une facon reguliere. Seulement occasionnellement.

Vu egalement Mr. Campbell, head of Foreign Trade Dept -sans interet.

Vu Mrs C.R. Harlow in charge of the Economic Research. Elle nous indique que le Research Dept travaille suivant la ligne de politique generale esquissee lors d'un meeting annuel. Le staff a Washington est tres reduit mais ils chargent certains economistes de l'exterieur (dont elle nous remet la liste) d'etudes particulieres.

Possedent une bonne bibliotheque. Mais ne font aucune revue de presse. Ne publient rien regulierement.



August 14, 1946

Dear Mr. Wasserman,

I have received the report you have been kind enough to send to Mr. Rist and I wish to thank you heartily for the helpful and valuable information we got from it.

I take this opportunity to thank you once more for your kind reception to us and for your assistance.

Yours very truly,

M-L. Cathala de St Sauveur  
Personal Assistant

Mr. Max J. Wasserman  
Dept of Commerce  
Office of International Trade  
14th and E - Tempo T  
Washington, D.C.



DEPARTMENT OF COMMERCE

FOREIGN ECONOMIC ADMINISTRATION

OFFICE OF INTERNATIONAL TRADE OPERATIONS

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Date:

11/15/2010 in accordance  
with the World Bank  
Access to Information  
Policy, effective 7/1/2010

WASHINGTON 25, D. C.

Date:

August 8, 1946

MEMORANDUM

To: Leonard Rist, Alternate Executive Director  
International Bank for Reconstruction and Development  
and

Kyriakos Varvaressos, Executive Director  
International Bank for Reconstruction and Development

Please accept my thanks for Mr. Rist's letter of July 26 requesting information concerning the research organization of the Department of Commerce. I discussed this subject with your personal assistants, Mlle. de St. Sauveur and Mlle. R. Zasiriou.

The international work of the Department of Commerce is at present under a rather thorough reorganization. Congress did not appropriate sufficient funds to continue all of the personnel now employed in this work. This reorganization is now in progress and is not as yet complete. Consequently, the information contained in this letter is subject to revision and change. Just as soon as our organization has been stabilized I will write you again on this subject.

This letter is divided in two parts: Part A, The Research Work of the Department of Commerce; and Part B, The Functional Organization of International Research in the United States Government.

A. The International Research Organization of the Department of Commerce: Research work in the international field is carried on in four offices of the Department of Commerce: Office of Business Economics; Office of Domestic Commerce; Office of International Trade; and Bureau of the Census.

I. Office of Business Economics: Amos E. Taylor, Director. Telephone Commerce 2100. This office consists of the following divisions:

a. International Economics: Robert Sammons, Acting Chief. Telephone Commerce 2309.

This division is responsible for the preparation of United States balances of payments. It prepares quarterly reports showing the balance of payments between the United States and other foreign



countries. In the past it has done some work on the balances of payments of foreign countries and is prepared to make these foreign balances of payments studies upon request. Samples of the work of this Division can be found in the pamphlet, "The U. S. in the World Economy 1943". Either Mr. Sammons or Mr. Taylor can supply copies of this publication.

The National Advisory Council has a working group which in turn has a balance of payments subcommittee. The Chairman of the Working Group is Mr. Andrew W. Kamarck, Treasury 2386. The balance of payments subcommittee prepares balances of payments studies for use in connection with loan applications submitted to the National Advisory Council. These reports are generally projections of foreign countries' potential balance of payments position in future years.

b. National Income Division: Milton Gilbert, Chief. Telephone Commerce 2369. This Division prepares the national income and national productivity studies for the United States. The national income studies are broken down by type of income; such as wages, rents, royalties, interest as well as geographically by states. As far as I know the Division does not prepare national income studies for foreign countries but doubtless follows the work which is being done abroad in this field.

c. Clearing Office: John T. Shirer, Chief. Telephone Office of International Trade 3163. This office prepares reports on the international financial transactions of the United States showing all loans and credits made by the United States under its lending program, lend-lease program and others. These reports are a complete summary of the foreign credits extended by this government.

d. Current Business Analysis: Vacancy, Chief. Telephone Commerce 2252. This division analyses periodically statistics relating to the organization of business in the United States. The reports include figures showing earnings, dividends, business failures, financial statement data and the like.

e. Economic Programs Division: S. Morris Livingston, Chief. Telephone Commerce 2219. This Division was established to cooperate with a committee of United States business men in the development of economic programs designed to reinforce and expand the United States economy. It has prepared a number of studies on domestic markets and I believe some reports on foreign markets for United States products.

f. Business Structure: Louis J. Paradiso, Chief. Telephone Commerce 2340. This division studies the organization and methods of United States business.



g. Regional Economics: John M. Blair, Chief. Telephone Commerce 1611. This division studies the organization of the different economic regions of the United States.

II. Office of International Trade: Arthur Paul, Director. Telephone Commerce 1505. James L. McCamy, Deputy Director for Policy. Telephone Commerce 1561. George L. Bell, Deputy Director for Trade Promotion. Telephone Office of International Trade 742.

The offices of Messrs. McCamy and Bell will be staffed by a group of officials dealing with specialized functional questions such as international finance, trade agreements, international transportation and communication.

The operations and research of the Office of International Trade will be carried out by the following Branches:

a. Areas Branch: Herbert W. Parisius, Director. Telephone Commerce 1696. Thomas R. Wilson, Deputy Director. Telephone Commerce 1532.

1. European Division: Frederick Strauss, Director. Commerce 1535.
2. Far Eastern Division: Charles K. Moser, Director. Commerce 2312.
3. Latin American Division: George Wythe, Director. Commerce 2218.
4. British Empire Division: John M. Cassels, Director. Commerce 2543.

These regional divisions are designed to promote the international trade of the United States and to conduct research into all aspects of the economies of foreign nations. They are equipped to study the problems of production, trade reconstruction and development, internal economic organization, markets, transportation and communication of all nations. Requests for research information on any of these subjects should be addressed to the appropriate regional director listed above.

b. Commodities Branch: John C. Borton, Director. Telephone Office of International Trade 731. Francis E. McIntyre, Deputy Director. Telephone Office of International Trade 2327.

This division studies the world production, distribution and consumption of all major commodities. It is designed to represent foreign importers of American products before the Civilian Production



Administration and to furnish information on all the major commodities to the American business community. Requests for information concerning international aspects of commodities should be addressed to the Director or Deputy Director of this Branch.

c. Commercial Intelligence Branch: E. E. Schnellbacher, Chief. Telephone Commerce 2434. William M. Friedlaender, Assistant Chief. Telephone Commerce 2797.

This Branch is designed to furnish information to American business men on foreign business firms. It also furnishes an export and import advisory service. Research on the organization and operations of specific foreign business houses can be obtained from this Branch.

III. Bureau of the Census: J. C. Capt, Director. Telephone Census 501. Philip M. Hauser, Assistant Director. Telephone Census 503.

The Bureau of the Census prepares periodically census figures on the following subjects:

Agriculture  
Business  
Government  
Industry  
Foreign Trade

The Foreign Trade Division is under the direction of J. Edward Ely, Telephone Census 431. This Division compiles monthly and annual figures showing the exports and imports of the United States. The figures are broken down into a large number of classifications and categories. The foreign trade statistics in the United States are prepared with precision and are among the best.

Foreign Trade Statistics of Foreign Nations: Formerly, in the Department of Commerce and more recently in the Office of International Trade, there was an International Statistics Division. This Division obtained data showing the exports, imports and production of foreign nations. Although it did not prepare periodical reports it did make available such statistics as it received. The Division was aggressively managed and had accumulated figures for many leading foreign nations.

This Division was recently abolished in the reorganization which the Office of International Trade is now undergoing. Many of its employees have been dismissed, those who remain are being sent to the Areas Divisions of the new Office of International Trade. Requests for the foreign trade statistics of foreign nations should, therefore, be made of the division directors listed under II a 1, 2, 3 and 4, or Mrs. Mary Dublin Keyserling, Office of International Trade 746.



IV. Office of Domestic Commerce: H. B. McCoy, Chief. Telephone Commerce 448. This office deals but little with questions of international trade. It is in a position, however, to answer research inquiries on all aspects of United States domestic economy. It consists of the following divisions:

Incentive Division, Charles E. Brokaw, Chief, Commerce 1553.  
Marketing Division, Nelson A. Miller, Chief, Commerce 2380.  
Trade Association Division, C. J. Judkins, Chief, Commerce 2418.  
Transportation Division, James C. Nelson, Chief, Commerce 2290.

B. United States Government - Functional International Research:

1. Balances of Payments studies:

- a. Department of Commerce International Economic Unit, Robert Sammons, Chief. Telephone Commerce 2309. This division conducts research on the United States balances of payments and is prepared to furnish balances of payments of foreign nations.
- b. National Advisory Council: Working group committee. Andrew W. Kamarck, Chief. Telephone Treasury 2386. This committee may be prepared to furnish balance of payments information of certain foreign countries for future years.

2. Studies of the structure of economies of foreign nations:

- a. Department of Commerce - Office of International Trade, Areas Branch, H. W. Parisius, Deputy Director. Telephone Commerce 1696.
- b. Department of State - Office of Coordinator and Liaison, Allan Evans, Chief. State 647. This office was formerly the Office of Strategic Services and is well equipped for research work on foreign economic questions.
- c. Federal Reserve Board: International Division, J. Burke Knapp, Assistant Director in Charge. Extension 304. This division is equipped to do research work on problems of banking and currency of foreign nations.
- d. Treasury Department: Division of Monetary Research, Harold Glasser, Acting Director. Treasury 305. This division is equipped to do research work on monetary and exchange problems in the international field.
- e. International Commodity Research: Tariff Commission. Loyle Morrison, Chief, Economic Division, Tariff Commission. Extension 108.



f. Department of Commerce, Office of International Trade,  
Commodity Branch. John C. Borton, Director. Extension  
731.

3. Transportation Shipping United States Maritime Commission: Col.  
Hugh D. Butler, Director, Division of Economics and Statistics,  
Extension 56 or 57.

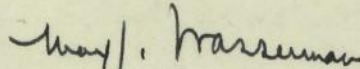
Department of Commerce - Office of International Trade, Frank Shields,  
Extension 2913, and James McCamy, Deputy Director, Extension 1561.

4. International Labor Problems: Otis E. Mulliken, Chief, Division  
of International Labor, Social and Health Affairs. Extension 2017.

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I hope that the information contained in this letter will prove of  
assistance. Should you desire any further information, please do  
not hesitate to call on me.

Very sincerely yours,



Max J. Wasserman  
Department of Commerce



July 26, 1946

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Dear Mr. Wasserman,

This is to introduce to you  
Mlle de St Sauveur who is my personal assistant.  
I asked her on behalf of the International Bank to  
make a survey of the various sources of information  
available in Washington.

I would be glad if you could give her some  
information as to the set up of your Reserach organiz-  
ation at the Department of Commerce, the main people  
who are in charge, the sources of information and the  
way it is digested or possibly published.

Thanking you in advance for your kind  
assistance, I remain

Yours very sincerely,

L. Rist

Mr. Max J. Wasserman  
Financial Policy Branch  
Room 2238 Tempo T  
Department of Commerce  
Washington 25, D.C.



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C.

July 26, 1946

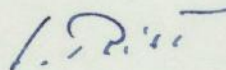
Dear Mr. Knoke,

This is to introduce to you  
Mlle de St Sauveur who is my personal assistant.  
I asked her to make a survey of the various sources  
of information available in Washington and New-York  
on behalf of the International Bank.

I would be glad if you could give her some  
information as to the set up of your Research organiz-  
ation at the Federal Reserve Bank of New York, the  
main people who are in charge, the sources of inform-  
ation and the way it is digested or published.

Thanking you in advance for your kind  
assistance, I remain

Yours very sincerely,



L. Rist

Mr. L.W. Knoke  
Vice President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York City, N.Y.



Please add time of visit  
and name of person or persons  
interviewed -  
LR

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C.

August 27, 1946

Dear Mr. Rist,

At your request, made to Mr. Varvaressos, I have tried to assist Mlle Cathala in the survey of research department organization in United States government agencies which you asked her to make during your absence.

The departments and agencies covered by us are as follows :

Department of Commerce  
Federal Reserve Board  
Department of the Treasury  
Bureau of the Budget  
International Monetary Fund  
Chamber of Commerce

In trying to obtain the necessary information we met with varying degrees of success. In the Department of Commerce, Mr. Wasserman was so helpful that he prepared for us a detailed memorandum on the research organization of the department containing all the information required. Similarly at the Federal Reserve Board we were given a statement by the Director of the Division of Research and Statistics Mr. W. Thomas, explaining in great detail the functions, activities and organization of the Division. Finally with regard to the Monetary Fund it was possible to obtain all the necessary information through Mr. Sturc, chief of section in its research department.

At the Treasury, on the other hand, we were unable to obtain more than very general and vague statements which did not provide the material for a detailed report. At the Budget every effort was made to help us but the information obtained was mostly oral and had to be compiled by ourselves. The inquiry at the Chamber of Commerce showed that there is little there in the way of information and organization which may be of value to the Bank.

After joint visits with Mlle Cathala, we decided to divide the work as follows : Mlle Cathala undertook to report on the Department of Commerce, the Federal Reserve Board and the Chamber of Commerce and I on the Treasury, the Bureau of the Budget and the International Monetary Fund.

I am transmitting herewith my part of the report and hope that in spite of ~~in~~adequate information in my case it may be of some value to you.



The following departments and agencies were not covered by us :

Department of State  
Export-Import Bank  
Brookings Institute

The first two undoubtedly possess very valuable information and will probably have to be frequently consulted by the Bank, especially at the beginning. In view, however, of the fact that these are agencies engaged in active operations of a highly confidential character affecting individual countries it is unlikely that an informal investigation of the type carried out by us would have yielded any substantial results. The reaction of the Treasury to our inquiries should be considered as an indication of official feeling in this respect. I think that in order to be effective the investigation will have to be undertaken at a higher level and in a more formal manner. I was, however, able to obtain at the Bureau of the Budget the outlines of the organization of the branch of economic affairs in the Department of State which I am summarizing in the Report. Finally, as regards the Brookings Institute, which is a purely scientific organization, it would be preferable to wait until the organization of the Research Department of the Bank has taken a more concrete shape in order to be able to determine the kind of assistance that will be needed and the nature of the contacts that may be usefully established.

I should also like to mention that it was suggested to me at the Bureau of the Budget that the Bank should seek to establish relations with the Staff Committee of the National Advisory Council under Mr. Andrew W. Kamarck. This Committee assembles and prepares the material needed for the deliberations of the Council and is in close touch with all Government Departments dealing with problems of economic assistance to foreign countries, loans etc. It was pointed out that the members of the Committee are people who have worked for a considerable time on these matters and may be of great assistance to the Bank.

I take this opportunity to summarize here some of my personal impressions and conclusions with regard to the future organization of the Research Department of the Bank and its relations with similar departments in other agencies:

I) I think that it would not be advisable to carry this investigation further before the scope of the Research Department of the Bank has been determined and the broad outline of its operations established. Only when the nature and extent of the research that will be carried out in the Bank will be known to those undertaking the investigation and the degree to which the Bank will rely on data, information and expert advice from other departments will have been determined will it be possible to decide the kind of contacts that will be needed with other departments and draw on their experience in organizational matters.

There are, however, two definite suggestions that I should like to make here.

In the first place I feel that the Bank will not be able to rely



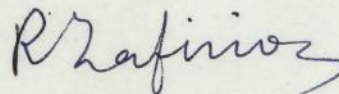
on other departments for current references and official documents and publications without finding itself greatly handicapped in its work. Current references are extensively used by the various departments themselves and the Bank will often find that information may not be readily available when needed, while the hunting for information will undoubtedly create great inconvenience for its staff and result in a considerable waste of time. This of course does not apply to the Fund with which it would probably be advisable to establish a common pool of references.

In the second place it seems to me that the Bank should not ordinarily rely on outside agencies for the interpretation of data and information needed in relation to its operations. My impression is that the interpretation which ~~these~~ officials and even experts give to the same phenomena and situations varies greatly in accordance with the type of activities in which these officials are engaged and is conditioned by the purposes and objectives pursued by the departments or agencies to which they belong. If the Bank wishes to develop its own criteria and standards of judgment, evolve a consistent policy and approach the problems with which it will be dealing from an international angle it will have to possess its own body of experts who would interpret economic situations and phenomena and assess the value of information and data in the light of the Bank's purposes, objectives and policies.

2) If it is desired to obtain more details and information from the various research departments it seems to me that the inquiry would prove more fruitful if it were conducted on the basis of a written questionnaire addressed by the President of the Bank or other high authority to the heads of the Departments being investigated and stating in precise and explicit terms the kind of information required. I think that only thus will the departments concerned be able and willing to give concrete and detailed answers to our inquiries.

3) Finally I feel that if, as is likely, the Bank will have to rely on other research departments for data and information, contacts will have to be established at a sufficiently high level to secure for the Bank the maximum of outside cooperation. It will also be necessary to work out some scheme of liaison since few departments would be prepared to place their facilities at the disposal of the Bank without the establishment of formal relationships.

Yours sincerely,



R. Zafiriou



BUREAU OF THE BUDGET

(Tel. No. EX-3300)

The following are the principal branches of the  
Bureau:

1. Estimates Division
2. Division of Legislative Reference
3. Division of Administrative Management
- ✓ 4. Fiscal Division
5. Division of Statistical Standards
6. Field Service
7. Federal Board Hospitalization
8. Government Information Service

The Branch of particular interest to the Bank is the Fiscal Division and especially its Economic and Reporting Sections.

The functions of the Fiscal Division are described as follows in the U.S.A. Government Manual:

Fiscal Division

This Division examines and reviews for improvement the operation of government systems of financial reporting; studies governmental fiscal programs in relation to economic and fiscal trends, gathering material for the use of the Executive Office; and supervises the preparation of the Annual Budget document.

The Fiscal Division is organized as follows (Selective List):

Assistant Director: J. Weldon Jones

Tel. Ext. 118

1. Budgetary Control Section

Assistant Division Chief: Herman C. Loeffler

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2. Economic Section

Tel. Ext.

First Assistant Division Chief: Gerhard Colm 571

Responsible for questions of general economic policy, full employment, economic stabilization, taxation, borrowing and social security including international aspects of these.

Main assistants: Grauer Easley 570  
William G. Schmelling 81  
Michael S. March 520

Second Assistant Division Chief: Arthur Smithies 277

Responsible for questions of general economic policy, especially international, also public works, development of resources, housing, agriculture.

Main assistants: Myrtle D. Gill 267  
R. S. Nelson 231  
E. Fenton Shepard 547  
Laura W. Lokke 545

Third Assistant Division Chief: Paul T. David 121

Responsible for questions of general economic policy, especially administrative aspects, including international side. Also transportation communication, health, education.

Main assistants: Ernest W. Williams 123  
Edward S. Prentice 122

Other Assignments:

Louis H. Bean	Manpower and Employment	120
I. M. Labovitz	Federal-State-Local	
	Relationships	597
Joseph Reeve	Banking and Credit	127
C. E. Righthor	Federal Grants and Subsidies	546

3. Reporting Section

Elizabeth S. May - in charge.

Responsible for reporting of economic information and for the statistical and analytical work of the Division. Only recently detached from the Economic Section and set up as a separate section.



The Fiscal Division issues a monthly bulletin for the use of Federal agencies which is classified as "restricted." Its title is "Federal Program". This Bulletin deals with current general economic problems such as level of employment, production, public finances etc., including their international aspects.

The research work of the Economic Section is carried out on the basis of continuing or ad hoc assignments. No official list or record is kept of the studies made but the section is always prepared, upon request, to place its data and information at the disposal of other agencies. Assignments are considered as strictly confidential and no details on the subjects being studied at any given moment or the persons studying them can be made available outside the Bureau.

It was emphasized that the main assistance which the Bureau could give to the Research Department of the Bank would be to advise on sources of information and on the relative reliability of the various sources and help to locate data and information.

It was also pointed out that the three Assistant Division Chiefs of the Economic Section who are outstanding economists dealing with general economic problems, national and international, and who often act as consultants for several government agencies, would be able to assist the International Bank in any studies which it might decide to undertake on specific economic problems.

It was, however, stressed that the Bureau's approach to international economic problems is strictly functional and that no information is sought on individual countries or groups of countries.

The Division of Statistical Standards may be of assistance to the Research Department of the Bank in case it finds itself in difficulties over the interpretation of statistics or on any matter which involves knowledge of statistics. The main function of the Division of Statistical Standards is the coordination of the statistical ~~national~~ activities of all U.S.A. government departments and agencies. The U.S.A. Government Manual defines its activities as follows:

"Under the Federal Reports Act of 1942, this Division provides coordination and promotes improvements in the Statistical Services of the Federal Government by analysing and clearing plans and report forms used by Federal Agencies in obtaining information from the public and other agencies and by other means, described in the Act."



The main assignments in the Division are as follows: Tel. Ext.

Stuart A. Rice,	Assistant Director in Charge	205
William R. Leonard	Assistant Chief	209
Donald C. Riley	International Economic Problems Reporting on foreign expenditure of U.S.A. Government. Balance of payments.	254
Peyton Stapp	Clearance Officer	236
Thomas J. Mills	Labor Statistics	253
W. Edwards Danning	Statistical Techniques	261
Edward T. Crowder	Banking and Rationing	257
Harry Alpert	Social Statistics	275
Juliet A. Jones	Construction - Housing	249
Hildegarde Kneeland	National Income, Consumer Income and Expenditure	224
J. S. Leong	Minerals and Petroleum	250
Clem C. Linnenberg	Industrial accidents, public assistance etc.	219
James A. Lynn	Farm Production and Prices	259
Margaret E. Martin	Social Insurance and Labor Standards	234
Samuel Nakasian	Price Control	208
Raymond Nassinbene	Contract Termination, Surplus Property, Financial statements	255
Ole A. Negaard	Agriculture	218
Douglas W. Oberdorfer	Public opinion and International Statistics	252
W. Scott Payne	Transportation	256
Esther Pearce	Commodity Classifications	693
David Rosenblatt	Income Distribution	226
Tillman Sogge	Commercial and Industrial Classification	693
C. Darwin Stölzenbach	Aircraft and Parts	276
Richard F. F. Tyner	Lumber and Construction Materials	264
Laura Brown Webb	Price Indexes, Apparel and Textiles	
<u>Consultants</u>		
William W. Cooper	Financial Statistics	549
Meredith B. Givens	Labor Statistics	235
Harold H. Hotelling	Statistical Techniques	262
Gladys L. Palmer	Labor Force Estimates	215
Elbridge Sibley	Social Statistics	260



It was suggested to me by the Staff of the Division that the Bank might find useful information in a newly published book called "Government Statistics for Business Use" edited by Hauser-Leonard.

The activities and functions of the Division of Statistical Standards are described in detail in a report recently issued under the title "Report of the Bureau of the Budget to the Special Committee to Study Problems of American Small Business of the U. S. Senate".

Finally it should be noted that there is in the Bureau of the Budget a special Branch on international activities which serves both the Estimates Division and the Division of Administrative Management. This Branch is responsible for the supervision and coordination of the activities of U.S.A. Government Departments in the international field and in particular for determining U.S.A. policy on matters of organization of international agencies. It also deals with problems arising from the financial participation of the United States in international organizations, obtains the necessary appropriations and follows up the utilization of U.S.A. contributions.

In the field of economic research it is especially interested in Budget administration and related problems in foreign countries and obtains all the relevant official documents from abroad. It is also keeping itself informed on general governmental organization in foreign countries.

The material used by the Branch is provided mainly by the State Department and consists of official documents and publications, reports from U.S.A. Embassies, data collected by its own staff while on duty abroad and information obtained from foreign officials training in U.S.A. under a system of reciprocal training of officials operated by the "Programs of Foreign Officials" section of the Branch. In this respect it was suggested that this section, which is under Mr. S. Mackee Rosen, may be of assistance to the authorities of the Bank in matters connected with personnel.



USA - Treasury Department

The following are the principal branches of the Department:

Bureau of the Comptroller of the Currency  
Bureau of Customs  
Bureau of Engraving and Printing  
Bureau of Internal Revenue  
Bureau of the Mint  
Bureau of Narcotics  
Committee on Practice  
Division of Monetary Research  
Division of Personnel  
Division of Research and Statistics  
Division of Tax Research  
Legal Division  
Office of the Chief Clerk  
Fiscal Service  
Office of the Fiscal Assistant Secretary  
Bureau of Accounts  
Bureau of the Public Debt  
Office of the Treasurer of the United States  
United States Savings Bonds Division  
Foreign Funds Control  
Office of the Superintendent of Treasury Buildings  
Procurement Division  
United States Secret Service  
United States Coast Guard  
Office of the Tax Legislative Counsel

The functions of the three Research Divisions are defined as follows in the Annual Report of the Secretary of the Treasury, to which we have been referred for information.

Division of Research and Statistics

It serves as a technical staff for the Secretary and other Treasury Officials on the economic aspects of certain fiscal operations and policies. Its work is concerned particularly with Treasury financing and public debt problems, estimating the amount of future Federal revenues, actuarial analyses involved in certain Treasury functions and various general economic problems arising in connection with Treasury activities.

The Division has one Director, George C. Haas, seven Assistant Directors and one Librarian.

Division of Tax Research

It assembles the facts and prepares the economic, statistical and technical analyses needed; (1) to aid the Secretary, the Under-Secretary and other Treasury officials in the formulation of Treasury tax policy; (2) to aid the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate and the Joint Committee on Internal Revenue Taxation in their consideration of tax proposals and legislation; and, (3) to provide



information on various tax matters, as requested, to the President, Members of Congress, various Government Officials and the public.

The Division has one Director, Roy Blough and two Assistant Directors.

#### Division of Monetary Research

It provides information, economic analyses, and recommendations for the use of the Secretary of the Treasury and other Treasury Officials to assist in the formulation and execution of the monetary policies of the Department in connection with the exchange stabilization fund, gold and silver, the flow of capital funds into and out of the United States, the position of the dollar in relation to foreign currencies, international monetary cooperation, monetary, banking and fiscal policies of foreign countries, exchange and trade restrictions abroad and similar problems. In addition, the Division provides economic analyses in connection with the Treasury's Foreign Funds Control, and monetary and financial problems in liberated and in occupied areas. Analyses are also prepared relating to the customs activities of the Department and the duties of the Secretary of the Treasury under the Tariff Act and on other matters pertaining to international trade, including the trade agreement program. The Division also is responsible for the economic and financial work in connection with the negotiation of exchange stabilization agreements made by the United States with foreign governments and central banks for the purpose of promoting international exchange stability. The Treasury's operations under these agreements are performed under the stabilization fund, which is administered by the Division.

The Division has one Director, V. Frank Coe, and four Assistant Directors.

Of the three Research Divisions of the Treasury only the Division of Monetary Research seems to be of particular interest to the Bank. The other two deal almost exclusively with domestic matters.

Our visit to Mr. William Taylor, Assistant Director of Monetary Research, produced little additional information. He stated that his Department obtained its data on foreign countries both from official publications and documents and from cables and dispatches of USA representatives abroad. These were classified both by countries and subject-matter. The information can be made available to other agencies, only if requested, through the proper channel, i.e., the National Advisory Council.

The Treasury issues a monthly bulletin under the title, "Treasury Bulletin", which contains information and statistics on fiscal and financial matters such as public expenditure and revenue, the public debt, capital movements, etc. It was impossible to obtain information on the more detailed organization and functions of the Division. My personal impression, however, is that the problems of organization of the Research Department of the Bank are bound to be different from those of a large Government Department having access to a great variety of confidential information and possessing a wealth of accumulated data. As regards accessibility to these data it seems that



a day-to-day contact would be difficult to arrange and that only through formal requests will the Bank be able to have access to data and information available to the Treasury. Such data will undoubtedly be needed on many occasions, but it is also clear from the kind of research carried out in the Treasury that these data will be of more particular interest to the Fund *yes* which deals with monetary and similar short-term problems than to the Bank which will have to obtain a more general picture of the economic situation in the countries concerned.

As regards names of officials, individual assignments, telephone numbers, etc., the available information in USA Government Directories is to a great extent out-dated since several members of the staff of the Division have joined the Fund or may shortly be joining other agencies. It seems that only through an official written request from the President of the Bank will it be possible to obtain detailed information on this matter.



DEPARTMENT OF STATE

(Tel. No. Rep. 5600)

Undersecretary for Economic Affairs:

William Clayton

Deputy

Willard L. Thorp

Ext. 2686

- A. Office of Foreign Liquidation
- B. Office of Transport and Communications Policy
- C. Office of International Trade Policy
- X D. Office of Financial and Development Policy
- E. Office of Economic Security Policy

The Branch dealing with matters of interest to the International Bank is the Office of Financial and Development Policy and in particular its Division of Investment and Economic Development. That office is organized as follows:

Director: George F. Luthringer  
Extension 2692

*still there?*

1. Division of Financial Affairs - Chief: Jacques J. Reinstein, Ext. 2171

This Division is responsible for matters pertaining to; (a) general international financial and monetary policy; (b) international financial and monetary agreements, institutions and arrangements; (c) reparations and financial aspects of terms of surrender and peace treaties; (d) assets in the United States of foreign governments and central banks; (e) financial problems of liberated countries; (f) foreign exchange and foreign exchange control; (g) dollar-bond settlements and servicing of dollar bonds; (h) international stabilization and short-term credits and the issue of foreign securities in the United States; and, (i) international double taxation.

2. Division of Investment and Economic Development. - Chief: Harold R. Spiegel, Ext.

This Division is responsible for matters pertaining to; (a) general investment loan and foreign economic development policy; (b) international agreements, arrangements or institutions for economic development abroad; (c) public and private foreign loans and investments other than short-term or stabilization credits; (d) promotion of foreign investment and protection of interests of American investors abroad; (e) projects and programs for industrialization and development and, in liberated areas, for reconstruction and rehabilitation of industry and agriculture; and, (f) industrial and economic developmental aspects of terms of surrender,



peace treaties and general security.

3. Division of Lend-Lease and Surplus War Property Affairs- Chief: Hubert  
F. Havlik

.....  
It was suggested by Mr. Roseman of the Bureau of the Budget that the Division of International Organization's Affairs in the Department of State (Chief: M. Sandifer) might be of assistance to the International Bank in its efforts to secure the cooperation of U.S.A. Agencies and Departments for the utilization by the Bank of data and information at their disposal. The Official in this Division in charge of matters relating to the International Bank is Mr. Gordon Williams.



## THE INTERNATIONAL MONETARY FUND.

For the time being, the Fund is organized into three Departments, the Research Department, the Operations Department and the Legal Department and one Administration Service.

In view of the close relation between research and operations the authorities of the Fund have been anxious to establish from the beginning a clear line of demarcation between the functions of the two Departments and avoid duplication and overlapping. The principle adopted is that the staff in the Research Department will be concerned with questions of policy and the effects of policy on economic conditions in various countries and in the world generally while the staff in the Operations Department will be concerned with practices and the execution of policies.

This seems to be a useful distinction which the Bank may wish to adopt with regard to its Research and Loan Departments respectively.

The Director of the Research Department has defined the tasks of the Division as follows:

- (a) "The first task is to accumulate the basic data to which reference must be made in connection with any problem involving a member country. The data must be presented in usable form and as far as possible be uniform in character for comparative purposes. These data for all countries must soon be supplemented by memoranda that discuss the principal problems to be faced in each member country. These memoranda would be descriptive and interpretive in character and they would point up the significance of the data in the country books."
- (b) "When this urgent basic work has been well started, we must give thought to the collection of information under the Articles of Agreement. Here we shall have to work carefully to assure the reporting to the Fund of useful and accurate statistics on a uniform basis. On this we shall need the cooperation of member



governments and, in some instances, other international agencies."

- (c) "A third task we must undertake in the Division is the preparation of reports and publications for the information of the Board and the operating officials of the Fund. I hope that by September we can start with the regular compilation of informative reports and statistical bulletins for internal use. When we have proceeded with the work for internal use in a regular and satisfactory manner, the time will come for planning the publication of an international economic monthly."
- (d) "At every stage, the Division must be prepared to submit memoranda requested by the Board or the officials of the Fund and to initiate studies on problems that should be called to their attention. This we shall be ready to do on a modest scale at once. The longer-run problems, the development of indices etc. will have to await the development of the staff."

The Research Department has been tentatively organized into eight geographical Divisions and four functional Divisions. The functional Divisions are to be concerned with overall problems which cut across a number of Divisions or which may be world-wide in character. The necessity for harmonious work between geographical Divisions and functional Divisions is fully recognized and arrangements for close cooperation between them will be worked out.

The organization of the Research Department as at present contemplated, will be as follows:

- I. Division of Western Europe
- II. Division of Central and Eastern Europe
- III. Division of British Empire
- IV. Division of United States and Canada
- V. Division of North Latin America
- VI. Division of South Latin America
- VII. Division of Far East
- VIII. Division of Middle East and Africa
- IX. Division of Balance of Payments
- X. Division of Gold, Capital Movements, International Investment
- XI. Division of Exchange Controls, Exchange Practices, Financial Agreements
- XII. Division of Statistics, Reports and Publications.



As regards personnel the Director of the Department has proposed the following policy:

"If possible, it would be more convenient to start the research staff by appointing section heads and acting section heads and people in the lower levels. This will give us an opportunity to learn more about the personnel and to assign them to duties that will facilitate the most effective work of the Division. Six months from now, when we have had some experience with the section heads and with the lower staff, it should be possible to select the most capable of the section heads for appointment as assistant chiefs of research and some of the lower staff as assistant heads of sections."

In view of the provisional nature of the appointments already made it is not possible to give a comprehensive list of the present staff of the Research Department and their respective assignments.

The staff appointed up to now numbers 17 technical and professional people and 14 clerical and administrative. It is contemplated to raise the staff of the Department to 118.

It is clear that the experience of the Fund, whose Research Department has been functioning for some time, would be of the utmost assistance to the Bank in establishing its own Research Department.

It is also clear that the information sought by the two Research Departments and their respective activities will often run parallel or even coincide and that close liaison and effective arrangements for collaboration will be needed if both Departments are to make the maximum contribution to the formulation and carrying out of policies based on the real needs of the world economic situation.

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