

FEDERAL RESERVE BOARD

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WASHINGTON

X-3657

March 9, 1923.

SUBJECT: Reply to Senate Resolution 351.

Dear Sir:

The enclosed letter was sent to the Senate of the United States on March 3rd in answer to Senate Resolution 351, and was published in the Congressional Record of March 4th. As it was impossible to comply with the terms of the resolution, partial list sent by your bank is returned under separate cover.

By order of the Federal Reserve Board.

Very truly yours,

Wm. W. Hoxton,
Secretary.

(Enclosure)

TO GOVERNORS OF ALL
F. R. BANKS.

COPY

X-3657a;
March 3, 1923.

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Sir:

Senate Resolution 351 requests the Federal Reserve Board to obtain and send to the Senate certain lists of names and addresses, being the names and addresses of persons who received copies of a speech delivered by the Junior Senator from Virginia more than a year ago. It is certainly a somewhat unusual request to make of any Government body as it must be obvious that there was no object in preserving the lists used so long ago and consequently in some cases they do not exist, and in all cases are greatly changed and are not the same lists to which Senator Glass's speech was sent. If the Senate had desired the Federal Reserve Board to have these lists preserved it would seem that the request would have been made not later than the spring of 1922 as the speech of Senator Glass was delivered on the 16th and 17th of January.

It appears from the preamble which was made a part of Senate Resolution 351 by being passed with it that its purpose was to enable one Senator, whose position is stated to have been "assailed and criticised" by another Senator, to have the opportunity "of sending copies of his speech to the citizens who have received the speech which assailed and criticised him", and the inference appears to be that at least one of the objects in the circulation of Senator Glass's speech was the criticism of the other Senator. Reference to the other Senator whose position is stated to have been assailed and criticised in Senator Glass's speech was purely incidental and it is doubtful if the officers of the Federal Reserve Banks even so much as remembered that he had been mentioned in the speech of the Senator from Virginia, whose speech was delivered in January 1922. The speech of the Senator from Virginia was recognized by all authorities as the most complete and masterly explanation and exposition of the Federal Reserve System and of its operation ever delivered. Senator Glass was the Chairman of the Committee on Banking and Currency of the House of Representatives when the Federal Reserve Act was first in preparation, when it was passed in Congress and when it came into operation by the organization of the twelve Federal Reserve Banks. He was also the author of most of the amendments which were passed during the first years of its operation and later as Secretary of the Treasury became ex-officio the Chairman of the Federal Reserve Board. He was, therefore, familiar with every detail of the law and with its operation and was the one man not only in the Senate of the United States but in the United States itself in a position to make such an address with authority.

The address was circulated to convey to the member banks of the Federal Reserve System and to their clients invaluable information not otherwise obtainable and with no purpose or thought of criticising any other Senator.

If nevertheless the Senator who feels that his position was "assailed and criticised" desires after the lapse of more than a year to send out

answers to Senator Glass's great speech some information can be given from the answers of the Federal Reserve Banks to the resolution which will enable him to cover most of the persons who received Senator Glass's address. There was great difference in the methods of distribution of Senator Glass's address. Thus the Federal Reserve Bank of Minneapolis states that it was sent in that district only to member banks on written request, and the Federal Reserve Bank of Dallas replies that the address was sent to banks, chambers of commerce and to some extent to such institutions as rotary clubs. In all districts many copies were distributed in this way, no exact list of the persons who received the address having been kept, as the final distribution to "citizens", (the term used in the resolution) was made by the many commercial banks, institutions and organizations. By using the Bankers Directory, therefore, and by sending copies to chambers of commerce the other Senator may cover most of the territory.

Senator Glass's speech was in much demand by educational institutions and several hundred copies were sent to some of them on request. Reprints of it were in fact made by some educational and other institutions that were unable to obtain a sufficient number of copies of the full address to satisfy their requirements. Some of these reprints contain no reference whatever to the Senator "who spoke on the other side of the question."

Most Federal Reserve Banks maintain mailing lists built up in connection with the distribution of their monthly reports and with their business reporting service and these lists in some banks were used in the distribution of Senator Glass's speech, but the banks generally regard these lists as their personal property and several of them have protested strongly against making them public. The Board's Counsel doubts authority to compel their submission without specific Act of Congress. In any event they have greatly changed in a year and are not the same lists that were used in the early part of 1922. Furthermore they did not as used in 1922 include the names and addresses of anywhere near all the citizens who received the speech of Senator Glass.

Respectfully submitted,

(signed) Edmund Platt

Acting Governor.

The President of the Senate.