

C O P Y

Winfield W. Riefler
69 Alexander Street
Princeton, New Jersey.

December 23, 1937

To: Mrs. Bailey
From: Mr. Riefler
Subject: Travel expenses

For expenses incurred for travel
from November 17th to December 15th
(London and Paris).....

\$118.00

Paid by Treasurer
National Newark & Essex etc
Check No. 2311
January 24, 1938

Hotel, meals, transportation,
and incidental expenses in-
curred for Institute for Ad-
vanced Study and not for
League of Nations.

COPY

Winfield W. Riefler
69 Alexander Street
Princeton, New Jersey

November 8, 1937

To: Mrs. Bailey
From: Mr. Riefler
Subject: Travel expenses

(Oct. 26-28 (New York, Washington and Newark)	\$40.00
Nov. 5-6 (Washington)	<u>15.00</u>
Total	<u><u>\$55.00</u></u>

November 3, 1937

Dear Riefler,

The enclosed from Mr. Kochertaler
is evidently intended for you. He is the uncle
of Gisbert Ruge, whose sudden death in Septem-
ber has grieved us all.

Ever sincerely,

ABRAHAM FLEXNER

Professor Winfield W. Riefler
69 Alexander Street
Princeton, New Jersey

AF:MEG

Adelboden (Bern), Oct. 25th 37.

My dear Dr. Flexner,

an out of Riefler
As I ignore Prof. Riezlers address, I beg to include a letter for him, thanking you in advance for the transmission. Every letter from Berlin proves, how deeply Ruges are impressed by the demonstrations of sympathy of your goodselves the Dean and Gisberts fellow-students.

Very truly yours

E. Kochertaler
Kochertaler

Dr. A. Flexner

Princeton

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

Riefler

Aug. 13, 1937

Dear Dr. Flexner,

I am glad you wrote
me immediately about T.J.'s
reaction to Leith-Ross. Frankly,
I had never thought of him.
I have not met him and
his position is so enigmatic
that I never included him in
my canvas of possibilities.
It very well might be that
he would come closer to
what we want than Clay.
I will talk to Stewart about

him and get his reaction. He
certainly ought to know him
well.

No! Stewart has not yet
shown up and I am writing
to find out why. I shall certainly
feel that we have hooked a
whale when we get him signed up.
He is the most elusive person
one can imagine. When I saw him
last early in July he spoke quite
confidently of going to England in
the fall and of signing up Clay which
he was there. That was one of the things
that made me feel he had practically
decided to come with us here. At
the same time, he shows he was
thinking through our problem by

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PRINCETON, NEW JERSEY

saying that he was not sure
but that Sijman (at the
Bank of England) would not be
more to our purpose than
Clay. Sijman is not known
as an economist, ^{and} I have barely
met him personally, so I
have no judgment on the choice
myself. I simply said that
our most important task now
was to get him (Stewart) and that
then we would make our next
move. If his judgment favored some one
else over Clay, that was acceptable
to me.

Mr. Kiederhof sent me copies of
the letters he had received about his
son at Penn. I spoke to Willits
personally over the phone after I
wrote and he told me he was
looking into it. From the tone of
his later letter, I judge that
they simply felt they couldn't
breathe their rules that far. I wrote
Mr. Kiederhof but really didn't have
much in the way of real advice to
offer. I told him I should think that
Blair Academy would be in a better
position to ^{than you people} know which of the
good universities ^{still} had room.

About Keith-Ross, again. When I was
over this spring nearly everyone agreed
that he was in something of an eclipse. You

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PRINCETON, NEW JERSEY

contrast to the situation in 1930-33
when he was the acknowledged
brains of the Treasury, he now seemed
to have his chief influence with
Anthony Eden. ~~Had~~ Within the
Treasury it was said that he
had been supplanted by
Sir Frederick Phillips. I don't
know how authentic this is, but
it ~~would~~ ^{might} make him more available,
if true.

I have been taking life
a little easier here lately.
The Panofsky's arrived last week

and we helped get them located up at Wellfleet. We are having dinner with them tonight. From reports they are delighted with the place. Of other Princeton people, we have seen something of Prof. Stou and also of the Forayths. In fact we started tuna fishing with the Forayths at 4:30 a.m. Wednesday. The sea was, too rough, however, so we had to come back.

You sound as though you were having a grand time. I wish I could see you. Most of all, I'd like to show you the Pyramids we have been building here. Sincerely,
Win.

Magnetawan, via Burks Falls
Ontario, Canada
August 10, 1937

Dear Riefler:

I have had several talks with Tom Jones on the subject of economics. I don't know whether you know that he was at one time Professor of Economics at the University of Glasgow. That was of course in the beginning of his career. Since he went to London to be Deputy Secretary of the Cabinet at the beginning of the war, he has had over a period of more than twenty years close contact with the British economists. He knows intimately Keynes, Clay, Pigou, Robbins, Leith-Ross, Norman, etc. I have asked him who, in his opinion, is the ablest economist of the whole group. He replied without a moment's hesitation, "Leith-Ross", who, as you doubtless know, is financial adviser to the Treasury. I asked him about Clay. He thinks that Clay is in capacity not superior to a good university professor. Leith-Ross he regards as a man with a really first-rate mind, with a great personality, and fertile in ideas. Of course, he did not know that I was thinking of anyone in particular for Princeton. He did, however, feel strongly that we should develop the subject in the very near future in the way in which we have developed mathematics in order that there might be somewhere in this world a great economic center of thinkers such as does not now exist anywhere. Do you and Stewart know Leith-Ross and, if so, what is your own opinion as to the way he would measure up as against the other persons named?

I don't want to bother you with letters, but it won't hurt you to

August 29, 1931

drop me a line on this subject, I hope.

I understand that Miss Wise, tired of waiting for her errant chief, has eloped to England, but, as one might well know, she has eloped alone just the way you did, and she will probably come home in six weeks as homesick as you did.

Leidesdorf's son was not admitted to the University of Pennsylvania.

I wonder if you heard from Willits any particulars or whether he exerted himself in the matter. Do you know the School of Business Administration at Dartmouth? If so, do you know anyone in it? I am going to drop a line to Earle, who is in that neighborhood, and he may wangle a place there for the Leidesdorf boy.

We have a full house at the moment. Here is the roster: Jean and Paul, Eleanor, T.J., Mr. Orrick of the Oxford Press, Vera Caspar (scenario writer), Franz Spielman (Viennese architect), and the inevitable Mrs. Bailey; also, the two maids from Tuskegee, Robert the chauffeur from Honolulu, and two dogs (curses!); but the list will begin to melt away at the end of this week.

I hope all goes well with the Riefler household. Did Stewart turn up? If so, did you make any progress? Write me ever so briefly on these points.

With all good wishes,

Ever sincerely,

ABRAHAM FLEXNER

Mr. Winfield W. Riefler
Orleans, Massachusetts

AF:ESB

August 29, 1931
Orleans, Mass.
Mr. Winfield W. Riefler

Magnetawan, via Burks Falls
Ontario, Canada
August 5, 1937

Dear Win:

Yours of July 28 came to camp while I was paying a week's visit to Mr. Bamberger and Mrs. Fuld. They are both well and enjoying the quiet and beauty of the great St. Lawrence which their hotel overlooks. I had previously sent them at Mr. Bamberger's request a memorandum which you will see later - I don't want to bother you with it now - outlining the future of the Institute, as I now see it, subject, of course, to such changes as experience and wisdom suggest.

I put in the very first place the development of the School of Economics and Politics. They were very much pleased with the whole memorandum and told me to go ahead. I am therefore enormously interested in your feeling that Stewart may be "in the mood to drop Case Pomeroy and come with us". If he has paid you the promised visit, let me know whether this subject came up and, if so, how it stands.

Meanwhile, thank you very much for writing in behalf of Mr. Leidesdorf to Joe Willits.

I am glad that you are rid of Washington and Princeton for the time being, and I do hope that you will give your family a chance to become acquainted with you. You have some nice traits, about which your Deezie has probably forgotten if she ever knew. The mental picture of her jumping over the saw horses greatly intrigues me. We shall make that a feature of our next Institute dance.

W.W.R.

August 5, 1937

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We have at the moment a full household: Tom Jones, who is spending a month, Jean and Paul, Eleanor, Orrick of the Oxford Press, the inevitable E.S.B., and the equally inevitable A.F. Anne, alas, deserted and left for Salzburg yesterday. She was torn two ways, but Salzburg won, and I am glad it did, for it is the one great dissipation of her life, and I do not begrudge it to her.

Give my love to Dorothy and the boys, and believe me

Ever sincerely,

ABRAHAM FLEXNER

Mr. Winfield W. Riefler
Orleans, Massachusetts
U.S.A.

AF:ESB

W.W.R.
Orleans, Mass.
August 5, 1937

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

October 25, 1937

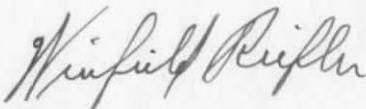
Mrs. Esther S. Bailey, Secretary
The Institute for Advanced Study
Princeton, New Jersey

Dear Mrs. Bailey:

Thank you for sending me the minutes
of the meeting of the regular meeting of
the Board of Trustees held on October 11,
1937.

I have no corrections to make.

Very truly yours,



Winfield W. Riefler

THE INSTITUTE FOR ADVANCED STUDY
PRINCETON, NEW JERSEY

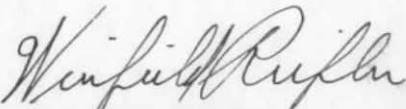
September 29, 1937

Mrs. Esther S. Bailey, Secretary
Institute for Advanced Study
Princeton, N. J.

Dear Mrs. Bailey:

Thank you for informing me of the
comming meeting of the Trustees of the
Institute for Advanced Study on October
11, 1937. I shall be there. ✓

Very sincerely yours,


Winfield W. Riefler

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

Orleans, Mass.,
July 28, 1937.

Dear Dr. Flexner:

This is a fine time to be answering your nice letter of the 19th. My tardiness, however, has not applied to the Leidesdorf matter. As soon as I received your letter I wrote Jo Willits quite strongly and trust that he has done his best. I have not heard from him but I should think that a question of this kind would cause little difficulty. I agree with you that Mr. Leidesdorf is practically a saint, and I am glad to do anything that I possibly can for him.

Miss Wise writes me that our house is under way. I was so very busy trying to handle international financial troubles in Washington without losing entire contact with my family at Cape Cod that I did not have time to fuss with it any more, so I signed the contract and told them to go ahead. This past week I have looked over the final plans more carefully and have decided that the last changes are all to the good. They include some gains as well as losses and bring about a saving of nearly \$2000. Now I want to forget about it until it is finished but I know I will not be able to.

After my telephone conversation with you I flew to New York and saw Walter Stewart. It certainly seemed to me that he was in the mood to drop Case Pomeroy and come with us. He was about to leave on vacation so I have not heard from him since. However, he promised to come and visit us here at Orleans during the last week in July. He said he was going on a sea trip with a friend of his who owned a yacht and

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PRINCETON, NEW JERSEY

that they would sail into our harbor and pay us a call at our point. As a result, I have been working my head off trying to get the living room in shape for so distinguished a caller. It's almost ready but I haven't seen him yet.

I've been here continuously now for twelve days. They have been spent mostly making up for lost time in getting the place into shape. I think that at last we have made sufficient progress so that now we can begin to "vacate". I have hardly dared look at my correspondence so far for fear there might be something that would require my attention.

Henry Morgenthau certainly needed a lot of consultation for a while. First, the French blew a spark plug and then it seemed as though every country on earth was about to send a financial delegation to visit the Treasury. I tried to get through it as fast as I could and finally managed to ship Henry off to Honolulu, where he can consult the Waikiki girls about his financial problems.

You may gloat all you want to about the way Anne frisks about but for sheer friskiness, I'll match my Deezie against the field. The boys set my saw horses up in a line the other day and she jumped over them in a manner not unbecoming to Jesse Owens. If the Institute is ever forced to build up its prestige by entering the field of inter-collegiate athletic competition, I move that we enter a team composed of faculty wives. With Anne and Deezie holding down the anchor positions we could not fail.

Sincerely
W. R.

August 26, 1937

Dear Professor Riefler:

A check came for you today, in the amount of \$120, from our Treasurer's office, for your July 4-15 trip to Washington. I have deposited it at the Princeton Bank & Trust Company, together with your salary check for August. I presume this is what you would wish me to do with it.

I hope that you are at last getting some rest and that you and Mrs. Riefler and the boys are all enjoying the new summer home.

My best wishes to you all.

Sincerely yours,

MARIE C EICHELSER

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

May 27, 1937

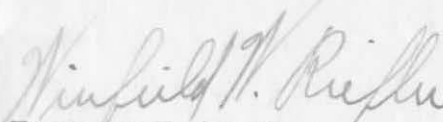
Mrs. Esther S. Bailey, Secretary
Institute for Advanced Study
Princeton, N. J.

Dear Mrs. Bailey:

I am enclosing a Letter of Credit from the National City Bank of New York issued in my name by the Institute for Advanced Study for the purpose of financing my recent trip to Europe. The Letter of Credit was made out originally for \$2,000.00 of which amount I have withdrawn \$662.00, leaving a present amount standing in the Letter of Credit-\$1,338.00. I am also enclosing my personal check for \$485.00 drawn in favor of the Institute for Advanced Study, a refund to the Institute for that part of the \$662.00 withdrawn which covers expenses reimbursed by the League of Nations.

To recapitulate -- my total out payments covering the trip abroad lasting from April 14 to May 26 and including visits to London, Geneva, Basle, and Paris, totaled \$947.00. Of this amount \$700.00 was reimbursed by the League of Nations and \$70.00 corresponded to purely personal expenses. This leaves \$177.00 to cover expenses chargeable to the Institute.

Very sincerely yours,


Winfield W. Riefler

Enclosures (2)

May 3, 1937

Dear Win:

I was very happy to receive your note of April 18 and to learn that you had had a smooth crossing. I hope you and Mynors had a lovely time and did not talk too much about Eccles, Roosevelt, the Supreme Court, the Federal Reserve, the gold standard, and other forbidden topics.

I was greatly distressed to learn that Mynors' father had died during his last week here. It was quite heroic that he carried on until he left as bravely as he did.

You and Mynors missed some of the most beautiful weather that God Almighty ever created this side of heaven. It has been absolutely superb, beginning the day after the garden party, which had, alas! to be held indoors, but was a great success nonetheless. Everybody came and stayed and absolutely cleaned us out of sandwiches, cake, punch, and all other refreshments. The famine would of course have occurred earlier in the afternoon if you and Mynors had been on hand.

We have seen Dorothy several times since you left. Her domestic problems have been a good deal complicated by the two rabbits, but they are just exactly what she needs in order to keep her from bemoaning your absence. Saturday evening she came to a dinner we gave for Madariaga, and, as you will not be

W. W. R.

May 3, 1937

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surprised to hear, she was the only woman there whose talk was on a level with that of Corwin, Dodds and Madariaga himself. I am more and more beginning to wonder whether we should not have made Dorothy a professor and allowed you to stay at home to care for the boys, the household, and the rabbits. It is up to you to convince me to the contrary.

Mrs. Flexner is fine and we get excellent news from Jean and Eleanor. Mrs. Bailey continues to preserve her wanted equilibrium, but Miss Eichelsler is as jittery as Henry Morgenthau. She is sailing for her first European trip next Saturday a week, and between getting together her trousseau, letter of credit, passport, and reading guide books, she is becoming increasingly useless as a member of the office staff.

Earle has been down here since you left. His doctor assures me he is perfectly well, and though he is taking things easy there is not a thing about him, either in appearance or in what he says, to suggest that he was ever ill. We had a good talk Saturday afternoon about some work in which he is interested - important work on which his mind has been playing for years.

The Institute - men, women and children - join in wishing you the best of health, an easy time, and a safe return.

Ever sincerely,

ABRAHAM FLEXNER

Professor Winfield W. Riefler
c/o Finance Committee
League of Nations
Geneva, Switzerland

AF/MCE

P.S. Since dictating the above I have received yours of April 4. I am very happy that you have found the situation improved in London. Geneva I know well and it is, as you say, a lovely situation. Don't leave it without having made a tour of the lake and having seen Vevey and Montreux. Many years ago,

W. W. R.

May 3, 1937

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when Anne and I first visited Geneva, I was walking along the street and passed a most inviting bakery. I went in and bought a small cherry pie, came out and ate it sitting on the curbstone. That is one of my most vivid as it is one of my earliest recollections of the place.

Meritt and Johnnie told me yesterday that they are expecting bids today.

The enclosed is a copy of a note which I received this morning from Governor Norman.

A. F.



April 4, 1937

Dear Dr. Flexner

Here I am in Geneva after four extremely busy days in London. The atmosphere there seemed to me much better than last year. They are worried now about their stock market and a lot of things like that but not so fundamentally scared as they were earlier.

I have struck one of those perfect days which is worth a trip across the Atlantic itself. They tell me that Geneva has had good weather this year up to and including yesterday. Today

however, Mont Blanc seems just
over head, the mountains are incredibly
beautiful, the lake and the Rhone
seem part of paradise, and spring
seems bursting from every tree.
The natural setting so dominates
the city that you are carried back
mentally to Caesar rather than
forward to the things Seneca is
supposed to stand for today.

I hate being away from home,
but inasmuch as I cannot help
that I am proceeding to make
hay for the Institute. I have
already established some fixed rate
bansons for research in international
finance and have my fingers on
something else that might prove
interesting. I may go on to Berlin afterward.

Can give my very best
to Miss Fleasner and don't let Miss
Wee get too lonely. W/in



French Line

S.S. NORMANDIE

Sunday the 18th

Dear Dr. Flexner,

Properly speaking I should have
loads to report by now but the truth
is that there is nothing. My thoughts run
back to the Institute more frequently
than forward to Geneva and I wonder
about the Trustees meeting, the building
problem, appointments to the Faculty, etc. etc.
It has been a very quiet trip.

I think you would like to know that
Kempsey Wyron's father died last week. He
learned of it just before he sailed but
didn't tell me until after we were on
board.

Please give my best to Mrs. Flexner,
Eleanore and Fran, and forgive me for having
mentioned nothing worthy of comment so far.

Sincerely
Win

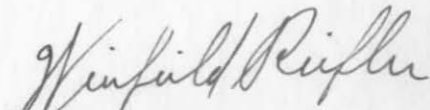
THE INSTITUTE FOR ADVANCED STUDY
PRINCETON, NEW JERSEY

April 9, 1937

Dear Mrs. Bailey:

I am very sorry that I shall not be able to attend the meeting of the Board of Trustees of the Institute for Advanced Study on Monday, April the 19th. As you know, I shall be in Switzerland at that time.

Very sincerely yours,


Winfield W. Riefler

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

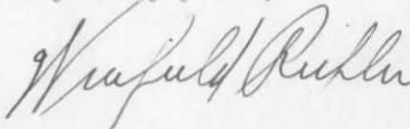
February 24, 1937

Mrs. Esther S. Bailey, Secretary
Institute for Advanced Study
Princeton, N. J.

Dear Mrs. Bailey:

Thank you for the copy of the Minutes of the Regular Meeting of the Institute for Advanced Study, held on January 25, 1937. As I was not present during the greater part of the meeting, I am not in a position to advance any corrections. That part which relates to the period during which I was in attendance seems to me correct.

Very truly yours,



Winfield W. Riefler

COPY

January 5, 1937

To: Mrs. Bailey

From: Mr. Riefler

Subject: Expenses - Meeting of American Economic Association,
Chicago, December 28-30, 1936

Railroad and Pullman	\$62.70
Hotel Stevens	6.00
Meals	12.00
Taxicabs, tips and incidentals	<u>4.00</u>

\$84.70

Paid by Treasurer

Princeton Bank & Trust Company check No. 620

January 22, 1937

February 3, 1937

Dear Riefler:

What do you think of the enclosed? I hesitate to say "Yes" to a proposition which involves combining economic and psychological research with the direction of an ethnological survey of New Jersey. Nor do I believe it will be easy to get rid of Rusk once we admit him. I am perfectly willing to write a negative letter unless you wish yourself to do otherwise.

Very sincerely yours,

ABRAHAM FLEXNER

Professor Winfield W. Riefler
69 Alexander Street
Princeton, New Jersey

AF:ESB

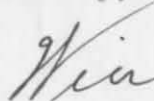
69 ALEXANDER STREET
PRINCETON, NEW JERSEY

January 12, 1937

Dear Dr. Flexner:

In many respects your letter to Professor Veblen with regard to the Institute housing situation should have been directed toward me, for I am the one who has insisted that the area where we plan to build be redesigned to meet modern needs. There was one conference last November, in fact, at which Professor Veblen distinctly advocated that we allot building sites to the professors in accordance with the present plat and only dropped the suggestion after I stated quite strongly that for my part I personally would oppose such procedure. I am extremely sorry if anything that I have said or done should have given a contrary impression.

Sincerely,



Dr. Abraham Flexner
20 Nassau Street
Princeton, N. J.

December 16, 1936

Dear Riefler:

I owe you an apology. I called your house this morning at an hour when I expected to find you in bed and learned to my amazement that you had taken an early train, ostensibly to New York. I explained to Mrs. Riefler what I wanted to suggest to you, namely, that as Miss Wise would probably like to use her Christmas vacation to visit some "member of her family" (I find that is the circumlocution which secretaries always use), you might be able to let her escape at noon Thursday and have a prolonged week-end. While I hesitated to speak to her on the subject, for fear that it might interfere with your plans for intensive work during the Christmas holidays, I did so on the theory that she might have to make arrangements in advance.

Please don't get the idea that I butt in on the idiosyncrasies of yourself and Mitrany at 69 Alexander Street, and to make things even I will give either or both of you liberty to decree a vacation for Mrs. Bailey or Miss Eichelsler whenever you think it would most seriously inconvenience me.

Always sincerely,

ABRAHAM FLEXNER

Professor Winfield W. Riefler
69 Alexander Street
Princeton, New Jersey

AF/MCE

69 ALEXANDER STREET
PRINCETON, NEW JERSEY

October 22, 1936

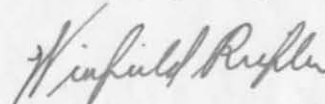
Dear Dr. Flexner:

When Dr. Goldenweiser was here last Saturday he spoke to me about his brother Alexis Goldenweiser who is planning to come to this country from Germany. He was apparently by far the most promising of the three Goldenweiser boys and well on his way to a brilliant career in Russia prior to the Soviet Revolution. He was, I believe, a member of Parliament under the Tsar and a member of the Supreme Court of the Ukraine under the Kerensky regime. Since 1921 he has been handling legal refugee problems in Berlin. On a visit to this country this summer, prior to coming here permanently, he saw Walter Stewart and others who suggested to him that he should get in touch with the Institute to see whether there would be a place for him here. The enclosed extract from a recent letter of his to Dr. Goldenweiser in Washington was inspired by these suggestions. Dr. Goldenweiser thought that I might like to see it and I am passing it on to you.

I do not think there is any problem for decision by us at this time. Alexis Goldenweiser wants very much to make a study of the legal status of refugees since the war, a study which he is eminently qualified to carry out, both from the point of view of training and deep contact with the problem. In this, he has the support of the Nansen Committee. This project is now before the Rockefeller Foundation with some chance, I believe, of favorable consideration. The work referred to in the accompanying extract would not require decision, therefore, until the refugee study was finished.

I told Dr. Goldenweiser that a project of the character outlined in the extract was along the lines that might eventually interest the Institute, but that there was little or no possibility of a favorable decision in the immediate future.

Sincerely yours,



Winfield W. Riefler

Enclosure

Extract from letter from Alexis Goldenweiser, Berlin W 30,
Landshuter Str. 9-10, Germany, dated September 29, 1936.

".... I have also given some thought to the subject matter of my future permanent, or at least prolonged work. I did not talk to you about it when I was in America. At the same time, in order to make an effort to finance the work, it is necessary to have a definite proposal, and in order to have a definite proposal, it is necessary to have a definite plan. It is for this reason that I did not try to make any serious efforts in this direction while I was in America and concentrated my efforts on the problem of work for the transition period. Szold and Stewart both mentioned that Flexner's Institute might be interested. Szold offered to write a letter of recommendation to Flexner's brother, but I did not hurry about this because I thought it was best to think over carefully exactly what to propose.

"For these reasons I am not sorry that I did not make the acquaintance of Frankfurter, Brandeis and others. It is best to talk to these people when I have a clearer concept of what I really want to do. Thinking about these subjects now, I have reached the following conclusions:

"My scientific work from the time I graduated from the University has centered around two fields: the philosophy of law and political science. It is natural that if I want once more to return to scientific work it should be in one of these two fields. While I was in Washington I examined in the libraries several books of American authors on general questions of law. Without going into details at this time, I wish to say that I think I could work in this field more or less in tune with these authors. I will even say that their approach to the problems

- 2 -

appeals to me more than the approach of German and French students. But in this field I meet a serious obstacle which may be difficult to overcome. The philosophy of law must be built on the basis of a definite system of law from which one draws examples, practical conclusions, etc. It is clear that in America this basis should be the Anglo-Saxon common law and Anglo-Saxon criminal law. But I grew up on the Roman, Russian, and German law and Anglo-Saxon law is alien to me. Of course, I can adjust to it, but probably not deeply enough to be able to do any creative work on that basis in the field of the philosophy of law. I am afraid that this is an insurmountable obstacle. In any case, this is not the field in which I should begin my work. I could only begin to prepare myself for work, and for that there is no time.

"Consequently, there remains political science. In this field circumstances are favorable. I come to America armed not only with theoretical preparation, but with broad, practical experience. For thirty years I have watched closely the political life of Russia and Europe--life in Russia in 1917-1921, and particularly life in Berlin in 1921-1936, were in this respect a valuable school of practical instruction. Of course, even in the field of political science I cannot teach Americans their own law or help them solve their own problems, but it seems to me that in this field I might, not without profit to Americans, develop, rationalize, and elaborate my own European experience.

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"I can conceive, for example, of a work on the fate of democracy in post-war Europe. In this work one should follow Bryce's method of presenting a living picture of the political organism and political life of different European countries from 1919-1936. Show how democratic institutions function; in what respects they have justified themselves, and in what respects they have not. Why in the majority of countries democracy has failed, and where it has been preserved what it was that prevented failure. This must be not merely a cabinet philosophy, but must be based on observations, inquiries, personal recollections and impressions. Of course, it is an almost endless subject which no one man could master, but with a reasonable limitation of the problem it can be done by one man and furthermore it may be possible to organize collective work in one form or another. I feel that carrying out such a plan would not be a useless undertaking."

THE INSTITUTE FOR ADVANCED STUDY
PRINCETON, NEW JERSEY

September 28, 1936

Mrs. Esther S. Bailey, Secretary
The Institute for Advanced Study
20 Nassau Street
Princeton, N. J.

Dear Mrs. Bailey:

Thank you for your letter of September 26th with its enclosures. I shall be very glad to attend the regular meeting of the Board of Trustees of the Institute for Advanced Study on Tuesday, October 13, 1936, at 12:45 o'clock at the Uptown Club, 60 East 42nd Street, New York City.

Very truly yours,



Winfield W. Riefler

September 24, 1936

MEMORANDUM

To: Dr. Flexner

From: Mr. Riefler

In my memorandum of March 13, 1936, I suggested the advantages which might accrue to the work in economics of the Institute, if it concentrated its efforts for the present on the cultivation of analysis in the general field of financial problems. Of the various considerations which led me into the advancement of this suggestion, I feel that the following three are by far the most important:-

1. In developing a general field of scholarship as wide as that included under the term economics, it is desirable to avoid dispersion of our work, especially at the beginning. This may be done by selecting some one point of attack, such as the financial aspects of economic problems, as a point of departure around which we focus our activities.
2. The field of finance is especially suited for work of an advanced level, not only because of our contacts and location, in Princeton, but also because of its primary social and economic importance, and its heavy reliance upon specialization of a character which most universities and graduate schools are not in a position to support.
3. The recent financial collapse and the current confusion of thinking with regard to its causes and consequences affords an immediate opportunity for development of productive work around which we may organize quickly.

Since submitting this memorandum, two further events have occurred which afford an opportunity to cultivate our work in the direction outlined. First, in visiting England this summer, I urged on Professor Henry Clay of the Bank of England the desirability of making an ex-

-2-

tended study of recent developments in financial research in this country, particularly research into problems of consumer financing and real estate credit. The Institute has since invited Professor Clay to make Princeton his headquarters, if he adopts this suggestion. This type of arrangement for visiting scholars exemplifies the role which the Institute might play, if its work in finance develops successfully.

Secondly, I have recently agreed to act as Chairman of the Exploratory Committee on Financial Research of the National Bureau of Economic Research. It is the function of this Committee to prepare an inventory of all research work into financial problems now going forward in this country, including work within financial institutions, and within public research agencies, as well as work going forward at the various universities. This inventory is now being prepared under my general direction by Professor Ralph Young of the University of Pennsylvania. In addition, it is the duty of the Committee to prepare a report containing recommendations for the further development and coordination of financial research throughout the country. This move of the National Bureau was undertaken under the instigation of the Reserve City Bankers Association, which made available to the Bureau a small sum for the purpose of facilitating an exploratory survey. It is expected that the report will outline a broad program of research and analysis calling for the support of all agencies now engaged in financial research, both public and private, including the foundations and the universities.

To Dr. Flexner

From Mr. Riefler
HR

Subject: Program of work in Economics for the
School of Economics and Politics of the
Institute for Advanced Study

I have outlined briefly below the type of work which I would like to inaugurate in the School of Economics and Politics, and the facilities which would be required for an approach to the problem from this point of attack. In framing the program, I have tried to take into account, as objectively and impersonally as possible, the four following points of reference:

1. The plane of scholarship for which the Institute for Advanced Study seeks to conserve its resources.

The Institute is not directly concerned with scholarship of the undergraduate or even the graduate level. As a minimum, it limits its work to the postdoctoral level, and within this broad field puts its emphasis on the encouragement of genuine productive scholarship at the frontiers of understanding.

2. The most promising fields for productive work in the Social Sciences.

A factual approach to specific problems seems to me to offer the most advantageous opportunity for a genuine contribution by the Institute at the present stage in its development. In economics the traditional theoretical approach no longer commands the instinctive respect of important groups of scholars, despite the fact that it interprets phenomena in terms of a well-articulated and internally consistent body of doctrine. I feel that this has come about partly because events during the past two decades have

given rise to sweeping changes in social and economic conditions on a larger and more devastating scale than our theoretical analysis was commonly understood to imply, and partly because a huge body of factual data has recently become available which constitutes a major challenge to the testing of our theoretical analysis. I would like therefore to concentrate for the present upon the explanation of some of these developments in terms of factual data now available.

3. The relevance of my own training and background to this work.

My personal training is most highly specialized in the field of money and banking. From this central point of attack on economic and social problems I have acquired a considerable body of experience (a) in general financial problems, such as public finance and the scope and functioning of the securities markets and the mortgage market, (b) in data relating to economic fluctuations, such as changes in production, employment, trade, etc., and (c) in certain aspects of governmental problems relating mainly to the place of government in society. If my contribution is to be effective, the studies which I personally undertake or facilitate should not be scattered but should be concentrated for the most part in the fields where my experience is such that I can be reasonably satisfied that a creditable and useful piece of work will result.

4. The limitations of the resources which we can bring to bear.

The resources of the Institute are ample for first class work provided we are modest in our approach. We will miss our opportunities if we undertake too ambitious a program. It is not our mandate to reform the world or rewrite the theoretical background of the

social sciences as such. On a less grandiose plane we should not necessarily feel required to draw upon our resources to support all individual workers or specific projects which come to us, even though they fall within the limitations described above. The field to be covered is far too large for us to undertake a contract of this kind, either expressed or implied. To do so, in fact, would dissipate our resources, both intellectual and financial. Our primary concern must be, not only to undertake work on a high plane of scholarship, but also to limit ourselves within this area to efforts which are feasible, which promise a creditable outcome, and which fall within our range of competence.

Program

With these considerations in mind, I would like to concentrate my efforts for the present upon the organization of factual data for the understanding of economic problems, selecting key situations for analysis, where, from my own experience, I know that the requisite data for the clarification of understanding are either already in existence or can readily be obtained. Both my own work and that of members who might be attracted here to work with me would be governed by the requirements of this type of approach. The following jobs to be done will illustrate what I have in mind.

A. The banking crisis of 1929-1933 was accompanied by many of the phenomena which characterized earlier crises, such as the panic of 1907, and was followed by many of the same effects. It differed from earlier crises, however, with respect to one key point, namely, the availability of rediscount facilities in terms of which earlier panics have to a considerable extent been explained. In trying to stem the course of the crisis, most of the emphasis in 1931 and 1932, both at Washington and New York, was placed on the elaboration of further rediscount facilities, such as earlier experience had indicated was necessary.

Finally, in 1933, there was substituted for this treatment, a program of bank-capital rehabilitation, the major details of which are only now beginning to emerge in official publications. In some respects, this experience was paralleled in the German credit collapse of 1931, where the same general type of treatment was also applied. I believe that this situation contains the materials for a major contribution to economic understanding. Now that the crisis is over, the secrecy which was imposed on all participants who were intimately familiar with the situation can be dispensed with and its essential characteristics can be analyzed for the benefit of economists. I would not attempt at first to aim at anything so imposing as an authoritative treatment of the whole banking crisis - that problem will be occupying the attention of economists for years to come. I would concentrate rather on specific aspects of the situation where I am satisfied (1) that a contribution can be made because of a lack of understanding of the facts, and (2) that the facts exist or can readily be obtained to illuminate the problem. Given these conditions, I would try to locate one American expert, and if possible also a German expert, to deal with the problem simultaneously. I would select these experts on the basis of (a) familiarity of contact, (b) technical proficiency, and (c) economic understanding. By bringing men of this calibre to the Institute as members for six months, or longer if necessary, and by creating an atmosphere in which they can distil the understanding they have gained for the benefit of economists, we will be contributing to productive scholarship at the frontier of knowledge in this field.

B. A second opportunity for making a specific contribution of this type exists in the field of corporate finance. During the 1920's conditions were favorable to the building up of corporate cash balances upon a scale unprecedented in history, and also, I am inclined to believe, to an extent that was not contemplated by economic theory. I would like to attract a first-class

member or worker, fitted by experience to deal with the problem, to explore the origin, use and something of the consequences of these funds. We know that from 1927 to 1929 they appeared on a huge scale in the security markets in the form of "loans to brokers from non-banking lenders", and as such constituted an abnormal source of funds with which our credit machinery was not fitted by experience to deal. It is more difficult to trace the effect of these funds after 1929 when they were withdrawn from the brokers' loan market, but I suspect that they continued to play an important role in subsequent credit developments, especially during the crisis of 1931-1933, when large-scale movements of funds from bank to bank in search of safety aggravated the instability of the banking situation. Now that the whole period has receded into history, I think that we can, if we approach the problem properly, secure access to records which will make it possible to analyze this movement and bring its main implications into the thinking of economists.

C. The circumstances surrounding the departure of Great Britain from the gold standard in 1931 afford an opportunity for a somewhat different type of activity on the part of the Institute. In going over the literature covering this episode, I find a general assumption on the part of practically all economists that a serious over-valuation of the pound sterling in relation to other currencies constituted one of the basic causes of the crisis. Such data as ^{is} assembled to support this point, however, refer~~s~~ mainly to the pound in relation to continental currencies, and does not seem to me to be at all conclusive so far as dollar-sterling parities are concerned. A study to clear up a key point such as this would also fall within the type of work upon which I would like to see the Institute engaged. Price data ^{are} is so difficult to manage objectively, however, that I am not sure such a study could be made. In cases such as this, consequently, I would like first to contact leading

economists of different schools of thought, seeking their views on the problem and requesting their assistance in outlining the factual tests which they would consider valid. If it appeared, after such consultation, that such a study could be made, I would like to see the Institute in a position to participate in its execution.

D. Finally, there are innumerable situations where economists are unaware of the significance to their thinking of data which ^{are} already available. The growth of factual data has been so rapid in recent years that all of us are guilty of resorting to inference and surmise where we might proceed in the light of knowledge. In going over economic literature, I find myself constantly wondering whether the author, when he made his analysis, was aware of certain data with which I happen personally to be familiar, or whether data subsequently developed would have changed his judgment. As a result, one cannot be sure of the extent to which apparently serious clashes of opinion among economists reflect genuine differences of point of view or merely deficiencies in their familiarity with relevant data. To minimize this latter impediment to a more constructive common attack on our problem, I would like to undertake the establishment of a series of direct contacts with other economists by correspondence on a more elaborate scale than is commonly conducted. For example, when, in the case of a given writer, I find myself in doubt as to whether he was familiar with certain data with which I have been in touch, I would like to be in a position to organize the relevant material quickly and send it to him for his opinion. To do this properly will require the expenditure of a considerable amount of effort on the organization of material, but if it is undertaken objectively and continuously over a period of time as a major part of the Institute's activities, I believe it would repay itself many times over in gradually developing a more uniform approach to economic problems.

Comments

The foregoing examples are illustrations of the kind of approach which I would like to adopt. They would engage the activities of the Institute in economic problems at a level of genuine advanced study and would foster the development of intellectual contacts with productive scholars in this field throughout the world. The members brought to work at the Institute would be definitely above the average of the post-doctoral grade and on a par in many cases with the faculty. The scope of the program, furthermore, would at all times be within our control. We would be moving into situations where we could be reasonably confident of constructive results and would be in a position to expand or contract any given line of activity in accordance with its merits without regard to overly large prior commitments.

Cost of Program

The program can be inaugurated, I believe, without going beyond our resources. As it develops, however, it will be necessary for us to secure additional support from the Foundations. If we seek workers or members of the calibre indicated above, namely accredited specialists holding in many cases key positions, we will have to maintain them at a rate of remuneration considerably higher than would be required for younger postdoctoral scholars. This cost, I would endeavor to cover by specific grants from the Foundations, which would, I believe, be anxious to support work of this promise. There is no provision, therefore, in the accompanying request for assistance to cover the cost of carrying these members. The Institute, on the other hand, must stand ready to supply the facilities for work of this calibre, not only in the form of adequate office space, equipment, and secretarial service, but also in the form of statistical facilities of a high order of competence. The accompanying memorandum outlines the cost of facilities of this order and

would certainly be adequate for the remainder of the present academic year and the first part of the following year. Later, should the program develop as is hoped, additional office space would be required as well as a moderate further expansion of clerical and secretarial facilities.

Dissemination of Results

It is too early to hazard any definite plans for publication of the findings which will result from this program. We can, however, indicate the attitude from which we are approaching the problem. This attitude may best be expressed by stating that we do not look forward to an output of books as our chief means of disseminating our work. In general, we would not encourage the publication of studies until they had progressed to the point where the contents would constitute an authoritative contribution covering a major aspect of the field. We would seek to encourage, on the other hand, the immediate dissemination of the results of our work among all scholars to whom it would be profitable. This we would do through a heavy reliance on short memoranda covering very specific points of analysis which we would endeavor to make available by direct contact or correspondence with economists elsewhere who are working on similar problems. If, by attacking our problems and disseminating our results in this way, we can help to develop a greater degree of common understanding and background among economists, we will have made an important collateral contribution to the effectiveness of the Social Sciences.

August 13, 1936

Dear Riefler:

Yours of the tenth arrived this morning and of course gave me a great shock. I had not supposed that you could be so easily converted into a brick-layer, carpenter, a lawn-mower, and a lobster man. Wouldn't it be a delicate and generous thing for you to go on half pay while you are devoting yourself to matters so remote from the subjects with which you are "hired" to deal, because, as Upton Sinclair once said, "All professors are engaged in the 'hire' learning." You would seem clearly to come under that designation. To be quite honest, however, I am really very happy indeed to know that you are having what I think is a most interesting kind of summer, namely, making over an old house.

I am sorry that it is going to mean that you can't visit us in Canada until next year, but there will be this advantage. You will rebuild your house this summer, see ours next year, and rebuild yours again the year after. The fact is that you may want to rebuild biennially, for there are a number of cottages along this lake which will suggest all sorts of improvements to you, and I know that Dorothy will be very happy if she can feel that one summer you will see a cottage up here that you wish to imitate and the next summer you will want to copy it at Orleans. It will conduce to quiet, comfort, cleanliness, absence of mess, and all the things upon which she - proud possessor of a Ph.D. degree that she is - probably dotes.

The expert who really ought to survey your summer's work is Veblen. He is a regular shark when it comes to suggesting improvement so I would advise Dorothy to get a shotgun and stand guard at the front entrance if Veblen approaches, for if any man alive can make her dissatisfied with what you have done, it is he. On the other hand, I should like to point out some of my own qualifications as a visitor. Anything suits me as long as there is a good-looking wife or two around. I don't even mind secretaries if they measure up.

I shall leave to Mrs. Bailey and Miss Wise the distribution of the rooms, for no matter what you and I would like they are going to distribute them the way they like anyway, and you might just as well begin by letting them do it.

I am interested in your job as chairman of the Reserve City Bankers' Association. Is there any danger that this sort of post will lead someone or other to raise a question as to your absolute objectivity? I know myself that you will be absolutely objective, but objectivity is like virtue. You must not only have it but have a reputation for it. However, all these decisions are in your hands.

We are having an extremely quiet summer, the quietest we have ever had. All our guests have failed us and except for you and one or two others I am not sorry, for I have had a chance to do some writing which I was extremely anxious to get out of my system, and Anne has had a marvelous rest.

W.W.R.

August 13, 1936

Jean and Eleanor have had a glorious time in England. Eleanor has seen all the long-haired leftist theater people and spent delightful week-ends in rural England. Jean has seen Jones and through him all the labor people nearly or remotely interested in what she is doing. A couple of weeks ago Jean left to go to Sweden, and we have had rapturous letters from her about the food, the people, the language, the architecture, etc. While she was away, Eleanor lived with the Jones Family. They are just about now starting off for a walking trip in Dartmoor and will sail for home on the twenty-sixth after one of the pleasantest summers they have ever had with almost unbroken bad weather in England. They are wearing their winter clothes, including heavy underwear, two pairs of rubbers, heavy dresses, umbrellas, mackintoshes, hot water bottles, and every other available contrivance to keep warm, but nothing English can daunt Eleanor, at least. I think that she would sacrifice all her leftist principles to live in England even if she had to marry the Duke of Rutland to do it.

Anne joins me in love to you and Dorothy and the boys, and Mrs. Bailey sends you all her very best.

Ever sincerely,

ABRAHAM FLEXNER

Professor Winfield W. Riefler
Box 267
Orleans, Massachusetts

AF:ESB

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1936 AUG 13

WINFIELD W. RIEFLER
343 NASSAU STREET
PRINCETON, N. J.

Orleans, Mass.,
August 10, 1936.

Dr. Abraham Flexner,
Magnetawan, via Burks Falls ,
Ontario, Canada.

Dear Dr. Flexner:

Living in this place seems to become more rather than less complicated as the weeks fly by. There is so much to do, putting it in order that I don't see how we are going to get away for a week with you in Canada. I am glad to report that the several thousand bricks from the dismantled chimney are finally cleaned at the cost of one ruined screw driver, a bruised toe, several swollen knuckles and a once amiable disposition. The grass has not yet been cut, but may be before the end of the week when the lawn mower gets back from the repair shop. The kyack is completed and is a beauty. One interior wall of the living room has been surfaced and embellished with a built-in bench and dining table which might win a prize in a furniture designing contest. On its completion, it embodies all that the designer and constructor hoped for, and is, in fact, the apple of his eye at the present moment. If you should come to visit, you would not only be called upon to explain^a the sheer beauty of line which it exhibits at first glance but also to crawl underneath to examine the intricate structure and exquisite workmanship that went into its making. An alcove has been converted into a built-in book case and desk. The boulders deposited by ancient glaciers, and hailing, therefore, originally from the wilds of northern Canada, are now in process of being converted into jetties to stop the swift tidal currents that pass our point and induce them to deposit a precious quota of sand on the rocky bottom. Between each heave of the crow bar, as we try to shift these rocks, we run back and measure the sand around those that were shifted last week. We like to think that we have collected an inch of sand already at certain points but we would hesitate to submit to a really scientific determination of the amount.

WINFIELD W. RIEFLER
343 NASSAU STREET
PRINCETON, N. J.

Miss Eikelser had given me some intimation that we were to be located at 69 Alexander St. next year. I have no great personal preference as to my location and would be perfectly willing to leave the whole question to Mrs. Bailey and Miss Wise. As I read the plan which you sent, Room B would seem unavailable for any of the professors because it contains the only inside entrances to Rooms C and D. It has, on the other hand, direct connection with Rooms A, C, D, and E. I would suggest accordingly that Miss Wise be located in Room B where she will be able to make contact with all four of the other rooms without trouble. That leaves A, E and D available for other uses. I will be satisfied with whichever of these she selects for me.

I forgot to mention, in recounting our Cape Cod activities, that I have temporarily abandoned the lobster business although I am still a licensed lobsterman. There simply aren't enough lobsters in Orleans Bay this year to make it worth while pulling the pots every day.

The Reserve City Bankers' Association has asked the National Bureau of Economic Research to explore the possibility of a complete survey of the financial structure somewhat along the lines of my memorandum to you last spring. I have been down to New York for a conference on the problem and have agreed to be chairman of the exploratory committee. I have a feeling that this may give us the lead we wanted in working out the project.

Dorothy joins me in sending our affectionate greetings to all of you.

Sincerely,
Win

Magnetawan, via Burks Falls
Ontario, Canada
August 3, 1936

Dear Riefler:

I am sorry to violate my own injunction to you, namely, that you were to play and not put your mind on the Institute, but we have had the house at 69 Alexander Street done over, so that it is in admirable condition, having been painted, papered, a new heating system put in, etc., and we are proposing to utilize it temporarily for the economists and some of the humanists. The rooms are large, well ventilated, and very well lighted. Inasmuch as Earle ought not to have to climb steps for the present and should have a very sunny room, I suggest that we now earmark Room C for him. (See the very rough draft of floor plan enclosed.) You have the first choice between Rooms A, B, E, and D. Select any room that seems to you spacious. They are all equally quiet.

We are hoping that our next-door neighbor will agree to sell us her house, in which event we will build a permanent structure for you and your folks, some of the humanists, and I hope for myself, etc. We would set this far back from the street so that you would continue to occupy 69 Alexander Street until the new structure is ready and you would not be put to the inconvenience of a second move.

If you will let me know your preference or any desires that you may have in connection with the new installation, I shall write them to Miss Wise and get her to attend to them sometime in the course of August since our lease expires at the end of this month.

We are having a very quiet summer and an unusually dry one. It has not rained here except a few drops in over a month. Crops and garden truck and flowers are all burned.

Von Neumann spent three weeks with us, most of the time at a desk, writing a mathematical paper, which seemed to haunt him. He is at present probably in Princeton, but he was thinking when he left here of taking a motor trip to parts unknown if Princeton became too warm for comfort.

All of us join in warmest greetings to you and Mrs. Riefler and the boys and in all good wishes.

Ever sincerely

Professor Winfield W. Riefler
Orleans
Cape Cod, Massachusetts
Amherst

ABRAHAM FLEXNER

July 24, 1936

Dear Riefler:

Your letter of the twentieth gave me very great satisfaction. I should of course rather have imagined you still at Orleans helping the carpenters and plumbers and relieving your wife of some of the extra responsibility which she had to assume when you fled abroad.

Von Neumann, who is here, and Mrs. Bailey and I are delighted that you and Miss Eichelsler are able to create in deserted Princeton the impression that the Institute is in full operation. We give you both leave to continue this course of action whenever the Princeton climate becomes intolerable for civilized human beings. How well Miss Eichelsler is standing it I have no way of knowing, for she has not squeaked since you began to rain your impressions upon her typewriter.

I am not surprised, though of course I am enlightened, by your incisive description of the situation you found abroad. Theory is as a rule always behind practice. That is, circumstances force men into lines of action, and philosophers come along afterwards and make a theory out of it. Such, for example, is the inner history of the British free trade movement, and such, as you have rightly guessed, is probably the base both in England and on the Continent today.

We were a good deal amused by your chance encounter with (Mr. Flexner dictated "Brother", but my typewriter won't write it. E.S.B.) Frankfurter, and I suspect that there was some skating over thin ice in order to avoid the subject of the Institute, but don't fool yourself. Indirectly we shall sooner or later hear of your meeting with him, and his keen eyes may have seen deep into what was in your mind without the subject ever having been lifted to the plane of conversation.

I look forward to our talking with you more fully when we return to Princeton, in case you and Dorothy do not find it possible to drive up and pay us a week-end visit.

I am quite sincere when I say that I hope that you will get six or eight weeks of real rest on the Cape and that you will forget economics as completely as you possibly can.

Von Neumann, who found it impossible to return to Hungary on account of his liability for Hungarian military service before receiving his American citizenship papers this autumn, has been spending a few weeks with us. I have gotten to know him better than ever before, and I am more and more amazed by the breadth and depth of his knowledge and intelligence. His acquaintance, for example, with American history would put to shame most highly educated Americans. His industry is really remarkable. He came up here with an idea that would give him no rest, so day after day, against my judgment, he sits down at a table and works with the utmost concentration, paying absolutely no attention to anything that goes on around him. We agreed that, when the paper was finished, he should ring a cow bell that calls us all to meals and thus notify the camp that his long labor was over, so last night after working half an hour after dinner the tocsin sounded, and Johnnie was delivered of his paper for good and all.

One of the things that gratifies me most about your letter is your

W.W.R.

July 24, 1936

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expressed hope that I will continue to make you do things that you are skeptical about. I shall now find out from Dorothy what it is she wants you to do and use all my power and authority to compel you to do it.

Mrs. Flexner, Mrs. Bailey, and I join in warmest greetings to you and Dorothy and in the genuine hope that you will get a vacation and not make an economic fest of what remains of the summer. Let Miss Wise remain in Princeton, for her presence at Orleans would be a very bad influence this summer.

I imagine you have seen Stewart and have talked with him. Will you drop me a line - only a line - and let me know how he is and what he thinks of your jaunt?

Ever sincerely,

ABRAHAM FLEXNER

P.S.

Thank Dorothy for her kind note of July 9. Why should she envy us our secretaries? She is almost bitter on the subject as the following quotation shows: "You and Win deserve many fine things but I am not sure that either of you deserves such secretaries as you have."

She seems to have forgotten that we have wives ^{also} that are a "darned sight" too good for any of us!

A.F.

Professor Winfield W. Riefler
Orleans
Cape Cod
Massachusetts

AF:ESB

1936 JUL 24

1936 JUL 24

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MRS. FELIX FULD

July 20, 1936

Dear Dr. Flexner:

Here I am firmly ensconced at 20 Nassau, feet on the desk and the room full of smoke. It would almost give the impression that the Institute were in full operation in July were there not some notable absences. However, Miss Eichelser is doing her best to impersonate the rest of the staff. Freed, as she is, from finding manuscripts in ashes and "Don't Disturb" signs around, she is getting away with the show remarkably well, especially when one considers the heat. I have tried to make her feel the full extent of the responsibility she is carrying by loading her with correspondence, but I haven't broken her spirit yet, at least so far as one can notice it.

My trip is still such a rich complex of impressions that I don't know how to describe it to you. I think only hours of conversation will bring out all the high lights as well as the side lights that are there. One thing that impressed me more and more as I moved around the Continent was the utter strangeness of the economic environment. The process of economic nationalism has gone so far on the Continent that the fundamentals of a free economic society as it is expounded in the text books seem scarcely to exist. As you probably inferred from my letter, I was rather shocked by what I found in England. After a glimpse of the Continent, however, England began to seem normal by comparison. Certainly, no one can understand what Continental economists are writing about

Dr. Flexner

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who doesn't know conditions there. When they write theory they still talk about the problems posed by British economists at a time when Britain was the great exponent of free enterprise. They discuss them, moreover, in the highly correct abstract terms that have become associated with the subject in theory. Actually, however, they are living every day in a world of an altogether different nature, and one simply cannot understand why they stress the things they do unless he also understands that background. I don't yet, but I've had a glimpse of it and during the next year I'm going to learn a lot more.

Our experience in France was especially moving. We found we had superb contacts and we struck them at a time when they were deeply concerned over the crisis and wanted to talk. It was quite queer how things turned out. For example, several people in London told me to get hold of Georges Boris, if possible; that he was one of the best informed people in France. I located him on a day when he was especially busy with conferences, and when I presented my letter of introduction to his secretary I felt I hadn't a chance for more than a perfunctory interview. Imagine my surprise when he rushed out of his office, almost threw his arms about me, and told me that when he was in Washington I had given him more real insight into the economic situation than anyone else, etc., etc. He took me along to his meeting and I had a real insight into France as a result. That sort of thing happened more than once, and I began to realize that I had better contacts than I was aware.

In Paris I met John Van Sicle of the Rockefeller Foundation. He invited me to come to Amecy for a meeting of European economists that they were staging to get advice on their European program. It was too good an opportunity to miss, so I changed my plans, eliminated the trip to northern England, and went to Amecy instead. There I met sixteen economists from all

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over Europe, spent a couple of days with them, and made fast friends with some of them. Several want to visit us here at the Institute and all want me to come over and spend some time at their universities. It was really a unique opportunity.

On our second week in England I had much the same type of experience as the first. I spent a night at Oxford at the Adams (he had Marshak to dinner) and saw something of the beauty of the place. Imagine my surprise (and yours) when I found that they also had other American guests - Mr. and Mrs. Felix Frankfurter! The Warden had to go to London that afternoon, so Felix was rather pressed into service to entertain me. We really had an extremely interesting time, but the subject of the Institute was not raised. Isn't that a remarkable coincidence?

Back in London I saw quite a bit more of Keynes, Clay and Gregory. Gregory is coming over this summer and is going to spend a few days at Orleans with us. He wants to get away from the University of London to write a real book, and I think would rather like to come to the Institute to do it, if we can work it out. I also looked pretty closely into their building situation and in the process saw Sir Josiah Stamp, who is head of their largest mortgage agency. He immediately repeated his offer of a professorship at the University of London.

On our second trip to the Continent we spent a day at Basle, where we had a grand time with Quesnay and Jacobsen (economist to the B.I.S.). Quesnay supplied the missing links to a lot that I wanted to know about the French financial picture. Then we went to the conference at Annecy, then to Geneva, and finally to Paris and home by way of the Normandie. I shifted to the Normandie

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because I met Marcus Nadler in London (Prof. of N.Y.U.). He was once one of our Federal Reserve Board gang and had just spent six weeks in Rumania, Poland, Austria, Czechoslovakia and Hungary. As he was born in the Balkans, he knows conditions there pretty thoroughly and he was able to give me the benefit of all that he found out on the boat coming back.

I hate to stop telling you all about that trip, but Miss Eichelser is about worn out, and the tale isn't even well started. All I can say is that your judgment was superb and I hope you continue to make me do things I am skeptical about.

Our very best to Mrs. Flexner and yourself.

W. W. Riefler

Dr. Abraham Flexner
Magnetawan, via Burks Falls
Ontario, Canada

WWR/MCE



SAVOY HOTEL LONDON

TELEPHONE, TEMPLE BAR 4343 : TELEGRAMS, SAVOY HOTEL LONDON

Dear Dr. Flexner,

London is exciting - too much so almost. My week here reminds me greatly of my experience in Washington except that this time I am running my legs off asking questions of others and my victims are those who must devise an answer. It has been a busy time and as I go back over it trying to recall the people I have seen I get the impression that I have missed at least half of the men in England. When I look over those I plan still to see, however, I realize that the local population is probably somewhat larger than I have allowed for in my calculations.

People have been extremely kind here, so kind

so far I have been seeing people in the city for the most part and find no much that is common in our background that I feel thoroughly at home.

Did you know that your name is quite as potent an introduction here as in New York? One of my pleasant surprises was to be introduced to Mr. Gordon Ince and then to find that he knew you so well. He knows the whole Flexner family and made me repeat the experience of the famous episode in which the Bishop of Birmingham figured so prominently. He gave a luncheon for Warren and me here at the hotel. We have also been entertained by the Clays, the Sterns (he was formerly at the Reichardtgesellschaft), Cook, head of the economic section of the Midland bank gave a dinner for us, Prof. Hall of University College

had us out to lunch with their economic stuff, Keynes has us to lunch this week and Balogh is giving a dinner party tonight. We are leaving tomorrow morning for a week at Paris, Basel and Geneva loaded down with more letters of introduction than we would be able to use in a month. When we get back I want to go to Oxford to see Warden Adams and then take a quick trip to Glasgow and Belfast to see conditions there.

In general, London and south England seem to be enjoying a boom with no unemployment left. That is one reason why I want to go north to the depressed areas so that I will take from a picture of the whole situation that is in perspective. As the French situation gets worse, it is causing some apprehension but nowhere nearly as much as I had anticipated. So far, I get the impression that

people here are less alert to the continental situation than they are in New York. Certainly the papers carry much less foreign news than our New York papers. I haven't been able to sense any positive direction for their foreign policy. Everyone seems disgusted with sanctions, and less outraged with Mussolini and Hitler than I had expected.

It seems as though the appearance of prosperity at home has diminished greatly their interest in the European news. They are aware of it and concerned in a way but not acutely. The rearmament program seems to command great support. When I come back, T. J. is going to see that I meet some of the leaders outside the City. It may be that my contacts so far have been too exclusively financial.

Do you want me to thank you for insisting that I come? Whether you do or not, you can't escape them for I have gained immeasurably. It is really proving a tremendous experience.
Sincerely,
Win

Travel Expense
Winfield W. Riefler
European trip, June 6 - July 13, 1936

. Boat and railway fares	\$524.20
Lodging	129.92
Meals, taxis, tips, visas, laundry & incidentals	<u>366.00</u>
	\$1020.12

Deposited to the credit of Prof. Riefler for expenses of the trip	\$1500.00
Expenses of trip	<u>1020.12</u>
Amount refunded 7/20/36	\$ 479.88

June 4, 1936

Dear Monsieur Rist:

I have very great pleasure in introducing to you Professor Winfield W. Riefler, who is the economist in the Institute for Advanced Study at Princeton, New Jersey. Professor Riefler has had a long experience in connection with the Research Division of the Federal Reserve Board in Washington and has been during the Roosevelt Administration Chairman of the Central Statistical Board. He has gone abroad for the purpose of studying the financial situation in London and Paris. I shall be deeply obligated to you for any suggestions which you may make for him or any conferences that you may find it possible to have with him.

I hope that all is well with you, your wife and children, and with your brother and his family.

We are all extremely well, though we are all more or less depressed by the uncertainty which seems to encompass the entire political world.

With all good wishes and warmest regards,

Ever sincerely,

Monsieur Charles E. Rist
Banque de France
Paris, France

ABRAHAM FLEXNER

AF:ESB

April 15, 1936

Professor Winfield W. Riefler
20 Nassau Street
Princeton, New Jersey

My dear Professor Riefler:

I have pleasure in informing you that
at the regular meeting of the Trustees of the Institute
for Advanced Study held on April 13, 1936, you were
appointed a member of the Finance Committee of the
Institute. The membership of the Finance Committee
is as follows:

Mr. Hardin, Chairman
Mr. Louis Bamberger
Mr. Leidesdorf
Mr. Maass
Mr. Riefler
Mrs. Fuld, Chairman, Vice-Chairmen, ex officio

Very truly yours,

ESTHER S. BAILEY
Secretary

April 15, 1936

Professor Winfield W. Riefler
20 Nassau Street
Princeton, New Jersey

My dear Professor Riefler:

I have pleasure in informing you that at a meeting of the Institute for Advanced Study held on April 13, 1936, you were elected a Member of the Corporation and a Trustee of the Institute in the Class of 1940.

Very truly yours,

ESTHER S. BAILEY

Secretary

March 23, 1936

MEMORANDUM

To: Mrs. Bailey
From: Mr. Riefler
Subject: Travel expenses (Mr. Stark and Professor Shoup)

I invited Mr. Walter Stark to come to the Institute on Saturday, March 21, to help prepare the agenda for a conference on Public Finance and Taxation which we plan to hold later this Spring.

I would appreciate it if you would send him \$40.00 to cover his expenses and \$5.00 to Professor Shoup for the same purpose.

Mr. Walter Stark
Hingham, Massachusetts

Professor Carl Shoup
Columbia University
New York City

Riefler

March 13, 1936

MEMORANDUM

To: Dr. Flexner
From: Mr. Riefler
Subject: Shall the Institute concentrate its work in economics in the field of Finance?

There is an opportunity for the Institute for Advanced Study to carve out for itself a much more unique position in economics than seemed possible as recently as last autumn. To embrace the opportunity, however, requires a fairly definite commitment to cultivate systematically the field of finance and to make additional appointments and to create additional facilities to that end. These commitments may be and probably are more definite than the Institute desires to undertake at present. The situation is such, however, that the whole subject deserves the deepest consideration.

Reasons for Concentration

The advantages of concentrated development of a particular phase of economics, as contrasted with an attempt to cover the whole field, require little comment for an institution dedicated to scholarship on an advanced plane, provided only that the field chosen for concentration be sufficiently important to merit consistent and systematic development. I think you are responsible for the observation that it is only at the undergraduate level that educational institutions should seek to meet a primary responsibility for broad and competent training in all fields of scholarship. In graduate schools and especially in an institution at the post doctoral level, the main emphasis instead should be placed upon achieving distinction in a limited number of carefully selected focal points rather than upon broad coverage.

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Should such a policy be adopted generally in economics in the graduate schools of this country the caliber of advanced work would be enormously forwarded. Instead of diffusing their energies trying to cover the universe, each leading university would concentrate upon quality in some one field with the result, say, that advanced students would train as a matter of course at Harvard if they were interested in general economic theory, at Minneapolis or Stanford if they were interested in agricultural economics, and at Princeton if they decided to specialize in finance. I have consulted President Dodds informally upon this aspect of the subject and have found him not only sympathetic, but anxious to cooperate by building up the Princeton graduate faculty in the same direction. The proposal then is to endeavor to make Princeton as a locality, including both the Graduate School of the University and the work in economics at the Institute for Advanced Study, outstanding in the field of finance.

Choice of finance as the field for concentration

The most important decision from the point of view of the Institute does not revolve around the relative advantages and disadvantages of concentration, but rather around the choice of finance as a specific field for ^{rather} concentration/ than, say, economic theory. Here, certain minor advantages accrue from the fact that the Princeton Graduate School has already achieved eminence in that field and that the greater part of my own experience has been gained in dealing with financial problems. In a much more basic sense, however, even without taking into account the specific opportunity outlined below, the field of finance has great merit from the point of view of the Institute.

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1. It is of primary social and economic importance. Problems of finance, especially monetary policy, stand at the very center of the public problems with which the world is wrestling and will in all probability continue to wrestle during the next generation at the least. They are problems, furthermore, that call as a matter of course, for insight and guidance from the economist.
2. There is no outstanding educational institution in the world which has concentrated heavily in this field. The scholars of outstanding reputation can almost be counted on the fingers of two hands. Most of them work in relative isolation and many of them such as W Walter Stewart, Henry Clay, Benjamin Anderson, R. G. Hawtry and Alexander Goldenweiser have no academic connections. Fairly well-defined groups of younger men have grown up around J. M. Keynes and H. Parker Willis, but in neither case are the facilities available so comprehensive or balanced as to constitute an authoritative center of training such as is envisioned in this program.
3. In finance the scholar must of necessity subject the results of his thinking to the facts of real life. If he is to be effective he must combine, furthermore, a broad theoretical background with a high degree of sheer technical proficiency. It is largely for this reason that so large a proportion of the outstanding reputations are found outside the universities and so few of the universities have been able to give their most promising professors sufficient freedom to acquire the technical proficiency required.
4. An extraordinarily broad range of economic problems focus under the general heading of finance. It reaches so far in fact that the Institute would be in some danger of having selected too broad a field for intensive development rather than of having committed itself to activity that might prove too limited in scope. To mention only a few of these ramifications, the proper evaluation of financial and monetary problems requires proficiency not only in problems of central banking, monetary standards of value, and the foreign exchanges. In addition, the student must be expert in financial organization, in the monetary phases of economic theory, in questions of public finance and taxation, in the theory and phenomena of price movements, and in economic fluctuations and the theory of movements of the so-called business cycle.

Cooperation with Government and Foundations

In addition to these general considerations which would in any case mark the field of finance as one which the Institute should canvass most carefully before deciding upon the direction of its emphasis in economics, I feel I have located a very rich and in many senses unique opportunity

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which the Institute might grasp, if it is in a position to make its decision now. As this opportunity is still in the realm of an idea with no commitments made on any side, I can best describe it by relating personal experiences in recent weeks.

In accordance with the specific projects outlined in my memorandum of last autumn, all of which incidentally fell in the field of finance, I have been endeavoring to see whether it was possible (1) to agree on the individual scholar best qualified to work on each of the problems, (2) to make arrangements giving him access to needed materials and facilities, and (3) to detach him long enough from his current responsibilities to permit the execution of the project. To date, the difficulties have revolved largely around the last point. I have found the experts whom I had in mind not only willing but anxious to work on these problems and the institutions affected ready to give ample access to facilities. The granting of a more or less indefinite leave of absence to a key individual in a functioning organization, on the other hand, has presented a stumbling block. With the best cooperation in the world, the fact remains that experts of the type I have had in mind cannot leave their organizations for six months, a year, or two years without placing their positions in real jeopardy. I have not, therefore, felt justified in pushing the projects until this major difficulty could be removed.

This contact work, on the other hand, has suggested the opportunity which forms the occasion for this memorandum. In conferences at the Social Science Research Council, at the Federal Reserve Bank of New York, at the Federal Reserve Board in Washington, and also in discussions with a considerable number of individuals who are intimately concerned with the

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current confusion and conflicts in monetary and financial theory, it has been urged that the Institute should undertake to provide leadership in organizing a comprehensive attack on the theoretical and factual problems involved. While the various concepts as to what might be gained from such leadership are not at all thought through as yet, and could not be until the project was well under way, I think I can best summarize the common attitude which I have found by drawing an analogy showing the contrast between the state of informed thinking on financial and monetary matters today and that which followed the crisis of 1907.

After 1907, Congress appointed the National Monetary Commission to make an exhaustive investigation of the reasons for the crisis and the weaknesses in our financial structure which it had exposed. This undertaking resulted eventually in a huge series of publications, many of which to be sure made relatively little contribution to our thinking on the problem. At the same time a fairly general agreement was reached as to the causes of the crisis, and as to the main elements of reform in our financial structure that ~~were~~ indicated. This diagnosis, which allayed the silver controversy of 1896 and which resulted eventually in the creation of the Federal reserve system, was not confined to economists; it embraced legislators, financial leaders, and statesmen as well. Without questioning too deeply the correctness or depth of the diagnosis reached, the fact remains that the effort, taken as a whole, constituted a major contribution to the ever recurrent problem of bringing the scholar in the social sciences into effective contact with the real problems of modern social organization.

As compared with the recent world wide crisis, that of 1907 appears unimportant from almost any point of view, yet no comprehensive attempt has

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yet been launched to evaluate it on anything like the authoritative scale that was then undertaken by the National Monetary Commission. It is this leadership which the Institute is being urged to undertake.

I have talked this proposal over with numerous key individuals who would be involved and so far have found them unanimously enthusiastic and urgent that we proceed immediately, with the single exception of Walter Stewart who was friendly, but did not seem to me to be enthusiastic. At the Social Science Research Council, for example, I was requested to frame up a specific proposal immediately so that they could sound out the possibilities of financing the project. At the Federal Reserve Bank of New York, I was urged to go ahead and promised hearty cooperation in making contacts and obtaining material. At the Federal Reserve Board in Washington, Dr. Goldenweiser was equally enthusiastic and thought that the Board might welcome the opportunity to cooperate formally in a joint, far reaching investigation of the financial crisis, detailing its own experts to participate and shouldering the heavy expense that might ensue in the detailed examination of its own records. I have also gone over the general scope of the proposal with Stacy May who has made valuable suggestions as to the best form in which an inquiry of this kind should be set up. To summarize these remarks so far: (1) the need for a comprehensive inquiry of the type contemplated is, I think, almost unquestioned; (2) I have found not only enthusiasm for the inquiry, but also an extraordinary desire to cooperate on the part of those whose cooperation would be most essential, so far as I have been able to sound them out; and (3) I have been urged from many sides to try to persuade the Institute to take the leadership in the undertaking.

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This raises, I think, two questions which should be decided before the specific implications of the proposal are examined. (1) Is the Institute the best organization to undertake leadership in this undertaking, or should leadership be stimulated somewhere else? In the latter case, I assume, the Institute would still desire to cooperate and participate on a project as close to its interests and ideals as this. The considerations involved in answering these questions can best be formulated by canvassing alternatives. A project of this kind must be authoritative, disinterested, completely free from suspicion of bias, and command the respect of the community. It requires the complete cooperation of the parties at interest, but should not preferably be directed or controlled by them. This rules out automatically the use of the aegis of such organizations as the Chamber of Commerce, the American Bankers Association, and the Stock Exchange. It also militates somewhat against the use of a device such as a Congressional Committee of Inquiry or an inquiry inaugurated wholly and completely by the Federal reserve system. With these sponsors eliminated there remain, (a) the universities, none of which is any better equipped than the Institute and all of which are more committed to other activities, (b) special research foundations such as the Brookings Institution and the National Bureau of Economic Research, and (c) the possibility of organizing a special Institute for the purpose in hand, with special Foundation support. On balance, therefore, it would seem that the Institute for Advanced Study is as well equipped as any other organization to assume leadership for the undertaking.

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The second question goes to the heart of our problems here, namely; from the point of view of the Institute for Advanced Study, how does such an undertaking fit? Does it represent a unique opportunity to be grasped, or would it divert the Institute from its true purposes? The answers here, I feel hinge mainly around the question of whether the Institute (1) desires to build up its work in economics, and (2) if so, does it desire to concentrate in finance. If it is in a position to answer these two questions in the affirmative, it has here an opportunity to achieve distinction quickly in its chosen field that is unparalleled.

Method of Procedure

Should the Institute choose to cultivate finance and undertake leadership in this undertaking, it would need to proceed something as follows:-

1. It would need to make provision for-
 - a. The appointment in the near future of at least two additional professors of outstanding reputation in the field of finance.
 - b. The appointment later of two or three additional professors and also of assistants as need for a more rounded faculty in finance developed.
 - c. The creation of additional clerical facilities.
 - d. The availability of offices and a certain amount of facilities not only for the resident faculty, but also for workers, visiting professors, technical experts, etc.
 - e. The availability of modest travel and entertainment funds for conferences.

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2. With these provisions, which would require a total budget possibly as great as \$50,000 next year and \$100,000 annually thereafter, the Institute would be in a position to create a distinctive school of finance. This school would then assume leadership in formulating a broad inquiry into the causes and phenomena of the financial crisis as indicated above. The inquiry would be set up as a project sponsored by the Institute for Advanced Study, to be carried out disinterestedly in cooperation with all of the agencies and interests affected, and to be financed in part by the Rockefeller Foundation and in part by the official agencies involved. While the Institute would be sponsor and assume leadership, little of the actual investigation would be carried on here. The Institute would represent rather a center of intellectual stimulus. Specific problems to be investigated would be proposed here, their exact formulation agreed upon here after full consultation with scholars and experts from outside, and the results of the investigations as they were carried on would be subjected to constant evaluation and advice from the Institute which would act as the rallying point for disinterested and competent scientific opinion.

To make this suggested procedure effective would require a formal request for the cooperation of the official agencies involved, and a formal request to the Rockefeller Foundation for supplementary financing to enable us to bring into the project experts and interested parties from outside the official agencies and the staff of the Institute. The project, I think, should have a general committee on which experts in the official agencies, the Social Science Research Council, outstanding scholars from other universities, and other parties of interest were represented.

Further specific steps in procedure cannot, of course, be formulated at the present time. As I see it, the project should not be conceived as a specific inquiry to be published some time later in the form of a shelf of volumes. Publication of scientific results obtained will, of course, be required, but the method followed should be that of continuous and searching inquiry. At all steps in the process every effort should be made to engage the interest and obtain the critical help and advice of scholars throughout the field so that the inquiry itself would constitute an educational process in advanced scholarship, and the results would represent a real focus of competent and informed opinion.

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In driving toward this goal the Institute would, I believe, become the natural center for advanced work in finance throughout the country. In the process of carrying out the inquiry, which would take at the least five years, all of the leading scholars in finance, both here and abroad, would have been in contact with the Institute, most would have taken extended part in ^{the} formulating ^d problems here, ^{and the} evaluating ^d results, and many, ^{would have been engaged} in actually working on specific phases of specific investigations. ~~I do not think it is necessary to more than point out the absolutely unrivalled opportunity for genuine advanced education~~ ^{training in finance} ~~which would be provided for younger men at the post doctoral level who would be used as assistants throughout,~~ ^{In addition,} ~~would~~ ^{be afforded an}

Riefler.

February 20, 1936

PROJECTED STUDIES IN BANKING AND CREDIT

by

WINFIELD RIEFLER

Three studies into specific aspects of the recent credit crisis are in process of being formulated at the Institute for Advanced Study along the following lines:-

I. Effect of Brokers' Loan Liquidation in the Final Quarter of 1929 on Consumers' Balances or Income Deposits.

A. General Background

Although speculative phenomena exhibit a close correlation with fluctuations in business activity, their causal interrelationships are still highly obscure. In general, economists have been content to hold the position that speculative activity constitute primarily a reflection of business conditions rather than a causal influence of any appreciable magnitude in the volume and activity of business itself. The extent to which such causal relationships do exist, however, requires thorough exploration.

B. Specific Problem

Among the various problems in this field which might be selected as a point of departure, the relationship of the collapse in security values in the final quarter of 1929 to the volume of Consumers' Deposit Balances appears by far the most promising. We know that the aggregate borrowings of brokers who were members of the New York Stock Exchange declined from \$8,549,000,000 on September 30, 1929 to \$3,990,000,000 on December 31. This constituted a decline of \$4,559,000,000 in three months. We know, furthermore, that this decrease occurred largely because the collapse in stock prices initiated an automatic calling of margins which forced persons holding stocks on margin to transfer their available cash to New York to prevent liquidation of their securities. A depletion of consumers' balances throughout the country at that time, therefore, must have occurred on a major scale.

Although many economists ascribe major importance in business fluctuations to changes in consumers' balances of this character, relatively little analysis has been devoted to the effects of this particular episode where, from surface indications, these changes probably occurred on a wider scale than at any other time in modern

financial history. Mr. Hawtry, for example, who treats business fluctuations primarily as a credit phenomenon and who traces the effects of this phenomenon largely in terms of the effects which changes in consumers' balances exert on consumers outlay for commodities, discusses this particular episode as not constituting a case in point because practically the entire decrease in brokers borrowings was reflected in a decline of loans from non-banking lenders, and exerted little effect upon the aggregate of bank deposits. Mr. Keynes, who views changes in Income Deposits as an extremely important factor in business fluctuations, likewise treats this episode, not as a deflation of Income Deposits, but rather as an example of the liquidation of a speculative "bear" position against a speculative "bull" position.

The facts to be determined require, first, an analysis of the location and distribution of deposits during the final quarter of 1929. If the liquidation of brokers loans was entirely at the expense of consumers' balances or income deposits, the investigation would show (1) no great change in the general ownership of securities, and (2) a decrease of some $4\frac{1}{2}$ billion dollars in consumers deposits during the period offset by a growth of approximately the same amount in the deposit balances of corporations previously lending in the call money market. If, on the other hand, there was no depletion of consumers balances, the investigation would show (1) a distribution of deposits essentially unchanged as to ownership during the period, and (2) a transfer in the ownership of securities from individuals in debt to brokers at the beginning of the period to those who had been lending funds to brokers. Since all of these phenomena were probably transpiring simultaneously, the aim of the investigation should be to determine their relative importance.

C. Method of Procedure

The investigation should be conducted by someone thoroughly acquainted with and having access to three sources of data, (1) banking statistics, (these are available largely through the Federal Reserve Board at Washington), (2) files showing the principle non-banking lenders of funds to brokers, (these may be obtained through the Federal Reserve Bank of New York), and (3) the balance sheets of brokers (these may be obtained through the New York Stock Exchange). The study, therefore, would require the cordial collaboration of the Federal Reserve Board, the Federal Reserve Bank of New York, and the New York Stock Exchange.

II. Origin, Location and Movement of Corporate Cash Balances 1929-1935

A. General Background

The appearance during the 1920's of great bodies of free funds at the disposition of corporate management have given rise to new problems in banking and credit, whose theoretical implications are relatively unexplored. Our basic theory of banking and credit was worked out at a time when the aggregate of capital funds at the disposal of business enterprise was normally insufficient to finance full operating demands, and the deficiency was borrowed as a matter of course from banks on the basis of short term commercial loans. Under these conditions, it followed as a matter of course: (1) that fluctuations in the aggregate volume of business deposits reflected closely actual needs for working balances, any surpluses which rose being used to retire current loans; and (2) that the specific banks in which these balances were located were determined by the necessity of maintaining close credit relationships with lending banks as well as by needs for convenient points of disbursement. Since the middle 1920's this picture has become progressively less characteristic of the facts insofar as many large and dominant business enterprises are concerned. Smarting under the memory of the difficulties that arose during the period of commodity price decline in 1920-21, American business decided to maintain itself in the future as free from current short term commercial debt as possible, and during the prosperous period which followed, succeeded not only in eliminating in large part its current debt, but in addition, in piling up huge floating cash balances greatly in excess of current needs. As a result, during 1929 at a time when business transactions exceeded in volume anything previously experienced, American business was able not only to finance these huge totals without increased commercial borrowing, but in addition to spare a further huge volume of funds for loans in the call market. In 1931, 1932 and 1933 these balances were still in existence despite the heavy losses of the depression, and by their large, sudden and erratic movements from bank to bank in search of safety, contributed considerably to the general insecurity of the banks in the period prior to the bank holiday.

B. Specific Problem

A study of the origin and subsequent movement of that body of funds generally known as "Loans to Brokers for the Account of Others" furnishes a specific angle from which to explore this problem. To that end it is proposed that a group of the more important corporate lenders of funds on the Stock Exchange in 1929

be studied intensively. From the point of view of their corporate history, it would be necessary to determine the business setting out of which the possession of these large free balances arose. This would involve analysis of their earnings record, dividend practices, capital securities flotations, and their depreciation reserve policies. Having accounted for the appearance of the balances of their historical setting, it would next be necessary to study the behaviour of these balances year by year, including the extent to which they were invested in other securities, the conditions under which they were loaned on the call market, and the extent and conditions under which they were deposited in banks. It would be particularly illuminating to ascertain to what extent they were placed on time deposit in 1930 when returns on open market money rates fell below the time deposit rate, and to what extent transfers of these funds from interior banks to urban centers contributed to the wave of bank failures which accompanied the departure of Great Britain from the gold standard in September 1931.

C. Method of Procedure

The person selected to conduct this study should be well acquainted with corporate accounting, possess access to corporate records and be familiar with statistical techniques in grouping corporate accounts for analytical purposes. The material for parts of the study would have to be furnished directly by the corporations involved whose close cooperation would be essential.

III. Major Factors in Fluctuations in Bank Deposits -- 1929-1933

A. General Background

Between 1929 and 1933 the volume of bank deposits available to the people of the country declined by about 30 per cent. Simultaneously, there took place an unparalleled collapse in security prices, including high grade bonds. The factors responsible for an unparalleled collapse of this magnitude would under any circumstances merit the most careful evaluation. In this particular case, however, especially painstaking investigation is required since the attendant circumstances exhibited important divergencies from those which would be expected under ordinary banking and credit theory. Insufficiency of reserves, for example, which theoretically is regarded as by far the most important factor in deposit liquidation, was not important during this period. Looking at the problem from the asset side of the bank balance sheet, furthermore, shows that the liquidation of security loans was the largest single factor in this decline, despite the fact that both call and time loans on securities were freely available at exceptionally low rates throughout the period. The magnitude of the problem posed for theorists in money and banking is illustrated by contrasting the situation in the crisis of 1919-1922 with that in 1929-1933. In the former, a 6 per cent discount rate, maintained by the Federal Reserve banks over an exceptionally long period, and applicable to a volume of member bank borrowing equal to 150 per cent of their required reserves, resulted in a decline in deposits, which amounted in the aggregate to about 10 per cent. In the latter case, despite a quick drop in discount rates, a negligible volume of member bank borrowing, and a wide availability of excess reserves, the decrease in deposits amounted to 30 per cent.

B. Specific Problem

It is proposed to attack this problem through a study of the relative importance of specific factors in the decrease in deposits. These appear to fall in the following order: first, bank failures, which account for about 50 per cent of the total decline; second, security loan liquidation, which accounts for perhaps 25 per cent more of the total decline; and third, contraction in other banking assets. With these facts determined, both from the point of view of their aggregate magnitude and their incidence in time from the final quarter of 1929 through the first quarter of 1933, the direction of inquiry would shift into the specific factors accounting for bank failures. At this phase, the work of the Committee on Group, Branch and Chain Banking would be helpful. In addition, however, careful analysis would be required of three phases of the problem not adequately covered in those reports, (a) the extent to which failures

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were due to assets normally regarded as subnormal, (b) the extent to which pressure on banks arose out of regional deficiencies of funds reflecting deficiencies in the balance of payments, and (c) the incidence of hoarding the the importance of transfers of "smart money" from banks in difficulty to more solvent institutions. Finally, a statistical estimate should be worked out to show the extent to which pressure on the bond market arose out of sales of securities by open banks as compared with the liquidation of bonds by receivers of closed banks. With these data available, it should be possible to trace the sequence of events from 1929 through 1934 with greater detail and authority and to evaluate, (1) the relative efficacy of the almost innumerable measures taken to combat the crisis, and (2) the extent to which further reorganization of our financial structure is required.

C. Method of Procedure

This study would require the thorough cooperation of the Federal Reserve Board, the Comptroller, the Reconstruction Finance Corporation and the Federal Deposit Insurance Corporation. It would necessitate from beginning to end access to their records and could only be conducted by someone thoroughly versed in their technical procedure.

November 20, 1935

Memorandum for Professor Riefler

I have read your memorandum not once but several times and with increasing respect for its point of view, its definiteness, and its modesty. As far as my knowledge and experience entitle me to an opinion, the problems which you have selected and the methods by means of which you propose to attack them seem to me sound and promising. Perhaps, as you proceed, surprises will emerge, but there is nothing in your program or in our organization which will prevent taking advantage of them. I am sure that the Executive Committee will meet in the near future and authorize such expenditures as you desire for the rest of the year, and our next year's budget can include the larger sum upon which you figure.

I have only one caution to suggest: you have briefly outlined four problems. Is there any likelihood that, as you become involved in the study of four such problems, you may find yourself under pressure? While you are perfectly free to proceed according to your own judgment, I should myself take up one problem at a time and carry it far enough to be certain that I could take up another without getting into a rush. There is no hurry. The work such as you contemplate needs ample time for reflection - almost loafing - as well as for recreation of both physical and cultural kinds. You can always add to what you are doing, but having embarked upon a task it is very difficult to stop, and I want to do everything in my power to protect you against anything like the hurly-burly which must have prevailed in Washington during your recent years there.

ABRAHAM FLEXNER

AF:ESB

Magnetawan, via Burks Falls, Ontario,
Canada

August 25, 1935

Dear Dr. Riefler:

Your letter of July 19 has been looking at me many a day in a very reproachful fashion, but I have had a heavy mail to answer this summer, so that I kept putting off replying to many of the letters which otherwise I would have been most eager to answer.

I am really very happy indeed that you have had and are having a thoroughly good summer on the ocean-side with your family. I hope that you will prolong it just as long as the weather permits. I shall myself probably be in Princeton somewhere about September 20, but there is no necessity for your coming before the first of October, unless some practical need concerning the children's school or getting your house in order compels.

I have no doubt that this period of freedom from preoccupation with practical things has been intellectually excellent for you. Naturally, I would be delighted to sit in and listen to you and Walter Stewart discuss anything that is in your mind, though I feel that my own contribution can only be a very slight one.

All summer long at short intervals I have had most encouraging letters from Professor Earle. I have urged him, however, and his doctor approves in this, not to try to come to Princeton at the beginning of the term. After these years of illness he ought to make a very slow start, and it is going to take some managing to get him to be as leisurely as I think he ought to be.

Mitrany will be a few days late, for he will be attending a conference in London at the end of September, but that will be a matter of no particular importance at this time.

I gave your greetings to Mrs. Flexner, Jean and Paul. Jean paid us a lovely visit of two and a half weeks - far too short, but the Labor Department was calling her, and she had to go back. Mrs. Beyer had been, as you perhaps know, quite ill. Our last letter from Jean reports that she is once more entirely well.

Mrs. Flexner and Mrs. Bailey, to whom I am dictating this, and who has just returned from a trip through the Pyrenees, join me in all good wishes to you, Mrs. Riefler, and the children.

Ever sincerely,

ABRAHAM FLEXNER

Dr. Winfield Riefler
Box 203, Brewster
Cape Cod, Massachusetts

AF:ESB

Box 203, Brewster,
Cape Cod, Mass.
July 19, 1935.

Dear Dr. Flexner:

It was good to hear from you and to know that you are once more on this side of the water. Every day or so we go over to the ocean side to enjoy the surf and indulge our imaginations over the great expanse of the Atlantic. We are all of us having a grand time. I didn't know that a summer could be so restful. I keep myself up to reading the Times each day, but the contents seem more and more remote.

The news about Dr. Einstein's new formulation is most exciting. It makes me wonder if we can ever hope to lay the groundwork for anything remotely comparable in our segment of the Institute. All sorts of attacks on our problem keep passing through my mind. In the autumn I want to talk them out with you and with Walter Stewart. I was glad to hear about the negotiations for the property.

Give our love to Mrs. Flexner and Jean and Paul. I hope that your summer will mean as much to you as ours does to us.

Sincerely,

Winfield Riefler

July 6, 1935

Dear Dr. Riefler:

We are once more back in "little old New York" and we are just about as anxious to leave it as you can imagine. I came down to Princeton this morning to look through my accumulated mail and shall spend twenty-four hours here attending to what is absolutely necessary.

Mrs. Bailey sent me a note that you had gone to Kansas City to visit your parents and that you were shortly starting for Brewster, Cape Cod, Massachusetts, and I am sending this note for the purpose of giving you and your wife our greetings and expressing the hope that you will have a most restful, agreeable summer. Mrs. Bailey also tells me that you have rented a house on Nassau Street. That I think is wise. You will then have the whole of next year to familiarize yourself with the local situation. Meanwhile, the Institute is on the point - if negotiations are favorable - of acquiring property lying between the Princeton Inn and the University, on which I hope that within the next year we may begin to put up a building for you and your associates and some of the Princeton men who may wish to keep in contact with you, as the two sets of mathematicians keep in touch with each other.

Jean is going with us Monday night to Canada for ^{only} two weeks, inasmuch as Paul, having received an appointment in the new Archives Department, will have

Dr. Riefler

July 6, 1935

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no vacation this summer, and she feels that it would not be right to leave him in Washington alone.

I talked with Walter Stewart on the telephone Friday and will see him Monday. He assures me that he is in excellent health and is as keenly interested as ever in our new venture.

Our summer address, though you must not feel under any obligation to write, is Magnotawan, via Burke Falls, Ontario, Canada.

With all good wishes,

Ever sincerely,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Brewster, Cape Cod
Massachusetts

AF/MCE

June 29, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

I am sending you herewith check of the
Institute for Advanced Study for \$950.00, your salary
for the month of June, 1935, after having deducted
your payment towards your retirement allowance.

Very truly yours,

ESTHER S. EWLEY
Assistant Secretary

Riefler

34 Malvern Ave.,
Cherrydale, Va.,
June 25, 1935.

Miss Esther S. Bailey,
The Institute for Advanced Study,
Princeton, New Jersey.

Dear Miss Bailey:

Your note to Mr. Riefler with his salary check has just come. He is in Kansas City paying his mother and father a short visit but will be back Friday and I will see that he gets it.

We are leaving here Monday next for Cape Cod, where our address will be simply Brewster, Cape Cod, Mass., until we get to Princeton the 15th of September or thereabouts. I am in some confusion since we are sending our furniture to Trenton for summer storage at the same time that we are ourselves going to the Cape. I wish Mr. Riefler were here now to give me some advice on a few matters.

We look forward to seeing you in the fall. Meanwhile, have a good vacation yourself.

If Dr. Flexner is back from his holiday, do give him my regards. I hope that he had a good rest.

Yours sincerely,

Winfield W. Riefler.

34 Malvern Ave.,
Cherrydale, Va.,
June 1, 1935.

Mrs. Esther S. Bailey,
The Institute for Advanced Study,
Princeton, New Jersey.

Dear Mrs. Bailey:

I expected to stop in your office a week ago and leave word that our housing problem is settled for the time being, but we hurried away without doing so. You will be glad to know that we found a place that pleases us very much, the half of a large old house belonging to Mrs. Hodder, at 341 Nassau St. We have leased it from September 15th but will get into it a little earlier if possible. In order

I still have no summer address to give you, but we will surely be here through June and I shall let you know when we move. We are playing with various possible vacation plans without having settled on any, as yet.

Mr. Riefler sends his thanks for the books and wishes you a pleasant summer. We are both very grateful to you for your help in the house hunting business.

Sincerely yours,



Mrs. Winfield W. Riefler

June 27, 1935

Dear Mrs. Riefler:

Thank you very much for your letter of the first and twenty-fifth. I was delighted to learn that you had finally found a desirable place in which to live next year, and now to know that you are going to get a vacation at Cape Cod. I do hope that you will all get a real rest, and we shall look forward to meeting in the autumn.

You will be glad to know that Dr. and Mrs. Flexner are safely back from their "spring vacation". They had a rest, but the weather was atrocious, cold and rainy, so that they had no chance at all to bask in the sunshine, even in Italy. They are now preparing to go to Canada for the summer and will return about the middle of September or a little later.

I am taking my vacation after July 4, but there will always be someone at the office, if there is anything that you or Dr. Riefler wish to be taken care of for you. For example, we can hold at the office for you anything that you do not wish to bother with during the summer.

Dr. and Mrs. Flexner will be delighted to have your message, and I am sure that they join me in all good wishes to you and your husband for a delightful summer.

Sincerely yours,

Mrs. Winfield W. Riefler

ESTHER S. WOLFE

May 31, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

I am sending you herewith check of the
Institute for Advanced Study for \$950.00, your salary
for the month of May, 1935, after having deducted
your payment towards your retirement allowance.

Very truly yours,

ESTHER S. BAILEY

Assistant Secretary

R. W.

May 13, 1935

My dear Dr. Riefler:

I am mailing you under separate cover
four books by Dr. Ralph William Souter as follows:

Criticisms of Profits, a Book by
William Trufant Foster and
Waddell Catchings

"The Nature and Significance of Economic
Science" in Recent Discussion

Modern "Monopoly" as "The Gentleman Crook"

Prolegomena to Relativity Economics

The books came just as Dr. Flexner was
leaving for his vacation, and he asked that you examine
them at your convenience and let him have your opinion.

Dr. Flexner also asked me to thank you
for your recent letter, which he was very glad to have,
and which I read to him over the long distance telephone.

Very truly yours,

ESTHER S. BAILEY

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

June 14, 1935

TO WHOM IT MAY CONCERN:

This is to certify that Dr. Winfield W. Riefler received a permanent appointment as professor in the School of Economics and Politics of the Institute for Advanced Study early in the year 1935 and that he will be located in Princeton, New Jersey, beginning with the autumn of 1935, and that he is financially reliable.

ESTHER S. BAILEY

Assistant Secretary

February 15, 1935

*Salary
\$12,000.00*

Dear Dr. Riefler:

I have your kind note of February 14. With your permission we will fix the date of your accession to the staff of the Institute at February 1, 1935. You will receive your first salary check towards the end of the month less 5% that you will pay to the Teachers Insurance and Annuity Association of America towards your retiring allowance, the Institute paying an equal sum in addition thereto. I am sending you the papers which are to be filled out and returned to us.

I feel the greatest satisfaction not only in your joining the Institute formally but in your release from the heavy burdens which you have been carrying for some years past. I hope that you can learn how to relax and let your mind lie fallow. You are just at the age when freedom from responsibility will mean most to your future development.

When the weather improves, we look forward to having you and your wife come to Princeton for a week-end, but for the moment everything is so messy that it would be no fun.

Thank you for your reference to the Howard situation. There have been very unpleasant personal questions in the Board from the outset. I managed to get rid of some of them and to softpedal others, but in consequence of a slip

Dr. Riefler

February 15, 1935

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the torrents were unloosed at the meeting last Friday, and I felt that the thing was costing me more than it was worth.

Please give my greetings to your wife, and believe me, with all good wishes,

Sincerely your friend,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF:ESB

January 23, 1935

Dear Dr. Riefler:

The enclosed came to me this morning.
I do not know Professor Wynne. For the present
I suppose - to use Stewart's phrase - that you and
your associates will simply want to "stew around".
It may be that, when the time comes, you will wish
to try something like the grants-in-aid used by
the mathematicians, but I leave all that to you
and your group.

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF:MSB

Application,
dated Jan. 22, 1935
Assoc. prof. at
Yale
Prof. Wm. H. Wynne
Yale U. School of
Law

Ph.D. degree from
Cambridge Univer-
sity, England

WINFIELD W. RIEFLER

34 Malvern Ave.,
Cherrydale, Va.,
May 8, 1935.

Dear Dr. Flexner:

Thank you for your letter of May 6th. I did not intend that you should take the offer from the Social Science Research Council so seriously. These offers do not attract me as alternatives to such a unique career as the Institute promises. When they come with great definiteness, however, I feel that I should pass them on to you so that you can shift your plans with respect to me if you desire. In this case, I told Dr. Crane that I wouldn't consider his proposition for a moment unless you wished to be rid of me. Now I will tell him that you do not, and that I will help him find an alternate.

May your vacation be a real rest.

Sincerely,

Winfield Riefler

May 6, 1935

Dear Dr. Riefler:

Thank you for your note of May 2. I think you are wise to go slowly in the matter of locating yourselves. Professor Veblen told me last week that there are two houses available on Battle Road. He will tell you about them on your next visit, if you wish.

There is no hurry about a comment on Marschak's papers.

Since my letter to you Dr. Sachs has written and asked me to return his memorandum. He stated that he knew you very well, so you are doubtless familiar with his views.

I shall try to be very objective in commenting on the offer of the Social Science Research Council.

1. I do not believe that a definite thing like a social security program is a sufficiently fundamental subject for a person of your ability, background, and intellectual possibilities.

2. I hate to see a person of your years and possibilities become an administrative officer, passing on the merits or demerits of the details of a project.

3. You have had a genuine experience with realities. I have an idea that, while in the future you ought from time to time to keep in touch with real

Dr. Riefler

May 6, 1935

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phenomena, your real chance for inner satisfaction lies in making some fundamental contribution to economic thought on your own part.

I agree with you that the Institute is a real educational venture and that at the same time the School of Economics is and should for the moment be a somewhat fragile concept. It can be transmuted into reality without pressure of time.

I do not know you well enough to say whether life, in which thought and reality can both be combined, free from pressure and with abundant opportunity for other cultural contacts, seems to you as attractive a prospect as it has all my life seemed to me. I hope it does. I do not want to let you out either with honor or anything else. On the other hand, neither now nor at any future time would I stand in the way of any man who really saw a bigger and more congenial opportunity. There is no need for reconsideration at this end of the line - not the faintest. I should just like to see you spend the next year or longer "steering about", to quote the phrase used by one of Walter Stewart's friends. At the moment we are in no position to compete with an annual budget of \$100,000, but an annual budget of \$100,000 at this stage of the game whether at the Institute or in connection with a social security program would frighten me to death, so, unless I hear from you to the contrary, I shall assume that your real inclination and desire are to stay with the Institute, though you must be frank with me if I have misjudged your postscript.

I saw Jean and Paul over the week-end in New York, and I am going to have a talk with Walter Stewart - not, however, mentioning your postscript before I sail. I shall be gone but little more than a month, when I shall hope to communicate with you on my return.

Very sincerely yours,

ABRAHAM FLEXNER

P.S. I have purposely left out of sight one consideration that probably weighs as

Dr. Riefler

May 6, 1935

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heavily on your mind as it does on mine, namely, the environment as respects the opportunities not only for yourself but for your wife and children. I can only say that after living two years in Princeton I wish I had come here many years ago, and nothing would make me happier than if Jean and Paul had an opportunity to live here. Of the two new professors at the School of Humanistic Studies, one (Professor Panofsky) has declined offers in New York, Chicago, and Baltimore in order to be here with his wife and two boys, and the other (Meritt), Ph.D. Princeton, 1924, after a phenomenal academic rise has turned down a higher salary offer in Chicago and an equal salary offered in Johns Hopkins in order to come here with his wife and two boys.

A.F.

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF:ESB

WINFIELD W. RIEFLER

34 Malvern Ave., Cherrydale, Va.
May 2, 1935.

Dear Dr. Flexner:

I have been cudgelling my brain trying to devise a really smart trick by which to get back at you for the bill at the Princeton Inn. So far my brain power has failed me, but don't rejoice too soon - it may revive. I give you this warning in order to prepare you for whatever-it-is when it happens. Meantime we are both truly grateful to both Mrs. Flexner and yourself for our visit. Princeton was lovely. I doubt whether we could have seen it at a more propitious moment.

We have really made very little further progress in the matter of locating ourselves. Our present inclination is to rent for a year.

Dorothy joins me in greetings and in sending best wishes to both of you for a pleasant ocean trip.

Sincerely,

Winfield Riefler

P.S. Your letter of the 30th has just come. I don't think that we will get up to Princeton again before you leave, but will consult Mrs. Bailey when we come.

I need to take a little more time on Marschak's papers before I can say much about them. I will be glad to see Alexander Sachs' memoranda. He and I are old chums.

Again, a good voyage to you.

WR.

This begins to look like a page from a diary. I have just had a most pressing session with Messrs. Cram and Young of the Social Science Research Council. They have been pushing me heavily to join their fraternity in charge of the Social Security Program. In the end, I promised to write you and let you know that if for any reason whatever you have any desire to regain your freedom from our company, you can at present

let me out with honor. There have been, I realize, sufficient difficulties since January to make that justifiably, possibly, a reworking of your plans. Please let me know promptly if you have any feeling at all in this direction.

For my part, I regard the Institute as the real intellectual venture, if it can develop along its own line as we have ^{at this stage} visualized them. It is far too fragile a concept to survive under a cloud. The direction of the Social Security Program as such does not greatly

attract me. I think I could perform creditably, however; the financial inducement is high, and the annual budget would (over \$100,000) would permit me to inaugurate freely certain studies which are close to my heart and which I hope to inaugurate from Princeton.

It offers one of those rare opportunities where an original commitment can be freely reconsidered - if there is any reason for reconsideration.

Sincerely
WHR

April 30, 1935

Dear Dr. Riefler:

Since you and your wife paid your last visit to Princeton, my wife and I have come to rather an unusual conclusion. I have never had a spring vacation in my life, and now that the year is closing I feel that I will be immensely benefited by a few weeks of quiet. We have therefore practically decided to take a Mediterranean cruise beginning May 11. I wonder if you and your wife are expecting to be in Princeton before that date. The Committee on Buildings and Grounds will hold a meeting here on the afternoon of May 3. If they should reach any conclusion, it might have a bearing on your choice of a home. In the event that you do not come to Princeton until after the eleventh, Mrs. Bailey will know and will of course give you any confidential information that she may possess.

I wonder if you have had occasion to glance at Marschak's papers and what you think of them. I have recently received two memoranda on Currency by Alexander Sachs of Lehman Brothers. I have asked his permission to send them to you, and I shall do so if he approves.

We have had some perfectly beautiful spring weather lately, and last Saturday afternoon we had a garden party on the golf links for the School of Mathematics of the Institute. The professors and really advanced workers and their wives numbered over eighty, but this of course includes the University as well as

Dr. Riefler

April 30, 1935

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the Institute. I could not help but reflect that, if Secretary Wallace were to plough them under, mathematical salaries throughout the country would rise to a height that would satisfy Elmer Thomas.

I shall be in New York next Saturday and Sunday, for Jean and Paul are coming up for the week-end.

Please remember me very warmly to Mrs. Riefler, and believe me

Very sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF:ENB

April 30, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

I am sending you herewith check of the
Institute for Advanced Study for \$950.00, your salary
for the month of April, 1935, after having deducted
your payment towards your retirement allowance.

Very truly yours,

ESTHER S. BARLET
Assistant Secretary

April 15, 1935

Dear Dr. Riefler:

I am sending you under separate cover two papers by Dr. Marschak, who was in the Faculty of Economics at Berlin before Hitler's day. After his dismissal he was made a Fellow of All Souls College, Oxford, where he now is. Leontief, whom he criticises in one of the papers, is also an exile who has now a post at Harvard. I wonder how much importance you attach to the mathematical portions of Marschak's work. Marschak is in the early 30's and is a very agreeable person, with a young and attractive wife. I had the opportunity of seeing them both several times when I was in Oxford last summer.

Tell your wife I received her note, and we shall be delighted to see you both at any time.

Always sincerely,

ABRAHAM FLEXNER

P.S.

Thanks for returning the two books, which arrived this morning. A.F.

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF:ESB

April 2, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

Will you be good enough to let me know what you will need in the way of office furniture for yourself and your secretary? If you are going to be in Princeton in the near future, it may be simpler for you to come over to the office and advise me at that time, or, if you are to be in New York, I can arrange to go up at your convenience and you can call with me at the Hale Desk Company, where we have previously purchased office furniture. I write now, as we can buy to advantage during the spring sale.

Very truly yours,

ESTHER S. BAILEY
Assistant Secretary

March 30, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

I am sending you herewith check of the
Institute for Advanced Study for \$950.00, your salary
for the month of March, 1935, after having deducted
your payment towards your retirement allowance.

Very truly yours,

ESTHER S. BAILEY
Assistant Secretary

file

34 Malvern Avenue
Cherrydale, Virginia
March 20, 1935.

Dr. Abraham Flexner
School for Advanced Study
Princeton, New Jersey

Dear Dr. Flexner:

Thank you for the material from Dr. Bruno Burn and from Mr. Rene Leon. I have run against Mr. Leon with respect to proposed silver legislation several times and believe I understand his point of view more than adequately. Dr. Burn I do not know, and I am not impressed with the table of contents, but I will look it over and see if it is to be taken seriously.

With the advent of Spring we expect to impose ourselves on you shortly.

Sincerely yours,


Winfield W. Riefler

March 19, 1935

Dear Dr. Riefler:

I had some correspondence recently with Dr. Bruno Burn, which, if I remember correctly, I forwarded to you for your information. This morning comes a volume which may or may not interest you. I am sending it to you, but please do not feel that you are under any obligation to read it or do anything about it. I do not know Dr. Burn; therefore, I do not know how seriously he is to be taken.

With all good wishes,

Sincerely yours,

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

ABRAHAM FLEXNER

AF/MCE

March 8, 1935

Dear Dr. Riefler:

At Dr. Flexner's request I am sending
you under separate cover Princeton - Past and Present
and a map of Princeton and vicinity, which you and
Mrs. Riefler and your boys may enjoy examining.

Very truly yours,

ESTHER S. BAILEY

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

February 27, 1935

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

My dear Dr. Riefler:

I am sending you herewith check
of the Institute for Advanced Study for \$950,
your salary for the month of February, 1935,
after having deducted your payment towards
your retiring allowance.

Very truly yours,

ESTHER S. BAILEY

Assistant Secretary

February 21, 1935

Dear Dr. Riefler:

I am enclosing a letter which I have just had from Dr. Duggan, and my reply thereto. Bonn has lectured in this country, at Williamstown, and was at one time professor in the High School of Commerce in Berlin. He speaks English fluently. There is, however, a grave question in my mind as to whether or not he is sufficiently open-minded to be worth adding to our little group, for he has expressed himself very confidently on most of the issues now under discussion. I doubt also - though I should be hard put to it to prove this statement - his thoroughness. There is something of the journalist about him.

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF/MCE

WINFIELD W. RIEFLER

34 Malvern Avenue
Cherrydale, Virginia

Feb. 1935

Dear Dr. Flexner:

I am enclosing the document with respect to the deferred annuity. I cannot let you date my joining the Institute back to the first of February in such a way as to profit by it personally. I realize, however, that the Institute may prefer to handle my salary on a full-month rather than a mid-month basis. I intend, therefore, to remit back to you one-half of the check covering the month of February, or if that does not meet your accounting requirements to let the sum ride as against future expenses which might be payable by the Institute.

As soon as the weather does improve, Dorothy and I are looking forward anxiously to visiting you and Mrs. Flexner and making arrangements for moving up to Princeton.

Sincerely yours,

Winfield W. Riefler

Enclosure

Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

TEACHERS INSURANCE
AND ANNUITY ASSOCIATION
OF AMERICA
522 Fifth Avenue, New York, N. Y.

APPLICATION FOR DEFERRED ANNUITY

Use **BLACK INK** as this is
to be Photographed

Be sure you answer every question. Go by question numbers.

1. Full Name (Please Print)	First Name	Middle Name or Initial	Last Name			2. Married <input checked="" type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced <input type="checkbox"/> Separated <input type="checkbox"/>	3. Caucasian <input checked="" type="checkbox"/> Mongolian <input type="checkbox"/> Malay <input type="checkbox"/> Negro <input type="checkbox"/> Indian <input type="checkbox"/>
	WINFIELD	WILLIAM	RIEFLER				
4. Where Born	State or Country		5. When Born*			6. Male <input checked="" type="checkbox"/> Female <input type="checkbox"/>	
	NEW YORK		Month	Day	Year		
			Feb.	9	1897		

7. Addresses: State both and place a cross (X) in for address to which mail shall be sent.

A. Residence <input checked="" type="checkbox"/>	Number	Street	City or Town	State
	34	Malvern Ave.	Cherrydale	Virginia
B. Business <input type="checkbox"/>	20	Nassau Street	Princeton	New Jersey

8. Present Position

Institution	Title	Date of First Appointment	Duties
Institute for Advanced Study	Prof.	February 1, 1935	Teaching

9. List Life Insurance and Annuity Policies in force on your life.

Company, Association or Order	Amount	Date of Issue
U.S. Veterans' Admn. 30 payment life	\$10,000	1927
Massachusetts Mutual	10,000	1930

10. Premiums.

The deferred annuity policies of the Association are all issued on the basis of twelve premium payments (monthly) per year, although regular remittances may be made on another basis if desired.

Total Monthly Premium \$100.00

Number of premiums per year if not paid monthly

Amount of each premium if not paid monthly \$.....

11. Annuity payments will be of the amount purchased by premiums paid, at the Association's rates according to the sex, and age in completed months, of the annuitant.

12. Beneficiary. To whom shall the proceeds of the Policy be payable in case of your death before payment of the annuity has begun?

Print full name: *Example: Mary Adams Smith; not Mrs. John Smith.*

Name of Beneficiary	Date of Birth	Relationship to You
Dorothy Brown Riefler, or in the event of her death, David Winfield Riefler and Donald Brown Riefler, equally.	Month Day Year Feb. 3 1891	Wife

13. Do you reserve the right to change the Beneficiary? (Answer "Yes" or "No") Yes.....

Note.—The Association suggests that the first day of the month following the annuitant's sixty-fifth birthday is a suitable date for the first annuity payment, providing this agrees with the retirement age at your institution. The date chosen may be changed later if desired, in accordance with the terms of the policy.

14. When is the first annuity payment to be made to you?
Answer: On the first day of the month following my 65th birthday.

15. Is it your desire that the disbursing officer of the institution in which you are employed shall deduct the amount of premium due each month from the salary or other emolument due you and make payment directly to the Association? Yes
If so, please file with the Association and your disbursing officer forms of agreement for that purpose, on blanks which are to be had from him.

16. Kindly designate how initial remittance will be made. 1. Attached herewith \$..... or 2. By Institute for Advanced Study Institution

I hereby apply to the TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA for a deferred annuity upon my life, according to the terms and provisions of the Association's Deferred Annuity Policy, Teachers Retirement Plan. I hereby agree, both for myself and for any person who may have or claim an interest in the policy applied for, that, in consideration of the Association binding itself to pay the annuity as provided in the policy, all premiums paid become the property of the Association.

I further agree that all annuity payments are contingent upon my survival to the dates when such payments are due, and that the annuity shall cease with the last periodical payment preceding my death, and that there shall be no return of premiums or other benefit at death, except as stipulated in the policy in the sections providing for certain payments to be made in event of the death of the annuitant before the payment of the annuity has begun, or under an alternative form of annuity as provided in Option A or in Option B of the policy applied for.

Dated at Washington, this 15th day of February, 1935.

County of City of Washington } ss. Winfield William Riefler
State of District of Columbia } Full signature of applicant

Winfield William Riefler, being first duly sworn, according to law, on oath deposes and says: that he is of full legal age and is the person who, as Applicant, made and executed the foregoing Application for an Annuity; that he has read the foregoing questions propounded by the Teachers Insurance and Annuity Association of America, and the answers thereto, and that said answers are full, complete and true, and are made as a basis for the Annuity above applied for, and to induce said Teachers Insurance and Annuity Association of America to enter into a contract to pay such Annuity.

Sworn to and subscribed before me this 16th day of February, 1935. Signature of Notary Public

To be sworn to and subscribed before a Notary Public and his official seal to be affixed.
Kindly review your application carefully and see that all questions have been answered by words or crosses in appropriate squares.

*Evidence of Age.
It is of fundamental importance that the correct date of birth of the annuitant be established.
An official certificate, either birth or baptism, giving the date of birth, is the best form of evidence. The date of birth can also frequently be established by an extract from a family record of births, passport or similar document. Any copy of such document should, of course, be certified as correct either by a notary public or by an administrative officer of the institution by which the applicant is employed.
If no evidence of the kind described above is obtainable, the following statement from an administrative officer will serve as prima facie evidence.

I hereby certify that in the records of this institution the date of birth of the above named applicant is given as February 9 1897

Institute for Advanced Study Administrative Officer

February 18, 1935

Dear Dr. Riefler:

I have your more than generous note with its enclosures,
for which please accept my thanks.

Though you are going to enjoy absolute freedom academically
and otherwise, in the matter of the date at which your salary begins
I propose to be a czar - a role which I enjoy very infrequently. You
and your wife will be put to trouble and expense in coming to Princeton,
and it is only fair that the Institute should treat you generously
enough to minimize that burden, so please let me have my way on this
point, and I shall let you have your way on all others.

With warmest greetings to your wife as well as yourself,

Always sincerely,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF:ESB

WINFIELD W. RIEFLER

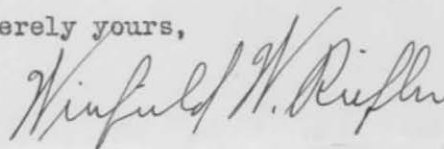
February 14, 1935

Dear Dr. Flexner:

The severance of my official connections here has finally been ironed out and my resignation has been accepted as of February 15, 1935. I would appreciate it if my accession to the staff of the Institute for Advanced Study is made as of the same date.

We have had some further inkling of the Howard situation from the newspapers. You know you have our sympathies.

Sincerely yours,

A handwritten signature in cursive script that reads "Winfield W. Riefler". The signature is written in dark ink and is positioned to the right of the typed name "Winfield W. Riefler".

Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

January 31, 1935

Dear Dr. Riefler:

Thank you for your note of January 30th. I shall get Glenday's book as promptly as possible. It may be necessary, however, to send to England for it.

I am delighted to know that your work is lightening, for I feel sure that the rest will be good for you whether you feel at the moment that you need it or not. One of the consequences of overwork is precisely this - that with the least let-up one feels as if one were back to normalcy.

I am looking forward as eagerly as you to a visit from you - and your wife, if possible - to Princeton as early as you can arrange it.

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF/LCE

THE NATIONAL EMERGENCY COUNCIL
WASHINGTON

OFFICE OF THE
ECONOMIC ADVISER
ROOM 7219, COMMERCE BUILDING

January 30, 1935.

Dear Dr. Flexner:

I am indeed interested in Mr. Glenday's book on "The Economic Consequences of Progress" and would appreciate a copy.

I am still tied to this desk, but with much more leisure, since I cannot very well participate in new plans which would involve my continuing attention. As a result, I find myself recuperating rapidly so that I will scarcely merit the rest of which we talked. I am anxious to see you and will come to Princeton just as soon as I am able.

Sincerely,


Winfield W. Riefler

Dr. Abraham Flexner
The Institute for Advanced Study
Princeton, New Jersey

January 29, 1935

Dear Dr. Riefler:

I am enclosing a clipping from The Manchester Guardian - Hobson's review of a book on The Economic Consequences of Progress. If you are interested in it, I shall be happy to procure a copy and send it to you.

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF:ESB

THE NATIONAL EMERGENCY COUNCIL
WASHINGTON

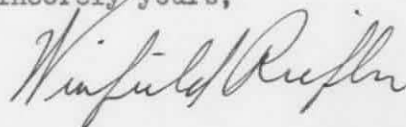
OFFICE OF THE
ECONOMIC ADVISER
ROOM 7219, COMMERCE BUILDING

January 25, 1935

Dear Dr. Flexner:

I agree with you respecting the application of Professor Wynne for a connection with the new School. I do not see how we can handle individual applications such as this intelligently until we have formulated a fairly definite general program.

Sincerely yours,



Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

January 24, 1935

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

My dear Dr. Riefler:

Your letter of the twenty-second with
enclosures has come while Dr. Flexner is in New
York. I shall bring it to his attention promptly
upon his return at the end of the week.

Very truly yours,

ESTHER S. BAILEY

Assistant Secretary

WINFIELD W. RIEFLER

January 22, 1935

Dear Dr. Flexner:

I am enclosing copies of subsequent correspondence with Mr. Frankfurter. It seems to me that this buries the whole incident and that so far as I am concerned we can forget it.

Very truly yours,

Winfield Riefler

Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

C_O_P_Y_

January 22, 1935

Dear Mr. Frankfurter:

It is my turn to thank you for your cordial note of January 21. It dispels any apprehensions that I felt. I am eager for an opportunity to talk over plans for the new School with you.

Very sincerely yours,

(Sgd) Winfield W. Riefler

Professor Felix Frankfurter
Law School
Harvard University
Cambridge, Massachusetts

January 21, 1935

Dear Dr. Riefler:

Thank you for sending me a copy of your letter of the nineteenth to Mr. Frankfurter. There is not the faintest possibility that your status or standing will be in any wise reconsidered except, as I hope, to your ultimate advantage.

Frankfurter has simply had a brain-storm, not, I regret to say, the first, but the last. Professor Veblen, who was present at the meeting and to whom he also wrote, has come to see me and has described Frankfurter's conduct as outrageous. This morning I have a letter from one of the members of the Board, from which I quote the following:

"I was surprised that Frankfurter should have displayed such bad taste at the last meeting. There is no question but that he was absolutely wrong in his contention."

I hope that you will dismiss the matter from your mind and under no circumstances permit Frankfurter to inveigle you into a correspondence. I feel ashamed that any such incident should have marred the beginning of your connection with the Institute. It is the only thing of the kind that has ever happened and has shocked everyone who witnessed it as much as it disturbed you, but you need not fear its recurrence.

With all good wishes and warm regards,

Very sincerely yours,

Dr. Winfield W. Riefler
Office of the Economic Adviser

ABRAHAM FLEXNER

C O P Y

LAW SCHOOL OF HARVARD UNIVERSITY

Cambridge, Mass.

January 21, 1935

My dear Riefler:

Thank you for your letter of the nineteenth.

My letter meant to imply no more than it actually said. There is no question whatever as to your "status", nor the eagerness with which I, in common with the rest of the Board, voted for your election. The views I expressed in my letter were solely my own, and were conveyed to you, as I stated in my letter, because I thought that candor as to a matter affecting you was called for between you and me.

With all good wishes,

Very sincerely yours,

(Sgd) FELIX FRANKFURTER

Dr. Winfield W. Riefler

January 19, 1935

Dear Dr. Riefler:

I received this morning a copy of a note which Professor Frankfurter wrote you. Unfortunately Professor Frankfurter, while expressing his own views, does not tell the whole truth. The Board was practically a unit against him. In the School of Mathematics there are salary differences at every stage from the assistants up to the very top.

This is not the first time that Frankfurter has violated the semi-confidential nature of a Board meeting. I hope you will not permit yourself to be in the slightest degree disturbed. Your associates are perfectly happy, and I am enclosing you a copy of a letter which I received yesterday from the Princeton social science group.

We look forward to a visit from you and your wife in the near future and beyond that to a happy and scholarly association for many years to come.

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield Riefler
Office of the Economic Adviser
Room 7219, Commerce Building
Washington, D. C.

AF:EMB

WINFIELD W. RIEFLER

January 19, 1935

Dear Dr. Flexner:

Enclosed is a copy of my response to Mr. Frankfurter. It has been greatly modified from what I had in mind by our telephone conversation. I still have difficulty in understanding the occasion for the episode.

Sincerely yours,

Winfield Riefler

Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

C O P Y

January 19, 1935

Dear Mr. Frankfurter:

Your letter of January 16 has disturbed me greatly though I respect the frankness which impelled you to write. If there is any question of my status or standing I would prefer the Board to reconsider the whole matter as quickly as possible.

Thank you for your good wishes. I know that we have an unparalleled opportunity in the new School. I am still so tied emotionally to public service that I am not yet in a position to be entirely objective about the situation.

Very truly yours,

(Sgd) Winfield W. Riefler

Mr. Felix Frankfurter
Law School
Harvard University
Cambridge, Massachusetts

C O P Y

January 16, 1935

My dear Riefler:

Ever since I have been on this faculty, for now a little over twenty years, it has been my practice to tell acquaintances whose names have come up for our consideration directly what doubts or difficulties I may have had to raise in faculty meeting. This avoids misunderstanding through the dangers of misreport, however innocent through indirect transmission. That practice of candor seems to me equally appropriate for you and me in the case of the Institute of Advanced Study.

Therefore, I should like you to know that I welcomed your accession to the Institute and voted for it with pleasure and hope. But I voted against the stipend proposed by Dr. Flexner, not because it was too high, but because it was higher than that given to your colleagues in the School of Politics and Economics. For I deem inequality of treatment among men of substantially similar age and scholarly distinction as inimical to the aims of a society of scholars. This is not the occasion to argue the matter, I simply wanted you to know precisely what my attitude was towards your coming to the Institute and to the conditions of your coming.

If you have to leave government -- I cannot conceal my regret that you are doing so, in view of my great interest in a permanent civil service -- I am at least happy that you are giving yourself to scholarship.

With all good wishes,

Very sincerely yours,

Dr. Winfield W. Riefler

(FELIX FRANKFURTER)

THE NATIONAL EMERGENCY COUNCIL
WASHINGTON

OFFICE OF THE
ECONOMIC ADVISER
ROOM 7219, COMMERCE BUILDING

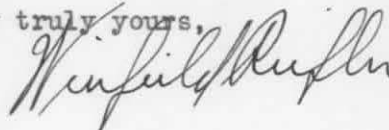
January 17, 1935

Dear Dr. Flexner:

Today has been rather harassing emotionally. The younger people here naturally fear that my leaving may restrict their opportunities for work and I have been put to it to maintain their morale. They understand now, I believe that their apprehensions are unwarranted. I am glad that the news is out so that I can plan more openly for a general retirement from this scene.

I suppose it will be some time before I appreciate completely the opportunities you have opened to me. I want you to know that I am aware of the confidence you have reposed in me and that I will do everything to merit your trust.

Very truly yours,



Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	<input checked="" type="checkbox"/> FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	CABLE LETTER
NIGHT LETTER	WEEK END LETTER

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

WESTERN UNION

1206-A

NO.	CASH OR CHG.
CHECK	
TIME FILED	

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

Send the following message, subject to the terms on back hereof, which are hereby agreed to

January 15, 1935

Dr. Winfield Riefler
Room 7219, Commerce Building
Washington, D. C.

Board of Trustees ratified with great enthusiasm your appointment
yesterday on basis ^{upon} / which we had agreed Letter follows

Abraham Flexner

(Charge Institute for Advanced Study)

59

January 17, 1935

Dear Dr. Riefler:

I sympathize very much with the attitude of your associates, and I sincerely hope that your leaving Washington will not interfere with the opportunities which you have made for them.

Since writing you yesterday I have heard further expressions of pleasure that you are to be one of the members of the initial economic group, and I wish to assure you once more that there is nothing within reason that we will not do to enable you to fulfill your own ambitions and to make you and your family happy in the new environment.

With warmest greetings,

Ever sincerely,

ABRAHAM FLEXNER

P.S.

My secretary reminds me that you have never sent her an account of the expenses connected with your visit to Princeton. If you will let her have a very brief memorandum or note, she will send you a remittance immediately.

A.F.

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF:ESB

THE NATIONAL EMERGENCY COUNCIL
WASHINGTON

OFFICE OF THE
ECONOMIC ADVISER
ROOM 7219, COMMERCE BUILDING

January 11, 1935

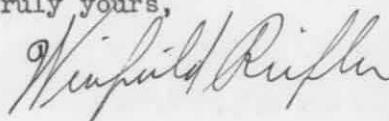
Dear Dr. Flexner:

I have cleared the matter with the President and it will be perfectly proper for you to make the announcement of my appointment on Monday.

I am still pushing for my successor to be appointed. I think the announcement may serve to hasten the day. I am anxious to get past the strain of waiting during these last days as quickly as possible.

Your solicitude for our comfort touches me deeply. It is a long time since I have enjoyed a relationship as sensitive as that. I know that we shall be happy.

Very truly yours,



Dr. Abraham Flexner
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

January 8, 1935

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

My dear Dr. Riefler:

In Dr. Flexner's absence for a brief holiday South permit me to thank you for your letter of the seventh, the substance of which I have telegraphed to him. I am sure that he will be delighted and that you will hear from him promptly.

Very truly yours,

ESTHER S. BAILEY
Assistant Secretary

THE NATIONAL EMERGENCY COUNCIL
WASHINGTON

OFFICE OF THE
ECONOMIC ADVISER
ROOM 7219, COMMERCE BUILDING

January 7, 1935

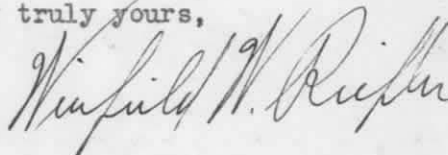
Dear Dr. Flexner:

My resignation has at last been accepted to take effect when my successor has been appointed and qualified. I am naturally pushing to get this appointment made as soon as possible.

Under the circumstances, I feel it would be best for the Institute to go ahead with my appointment next Monday, to take effect as soon as I am released from my duties here.

I am looking forward to this release and our subsequent venture with greater eagerness every day. I will let you know just as soon as I am completely free.

Very truly yours,



Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

WESTERN UNION

(29)

SIGNS

- DL = Day Letter
- NM = Night Message
- NL = Night Letter
- LCO = Deferred Cable
- NLT = Cable Night Letter
- WLT = Week-End Letter

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at Lower Pyne Building, Princeton, N J.

1934 DEC 18 AM 11 30

NB44 14=DC WASHINGTON DC 18 1105A

DR ABRAHAM FLEXNER, INSTITUTE FOR ADVANCED STUDY=

20 NASSAU ST A=

RE YOUR LETTER OF SEVENTEENTH SHALL BE VERY GLAD TO HAVE

LUNCH ON FRIDAY=

WINFIELD RIEFLER.

December 18, 1934

Dear Dr. Riefler:

I have just received your telegram, for which please accept my thanks. Would you meet me at the Hay Adams House at one o'clock on Friday? If an early hour suits you better, drop me a note there and I will keep the earlier appointment.

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7319, Commerce Building
Washington, D. C.

AF:ESB

December 17, 1934

Dear Dr. Riefler:

I am coming down to Washington Thursday, arriving there sometime in the early afternoon. I shall be in Washington Thursday and Friday.

I have had another talk with Walter Stewart, and I now have a proposition which I should like to lay before you. We could meet at tea Thursday afternoon or at lunch on Friday or at any other hour that suits your convenience. Would you wire me at this address, so that I may make my appointments accordingly?

With all good wishes,

Sincerely yours,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D.C.

AF:ESB

December 11, 1934

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

My dear Dr. Riefler:

Dr. Flexner wishes me to remind you that you are to send us a statement of the expenses you incurred in connection with your recent trip to Princeton. I am writing for him, as he has been called out of town.

Very truly yours,

ESTHER S. BAILEY

Assistant Secretary

CLASS OF SERVICE DESIRED	
DOMESTIC	FOREIGN
TELEGRAM	FULL RATE CABLE
DAY LETTER	DEFERRED CABLE
NIGHT MESSAGE	NIGHT CABLE LETTER
NIGHT LETTER	WEEK-END CABLE LETTER
SHIP RADIOGRAM	RADIOGRAM

Patrons should check class of service desired, otherwise message will be transmitted as a full-rate communication

Postal Telegraph

THE INTERNATIONAL SYSTEM

Commercial
Cables



All America
Cables

Mackay

Radio

RECEIVER'S NUMBER
CHECK
TIME FILED
STANDARD TIME

Send the following message, subject to the terms on back hereof, which are hereby agreed to Form 2

November 29, 1934

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

Will meet you Saturday morning Princeton Junction
at nine fifty three

Abraham Flexner

Charge Institute for Advanced Study

POSTAL TELEGRAPH INTERNATIONAL

New York City
November 25, 1954

Dear Dr. Riefler:

I regret more than I can say that I was called out of town just at the time when you found it convenient to arrange to come to Princeton, and I regret still further that I am not going to be able to be in Princeton again until Tuesday or Wednesday of next week. After that I see no reason to anticipate any absence so that I can meet your convenience in the matter of an appointment. Won't you please let me know when you would like to come up - the sooner and the longer the visit, the better.

Give my regards to Mrs. Riefler, and

believe me

Sincerely your friend,

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.
AF:ESB

ABRAHAM FLEXNER

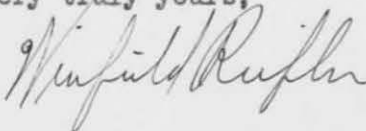
WINFIELD W. RIEFLER

November 21, 1934

Dear Dr. Flexner:

Thank you for your letter. I think I can break away Friday, the twenty-third, for a trip to Princeton. If this is not convenient, please let me know by wire.

Very truly yours,

A handwritten signature in cursive script that reads "Winfield Riefler". The signature is written in dark ink and is positioned below the typed closing "Very truly yours,".

Dr. Abraham Flexner, Director
Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

November 17, 1934

Dear Dr. Riefler:

I have received and read your interesting memorandum of the 16th. It is a vigorous document and strikes me - an untrained person, to be sure - as in a high degree substantial and suggestive. I shall say nothing more about it until I have had a chance to see Mr. Stewart and learn his opinion.

I have been called out of town and shall be away from Princeton until Wednesday evening. I shall be here from Wednesday until Saturday evening, and then out of town from Sunday morning until Tuesday or Wednesday, about November 23th. After that I have no appointments except on December 6th, when I must be in New York. Thereafter I am free.

With many thanks for the trouble you have taken and are still taking, I am

Always sincerely,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
Room 7219, Commerce Building
Washington, D. C.

AF/LICE

WINFIELD W. RIEFLER

November 16, 1934

Dear Dr. Flexner:

I hope that the enclosed memorandum serves the purposes which we discussed at our meeting in New York. It summarizes my present thought on the best approach to the problem of organizing an economic division of the Institute of Advanced Study on lines comparable to those now developed in the field of mathematics. As you know, these suggestions are purely tentative since I have had little real time to give to the problem. I am sending a copy of the memorandum to Walter Stewart.

Thank you for the opportunity of going over the whole question with you. It has helped to clarify my own attitude immeasurably. I shall be glad to come to Princeton as soon as I can arrange to leave here. I cannot set a definite date at this time because the current week is more than crowded.

Very sincerely yours,

Winfield W. Riefler

Dr. Abraham Flexner, Director
The Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

November 16, 1934

PROPOSED ECONOMIC UNIT
OF THE
INSTITUTE FOR ADVANCED STUDY

There can be little question of the urgent need for a more profound understanding of economic problems. The persistence of the present depression, its intensity, the extent of economic disequilibrium which it has revealed, its world-wide character, and the human suffering in the form of sustained unemployment by which it has been accompanied, all offer incontrovertible testimony on this point. In the field of economics, the problem is not whether there is ample scope for advanced study, but rather how such study can best be implemented, for the quality of the human need is such as to call for all of the intelligence which we can bring to its solution.

Role of the Institute for Advanced Study.

The paramount problem of economics today is to reformulate its basic thinking to the point where it can offer an authoritative explanation of the present world-wide paralysis. As compared with this problem, the doctrinal disputes of predepression years fade into insignificance. No special school, no particular type of logical analysis, indicated the immanence of a breakdown such as this prior to 1929, nor has the course of events since that time especially justified the approach on which any one group was working.

We have, in fact, no central core of accepted verifiable generalizations in this field such as are found in the other major intellectual disciplines. There is no unity, therefore, in the various subdivisions of intensive specializations, nor is there a common body of logic to serve as intellectual tools in the development of new hypotheses on the frontiers of advanced study. As a result there is confusion in accredited professional economic judgment upon almost any major problem that is posed. This has been particularly emphasized during the past few years of divergent counsels when economists, as a group, have almost universally failed to speak with an authoritative voice either in their analyses of the course of events or in their proposals for their amelioration or cure. Instead, when professional counsel was most urgently demanded, economists have been found widely divided even upon questions of basic import where professional competence could be presumed to be final.

~~The~~^{One} source of this confusion is found in the failure of current economics to take adequately into account the dominating characteristics of economic society in the twentieth century. That part of our present theory which is carefully worked out and logically articulated is based essentially on the economic processes and relationships which were prevalent in our society a century or more ago. Most of the resources of the community were then occupied with the production, distribution and consumption of perish-

able commodities, such as food and clothing, and the major attention of economists was directed toward an analysis of economic phenomena associated with the markets for such goods. During the years immediately preceding the depression, on the other hand, fully one-half of our production of commodities consisted of durable goods, the markets for which differ widely in their behavior from those markets upon which most economic analysis has been based. This change calls for a re-analysis of economic data, a new development of economic theory. Such an analysis will run to the heart of all of the phenomena associated with the current breakdown. It will require, however, the creation of new intellectual tools in addition to those with which economists are now working. By concentrating on this approach and by developing systematically all of the varied facets which it will uncover, the Institute can reasonably hope to make a major advance in economic theory during the next decade.

The logical tools, the generalizations, and the research methods with which advanced students in the field are now working, fall in general into three broad categories:

- (1) Commodity or price system studies which conceive of our economic system as one regulated by the free interplay of costs and prices. To aid in the analysis of this interplay, there is available a highly refined body of logical generalizations with respect to markets for perishable commodities and to supply and demand relationships for these commodities, generalizations which were developed and emphasized during the so-called classical period of economic study;
- (2) Monetary studies, which, because modern economic society is organized along pecuniary lines in which financial

phenomena are especially important, regard movements of money and credit as of paramount significance. Students working in this general field also have the aid of a highly articulated body of logical generalizations, but they are for the most part generalizations based upon analysis and observation of a world-wide money market for short-term credit instruments, unified by a gold standard, and regulated by central banks. They do not take adequately into account the influence of the capital markets.

- (3) Quantitative or statistical studies, which are still in the empirical stage, possessing as yet no body of logical generalizations and few explicit assumptions of an economic character. Economists in this field have uncovered the problem of economic fluctuations and have charted their movements. They have contributed little as yet, however, to an understanding of their causes, their prevention or their cure.

The Problem of Durable Goods.

It is proposed, therefore, that the Institute for Advanced Study attack this problem by developing a sustained inquiry into that group of unsolved economic questions which are associated with the current stagnation in the durable goods industries and which are now loosely aggregated under the caption "The Problem of Durable Goods." Such an attack has the advantage that it is sufficiently limited to be specific at a time when a more general approach might be drowned in the prevailing confusion of thought, that it is sufficiently undeveloped to require exploration, and finally that it is sufficiently basic to afford hope that it will disclose the key which will lead to a reformulation and closer articulation of economic theory.

Its importance has become increasingly apparent to economists during the course of the present depression which has been particularly associated with markets for durable goods. On looking backward it now appears that these same phenomena were more generally characteristic of previous depressions than was formerly recognized. If one can look forward to an eventual resumption of the basic economic trends which have accompanied the rise of industrialism during the past century, it is a tenable assumption that future economic repercussions, arising out of stoppages in the flow of durable goods, will be even greater than at present, since the relative proportion of our total economic activity which is represented by the durable goods industries is bound to increase with rising industrial efficiency and the growth of productivity. In other words, a high standard of living implies a heavy concentration of economic resources in durable goods industries, and a rising standard of living of necessity increases the general havoc attending maladjustments in these industries.

It is safe to assume, therefore, that in selecting the problem of the economics of durable goods for solution, the Institute would be exploring not only a factor that is now recognized as of major importance in the present breakdown but in addition one which will probably become of increasing importance.

There are found in this problem numerous fields for highly intensive specialized research, for durable goods include not only capital goods, but also public works, replacement capital goods and

consumers durable goods. Each of these categories now represents individually large elements of our economy, and together make up over one-half of the total. The factors, social and economic, which determine whether there is or is not a demand for goods of this character, go a long way also toward determining the extent of unemployment, and the rate of activity of our entire economic system. They have come to occupy, therefore, a position at least equal in importance with factors common to markets for perishable commodities and deserve an equally thorough exploration at the hands of economists.

The logical factors which should govern the demand for capital goods, for example, can be analyzed, even though their application to specific situations is difficult since investment in such goods is necessarily based upon an imperfect capitalization of an estimated return in an unclear and unforeseeable future. In the case of consumers durable goods, on the other hand, such as houses, automobiles, etc., the existence of demand is partly social in character, a reflection of the standard of living and subject to changes in style. These widely differing markets, therefore, will require correspondingly different analysis.

An example of the type of theoretical problem posed by the development of a dominant industry devoted to consumers durable goods is offered by the recent experience of the motor industry, where in 1932 widespread unemployment and distress prevailed throughout all the industries that participate in the manufacture

of automobiles. The stagnation in the market for new cars, however, did not imply that the American people, as a whole, were using less automotive transportation than in predepression years. The consumption of gasoline in 1932 in fact would seem to indicate relatively little decline in the actual use of automobiles in that year. Automobiles, however, were durable goods, and this single fact permitted the American people to continue to consume automobiles even though they were not currently producing them. In other words, the American economy had developed this important industry to the point where a sustained and effective demand for consumption was not of itself sufficient to call forth an equally effective and continuous demand for employment in the manufacture of the article consumed.

The preponderating importance of durable goods as such opens up for exploration a further equally important field in their relation to a credit economy, for durable goods by their nature represent large financial commitments and in most cases require almost of necessity the availability of a loan market. Any basic study of durable goods as such, therefore, leads directly and realistically into a study of savings and investment, of security and mortgage markets, of banks and finance companies, and, finally, of money markets, foreign exchanges and currencies.

In theory, as we have inherited it, this aspect of monetary problems has received far too little attention. Our monetary theory today has not yet departed fundamentally in its thinking from a

financial structure in which the preponderating elements consist of (1) a currency based on gold, (2) deposit-creating commercial banks dealing in self-liquidating commercial paper, (3) central banks regulating through a short-term rediscount rate the volume of deposits created by these banks, and (4) an international gold standard to govern the activities of central banks. In theory under this picture, the whole economic structure is maintained in equilibrium through movements of gold which, on the one hand, are governed by the response of foreign trade to relative commodity price levels, and, on the other hand, through their effects on central banks set in motion forces to maintain these price levels in equilibrium. Any realistic examination of this analysis in the light of today's conditions reveals its inadequacies and its relative neglect of the major institutions and forces that play on the financial markets. In point of fact, a realistic study of the balance of payments today reveals that the distribution of gold is infinitely more affected by large movements of capital items of a highly unstable character than by trade in commodities of a type to be sensitive to small changes in relative price levels.

These examples are sufficient to illustrate the basic nature of an approach to our economic theory from the standpoint of durable goods. ~~That part of~~ Our present theory ~~which is carefully worked out and logically articulated~~ is based essentially on an economic society in which durable goods activities play a minor role. In a society such as ours where they have achieved prepon-

derance, a fresh approach is indicated with respect both to the commodity analysis, and also with respect to the "money surface of things," an approach which must take into account the essential importance of whole areas of the economic scene not yet sufficiently explored. An attack on the problem from this angle gives every promise of being more basic than the work now being done and also of serving to unify work of a partial nature in several major segments of the field.

Problems of Organization.

The greatest flexibility in organization and detail will be necessary if a major approach along these lines is to have a reasonable chance of success. A group of economists of outstanding quality, capable of rethinking and reformulating economic theory is essential. It should be built up as occasion warrants on the basis of the quality of the individual concerned and the nature of the thinking which he can bring to the program. If a center of real thinking is established, there will be no difficulty in persuading such individuals to join in the quest, nor will there be any lack of close contact with the universities.

For this group to develop anything more solid than highly conjectural hypotheses, they must be granted special facilities. The project will require not only a careful formulation of specific problems to be tested but also an extensive reliance upon statistical data much of which is not now available. One of the tasks

of the Economic Unit of the Institute will be the development of statistics capable of aiding in the solution of its problems, statistics which must of necessity be produced in the main by large governmental statistical and research bureaus in this country and abroad. In this it will gain help from some of the endowed research institutions and the universities. To make this data available and usable in Princeton the Institute should contemplate from the beginning the establishment of a small statistical research and clerical staff. It should also contemplate that its faculty or group have sufficient freedom to keep in close personal contact with the statistical and research centers where the basic materials are being forged. This may require travel and at times possibly extended absences from Princeton. There will be little scope for formal classes, or for students as such, but ample opportunity for close contact between intellectual workers on a common group of projects of high promise. Part of this group will be brought to Princeton, part will be working in the universities, and an important part will be located at centers of specialized research. The Institute should not conceive of itself as a location but rather as a source of mental ferment embracing all of the advanced students in this field.

November 14, 1934

Dear Dr. Riefler:

I have your kind note of November 13. I look forward with the keenest interest to seeing you and reading the memorandum that you are preparing. As to the day of your visit to Princeton, I can suit my convenience to yours. If the earlier part of the week suits you better than a week-end, let me know. I should, however, say that on Monday of the coming week I have to attend a dinner in honor of Dr. Wilmer in Baltimore, so that that day will be broken up, but Monday, November 26, or any other Monday or week-end can be made to answer perfectly, as far as I am concerned.

Give my greetings to your wife, and believe me

Always sincerely,

ABRAHAM FLEXNER

Dr. Winfield W. Riefler
34 Malvern Avenue
Cherrydale, Virginia

AF:ESB

WINFIELD W. RIEFLER

34 Malvern Avenue
Cherrydale, Virginia
November 13, 1934

Dear Dr. Flexner:

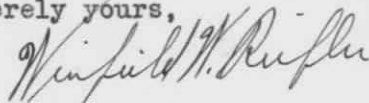
Thank you for your invitation to come to Princeton. I have been devoting all my spare moments to the preparation of a memorandum outlining the whole problem as it appears to me at the present time.

I want to assure you that I am deeply interested and that my hesitation has been concerned chiefly with the manner in which the problem should be approached.

I doubt whether I will be able to get away this week-end. Next week, on the other hand, it may be possible. Week-ends make little difference so far as my work is concerned. In fact, I may be able to free myself more easily during the earlier part of next week.

I will send you my memorandum when it is finished and will let you know as soon as I am in a position to fix a definite day for the Princeton trip.

Sincerely yours,



Dr. Abraham Flexner, Director
The Institute for Advanced Study
20 Nassau Street
Princeton, New Jersey

November 8, 1934

Dear Dr. McIlwain:

After you have had a chance to reflect upon our talk at luncheon the other day, I wonder if it would be possible for you to come to Princeton at some convenient time and let me know how the matter then lies in your mind. I have of course no authority as yet to offer an appointment. The most that I can do is to make a recommendation to the Board. I realize that the process through which I am going resembles in a good many ways a courtship, the two parties to which feel their way before undertaking a final commitment. Only this business of recruiting a faculty involves more complete understanding between the two parties in interest since there are no divorce courts which may undo alliances that turn out to be misfits! I am therefore most anxious that you and I should completely understand one another. I can promise you, however, that even if you are favorable to the idea, I shall not mention it to the Board unless I assure myself in advance that they will approve anything that you and I may come to agree upon.

I am likely to be here almost continuously. If Saturday is a less hectic day with you than a week-day, perhaps you could come to Princeton some Saturday afternoon, spend the night, and get back to Washington at a comfortable hour on the following Sunday afternoon or evening.

With all good wishes to you and your wife,

Sunday the 18th I am engaged/ but
I am free the 17th and Sunday 18th up to
four or five p.m.

Ever sincerely,

ABRAHAM FLEXNER

Winfield William Riefler

Born in New York State, February 9, 1897

34 Malvern Avenue, Cherrydale, Virginia

20 Nassau Street, Princeton, New Jersey

Dorothy Brown Riefler, Feb. 3, 1891

Sons - David Winfield Riefler
Donald Brown Riefler

Riefler

January 18, 1935

Dear Dr. Riefler:

I found your letter of the 11th waiting for me when I returned from Florida after a ten day rest in the sun, which did me a world of good.

The Board met yesterday and approved your appointment. This morning I wired you as follows:

"Board of Trustees ratified with great enthusiasm your appointment yesterday on basis upon which we had agreed. Letter follows"

In all probability the first announcement regarding the School of Economics and Politics will be made tomorrow.

Some time after your successor is appointed, when you and your wife would like a week-end in Princeton, taking your ease and perhaps making a preliminary survey, Mrs. Flexner and I would be delighted to have you as our guests.

I hope that once you are free from the terrific pressure under which you have been working you will sit back and, as Walt Whitman says, loaf and enjoy your soul.

With all good wishes and great satisfaction that things have turned out as they have, I am

Dr. Winfield Riefler
Room 7219, Commerce Building
Washington, D. C.

Sincerely yours,

ABRAHAM FLEXNER

Dr. Riefler

January 15, 1935

P. S. Since dictating the above I have had luncheon with the leading professors in the field of economics here in order that they might know from me the steps we have taken before seeing it in the newspapers tomorrow. I told them that I hoped that we should have in the near future a building something analagousto Fine Hall, provided with studies and proper facilities for really advanced workers and for research, accumulating a specialized library as we went on. They asked me to say to you and to Earle and Hitory that they are delighted with the prospect of developing here at Princeton a center for disinterested higher thinking and research in the field of economics and politics.

Subsequently I had a talk with Eisenhart, Dean of the Graduate School, who has been helpful and generous beyond words from the very beginning of the Institute, and who is indeed largely responsible for the cooperation which has been so effective between ^{the} Princeton and the Institute mathematicians. Eisenhart dwelt upon a problem with which I am quite familiar from my work in medical education, namely, that the men who work in fields so near to industry and banking may be diverted by practical jobs from the pursuit of real thinking. I told him that I thought it was our purpose to provide against this danger - and I hoped that Princeton could work itself into the same position - by providing opportunities for persons on the staff of the School of Economics to do such work elsewhere as is really essential to them; to provide them with comfortable salaries and the assurance of a retiring allowance which would take care, in comfort and dignity, of both themselves and their children. Eisenhart cited some quite demoralizing examples in other institutions, with which you are doubtless familiar, and is hopeful that the ideals of the Institute may react favorably both upon Princeton and other institutions throughout the country. We can certainly do no more important service.

From minutes of Regular Meeting of the Institute for Advanced Study, January 14, 1935.

The Director thereupon recommended that Dr. Winfield W. Riefler be appointed a professor in the School of Economics and Politics of the Institute for Advanced Study at a salary of \$12,000 a year, of which he will contribute 5% to the Teachers Insurance and Annuity Association of America, the Institute contributing an equal sum monthly, beginning at a date to be arranged by the Director in conference with Dr. Riefler, and that, unless his term of appointment is prolonged by mutual consent, he retire at 65 years of age. -----
----- the resolution as offered by the Director was adopted.

From minutes of Regular Meeting of January 25, 1937.

RESOLVED, That the budget for the remainder of the current year (1936-1937) be and hereby is modified by the addition of Four thousand five hundred dollars (\$4,500.00) in order that the salaries of Winfield W. Riefler and Benjamin D. Meritt respectively may be increased to Fifteen thousand dollars (\$15,000.00) per annum, effective February 1, 1937.

WINFIELD W. RIEFLER

Education A.B., Amherst College, 1921; Ph.D.,
Brookings Graduate School, 1927;

Honors L.H.D., Amherst College, 1944; member,
American Philosophical Society; Phi Beta Kappa.

Awarded Croix de guerre, World War I.

Career Foreign Trade Officer, Department of Commerce,
1921-23; Member of staff, Division of Research and Statistics,
Federal Reserve Board, 1923-33; Economic Adviser to President's
Executive Council, 1933-34; Chmn, Central Statistics Board,
1933-35; Economic Adviser, National Emergency Board, 1934-35;
Professor, Institute for Advanced Study, 1935-48; Assistant
to the Chairman of the Board of Governors of the Federal
Reserve System, Washington, 1948--. 59

Leave of absence from Institute to act as
Minister to London in charge of Economic Warfare (special
assistant to Ambassador), 1942-44; member and adviser on
various League of Nations committees, 1937-45.

Asst. Sec. 1948
Presid 1952?

RIEFLER, WINFIELD WILLIAM

Biographical

Economist

Born Buffalo, New York, February 9, 1897

Son of Philip D. and Clara (Gartner) Riefler

Education: A. B., Amherst College, 1921
Ph. D., Brookings Graduate School, 1927

Honors: Dr. Humane Letters (Honorary), Amherst College, 1944

Career: Foreign trade officer, Department of Commerce,
Buenos Aires, Argentina, 1921-23
Div. research and statistics Federal Reserve Board,
1923-33, Executive Secretary Com. on bank reserves,
1930-32, economic adviser to executive council, 1933-34
Chairman Central Statistics Board, 1933-35
Economic adviser to National Emergency Council, 1934-35
Professor School of Economics and Politics of
Institute for Advanced Study since 1935
On leave of absence to act as minister to London
(special assistant to ambassador), 1942-44
Chairman League of Nations Delegation on Economic
Depressions, 1945

ACTIVITIES: Director Federal Reserve Bank of Philadelphia, 1941-42
Assistant to Chairman of the Board of Governors
Federal Reserve System since 1948
Chairman of the Board School of Advanced International
Studies
With A. E. F., 1917-19

HONORS: Awarded Croix de Guerre (France)

MEMBERSHIPS: { Member delegation for study of economic depression,
1937-46
Member subcommittee on financial statistics, 1938-46
Alternate member finance committee, 1937-46,
All League of Nations

Director Foreign Policy Association, 1938-40
Trustee Institute for Advanced Study, 1936-41
Directional National Bureau of Economic Research,
1936-42, and 1945-48
Director Council on Foreign Relations, 1945-50
Chairman 20th Century Fund Committee on Foreign
Economic Relations, 1946

Chairman Social Science Research Council Committee
on Social and Economic Aspects of Atomic Energy,
1945
Fellow of the American Statistical Association
(president 1941)

Home address: 5415 28th Street, N. W., Washington 15, D. C.

Office: Federal Reserve Building, Washington, D. C.