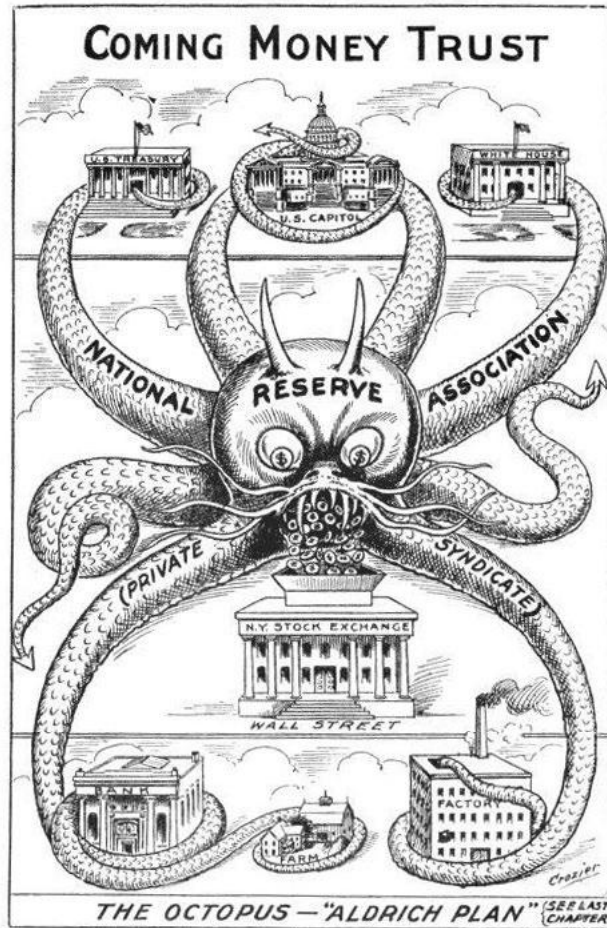


**Resource 2 (1 of 4)**

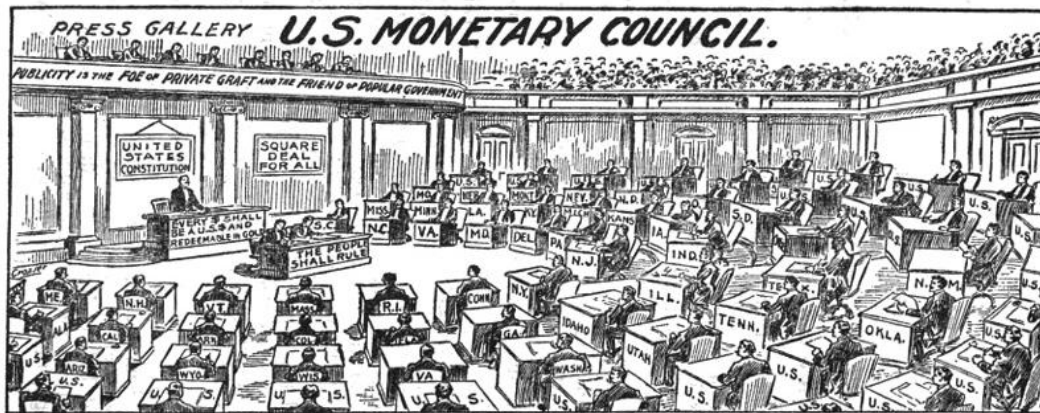
**The Federal Reserve at Its Founding**

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Alfred Owen Crozier on the Aldrich Plan



**Source:** Crozier, A. O. (1912). U.S. money vs. corporate money, "Aldrich plan," Wall Street confessions! Great bank combine! Cincinnati, OH: Magnet: pp. 1.

**Resource 2 (2 of 4)****The Federal Reserve at Its Founding****A DELIBERATIVE PUBLIC INSTITUTION, INSTEAD OF A PRIVATE CORPORATION.**

75 members, one representing each of the 48 states and 27 the Federal Government.

It shall regulate the banking system, fix the general discount rate and issue and determine the volume of the public currency, under strict regulations and legal safeguards. It shall establish and maintain the "square deal" between the banks and the public.

**Source:** Crozier, A. O. (1912). U.S. money vs. corporate money, "Aldrich plan," Wall Street confessions! Great bank combine! Cincinnati, OH: Magnet: pp. 336.

**Questions to Consider:**

- ▶ What do you notice about these two illustrations from a book written by Alfred Owen Crozier in 1912?
- ▶ Based on these two illustrations, what can you conclude about Crozier's point of view on the Aldrich plan? Would Crozier be satisfied with the final form of the Federal Reserve?

**Resource 2 (3 of 4)****The Federal Reserve at Its Founding**

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**Jacob Gould Schurman speaking at the American Bankers' Association Convention, November 22, 1911**

I believe a thorough and extensive campaign of education will be necessary. . . . The benefits of reform inure to [apply to] the public generally. It is not the bankers but the public who now suffer. And the first lesson to be emphasized in our campaign of education is this: That banking and currency reform is the concern not of bankers, not even of financiers, but of the American public in general.

When panics come and wage earners are thrown out of employment the public must be made to understand that these evils in which all alike are participating are due to a cumbersome, antiquated, and unscientific system of banking and currency, and that they could be eliminated with the reform of that system.

**Source:** *New York Times*. (1911, November 22). Aldrich answers critics of his plan; denies statement by speaker that Bank of England has a more effective system. Retrieved from <http://query.nytimes.com/mem/archive-free/pdf?res=FB0C14FA3E5D16738DD DAA0A94D9415B818DF1D3>

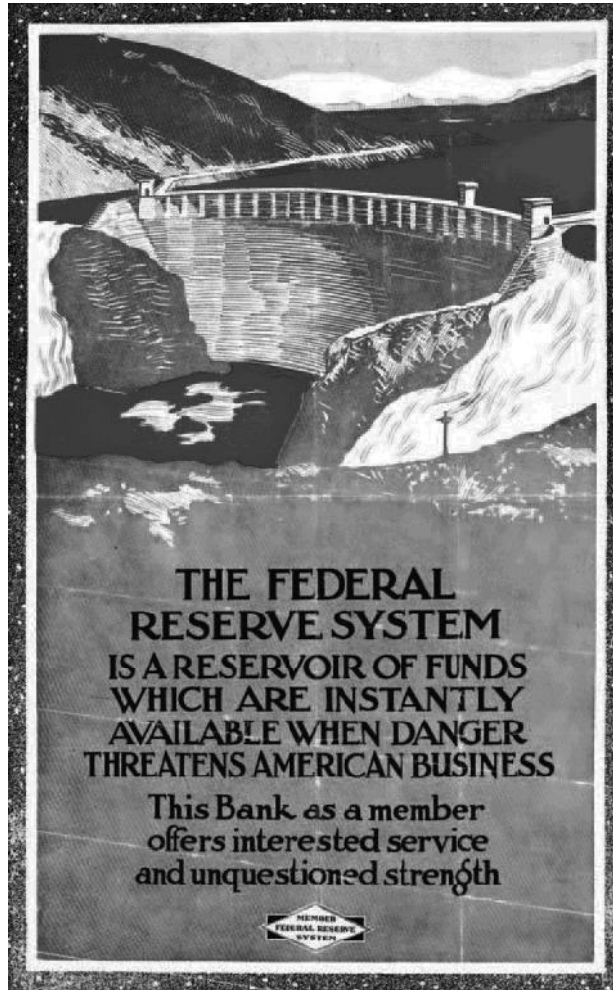
**Questions to Consider:**

- ▶ Who was Jacob Schurman?
- ▶ What else would you want to know to evaluate these remarks made at the American Bankers' Association Convention?

**Resource 2 (4 of 4)****The Federal Reserve at Its Founding**

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## Mid-1920s Poster Displayed in Member Banks of the Federal Reserve System



**Source:** New York Fed Research Library. (2011, May 20). Historical echoes: Communication before the blog. Retrieved from <http://libertystreeteconomics.newyorkfed.org/2011/05/historical-echoes-communication-before-the-blog.html>

**Questions to Consider:**

- ▶ What do you notice about this poster and the date it was exhibited?
- ▶ What information might Jacob Schurman want the Federal Reserve to emphasize to explain and defend its current role in the economy?