

REFERENDUM on the Report of the Special Federal Reserve Committee

STATEMENT OF QUESTION

"The federal reserve system has been from its inception the subject of serious study and steadfast support by the Chamber of Commerce of the United States." "The Chamber has confidence in the federal reserve system and its adaptability to new conditions, and holds that the system is entitled to the utmost cooperation." These quotations are taken from the declarations made by annual meetings of the Chamber and reflect the results of continuous studies of the operation of the reserve system under the changing conditions it has had to meet since its creation, sixteen years ago.

Upon these studies have been based policies adopted by the Chamber respecting particular subjects, such as opposition to legislative changes such as were proposed in 1922, advocacy of indeterminate charters for reserve banks, and support of action taken by the reserve system in aid of stable currencies abroad, as desirable for industry, labor, and agriculture.

In 1925 the Board of Directors became impressed with the timeliness of plans for a comprehensive survey of all questions relating to the federal reserve system, having received recommendations from the Committee of the Finance Department which had been following diligently the operations of the reserve system. The plans were developed with the assistance of inquiries which were made of business men in all parts of the country, these inquiries resulting in a special conference on the subject held at Washington in May, 1926.

In the development of the plans a Committee on Banking and Currency was formed in the fall of 1926, with a membership of fifty, representative of banking and the forms of business served by banking in all of the federal reserve districts, and including representatives of labor and agriculture. Reports on special subjects were prepared by sub-committees and later consolidated into one main report, which was discussed by a special conference in June, 1928, in which the committee obtained the benefits of the criticisms and suggestions of not only business men and bankers who were asked to participate but also of federal reserve officials and economists, as well as representatives of agriculture and labor, who were invited and cordially responded.

After review of the discussions of the conference and studies which were subsequently made, the Banking and Currency Committee, in the spring of 1929, presented to the Board of Directors its comprehensive report with eight auxiliary statements on special phases of the subject.

Recognizing the great value of a report into which so much study had been put, the Board of Directors authorized the appointment of a Special Federal Reserve Committee, composed of members of the larger Banking and Currency Committee, to prepare from a study of the extensive report a report with recommendations suitable for submission to the organization membership of the Chamber for a referendum vote, and directed that the large report and its auxiliaries should be printed and distributed at the time the referendum pamphlet was issued.

The members of the Special Federal Reserve Committee are:

HARRY A. WHEELER, <i>Chairman</i> , Chicago	WILLIAM F. GEPHART, St. Louis
SEWELL L. AVERY, Chicago	C. T. JAFFRAY, Minneapolis
JULIUS H. BARNES, New York	JOHN G. LONSDALE, St. Louis
A. J. BROSEAU, New York	WALTER SCOTT MCLUCAS, Kansas City
WALTER S. BUCKLIN, Boston	R. GOODWYN RHETT, Charleston, S. C.
CHARLES S. CALWELL, Philadelphia	PAUL SHOUP, San Francisco

The report of the Special Reserve Committee has now been received. Accordingly, there are printed in this pamphlet:

	Page
1. The Committee's Report.....	4
2. Arguments in the Negative.....	5

With this pamphlet there is sent to each organization member a copy of the large report and its auxiliaries. Copies are available to all other members upon their request. In the large report appear the names of the members of all committees which had a part in the Federal Reserve Study and a more complete statement than is possible here of the events leading up to the report of the Banking and Currency Committee and the subjects which were covered in the studies which were made.