THE PATMAN INQUIRY

I. Inquiry always appropriate. Why should you be interested?

A. You are most directly affected
   1. Who shall regulate our money and banking system?
      Impression it is only Federal Reserve that is involved.
   2. And how shall it be regulated?
      Suggestions:
      a. 100% reserves
      b. Government security reserves
      c. Reserves against assets
      d. Detailed selective controls
      e. Direct controls vs. indirect controls

B. Others are interested
   1. C.I.O.
   2.

C. You want to think your way through

II. Origin of Inquiry

A. Conflict between Treasury and Federal Reserve
   Should the Treasury tailor its issues to the market?
   or
   Should the Federal tailor the market to Treasury issues?

B. Post-war compromise

C. Douglas Inquiry and Report

D. Post Korean monetary policy
   August 1950
   March 1951 accord

E. Patman theories
III. Method of Inquiry

A. Membership of Committees

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<tr>
<td>Douglas</td>
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B. Questionnaires

**Treasury Question 17**

C. Hearings

1. Confusion in House caucus room
   Income tax sign on door
   Acoustics

2. Snyder

3. Martin

4. Sproul

5. Bryan

6. Harris

7. Keyserling

IV. Basic Issues

A. The role of Government in economic life

1. Prime reliance on monetary-fiscal policy with
   the market-place as distributor

2. Prime reliance on direct controls

3. Implications of flexible monetary policy - flexible rates

B. Who shall resolve conflicts?

1. The executive

2. The Congress
V. Possible Results of Patman Inquiry

A. The appropriateness of Inquiries

B. Joint Committee not a "legislative" committee

C. Outcome

1. More specific directive

2. Audit, budget, appropriations control