

## Attachment 9

## Federal Reserve Monetary Intermediation Cost to the American Economy

### Historical Support for 100% Full Reserve Demand Deposit Banking

All of the persons listed supported a 100% reserve banking system and although many likely had different versions of the exact structure such a system might have they were all supportive of 100% reserve (time matched lending without money creation ability) banking. One version was known as "The Chicago Plan" primarily by Henry Simons was supported by hundreds of economists in the 1930's.

#### # Nobel Prize Winners

- 1 Milton Friedman Nobel Prize Economics 1976, Economics Professor primarily University of Chicago. Past President American Economic Association 1967. (Jul 31, 1912 - Nov 16, 2006)
- 2 James Tobin Nobel Prize Economics 1981, Economics Professor Yale and Harvard. Past President American Economic Association 1971. (March 5, 1918 – March 11, 2002)
- 3 Maurice Allais Nobel Prize Economics 1988, Economics Professor, École Nationale Supérieure des Mines de, Paris (May 31, 1911 – October 9, 2010)
- 4 Merton H. Miller Nobel Prize Economics 1990 for discovery of M&M Theorem in "Do the M&M propositions apply to Banks?" Journal of Banking & Finance 19, 1995. Past President of the American Finance Association 1976.
- 5 Frederick Soddy Nobel Prize Chemistry 1921 (believed to be first discover of 100% reserve principle in 1926, author 1934 *The Role of Money* pp. 67-68 quote "[Fractional Reserve] Banks have never been solvent".

#### # Bankers

- 1 Frank A. Vanderlip President National City Bank (1909-1919) (now Citicorp), Assistant Secretary of Treasury (1891-1901) and member of original Jekyll Island Conference for the creation of the Federal Reserve System (1864 – June 30, 1937).
- 2 Alexander Efron Originated no minimum balance checking known as Checkmaster Plan while Vice President National Safety Bank & Trust, New York, (1893 – December 24, 1950).
- 3 Mervyn King Past governor of the Bank of England, England's Central Bank in "Banking: From Bagehot to Basel, and Back Again" Speech at Buttonwood Gathering, New York City, Monday October 25, 2010.

#### # Economists

- 1 American Economic Association Leading economics society in the world, 1937 poll by Irving Fisher indicated 1,100 members had signed approval of 100% reserve banking with 96 indicating specific reservations.
- 2 Irving Fisher Economics Professor, Yale, one of the most respected economists from the first half of the 20th century advocated for 100% reserve system from 1934 for the remainder of his life. President AEA 1918. (1867-1947)
- 3 Herman E. Daly Economics Professor, University of Maryland, author in 2007 of "Ecological economics and sustainable development: selected essays of Herman Daly", p.114.
- 4 Laurence Jacob Kotlikoff Economics Professor, Boston University (January 30, 1951 – )
- 5 Jesús Huerta de Soto Ballester Economics Professor, Rey Juan Carlos University, Madrid, Spain (December 23, 1956 – )
- 6 Jörg Guido Hülsmann Economics and Law Professor, Université d'Angers, Angers, France
- 7 Richard A. Werner International Banking Professor, University of Southampton, England
- 8 Joseph Huber co-author with James Robertson of *Creating New Money: A Monetary Reform for the Information Age*, 2000, chair of economic and environmental sociology at Martin Luther University of Halle-Wittenberg, Germany (1948-).
- 9 James Robertson co-author with Joseph Huber of *Creating New Money: A Monetary Reform for the Information Age*, 2000, British political and economic thinker/activist (born August 11, 1928).
- 10 Lauchlin Currie Assistant to Former Federal Reserve Chairman Marriner Eccles during Roosevelt administration (October 8, 1902 – December 23, 1993).
- 11 Murray Rothbard Notable Austrian School Economist (March 2, 1926 – January 7, 1995)
- 12 Ludwig von Mises Prominent Early Austrian School Economist (September 29, 1881 – October 10, 1973)
- 13 Henry C. Simons Economics and Law Professor, U. Chicago and a primary author of the "Chicago Plan" 100% banking reserves plan letter March 1933 on file in Roosevelt Library in Hyde Park, NY. (Oct 9, 1899 - Jun 19, 1946)
- 14 Garfield V. Cox Finance Professor and Dean of the Chicago School of Business (1945-52), Past President of the American Finance Association 1954. (May 4, 1893–Feb 9, 1970)
- 15 Aaron Director Economics and Law Professor, U. Chicago signed 100% banking reserves letter March 1933 on file in Roosevelt Library in Hyde Park, NY (1901 – September 11, 2004).
- 16 Albert Gailord Hart Economics professor at Columbia University, supported "Chicago Plan" signing March 1933 Letter on file in FDR Library in Hyde Park, NY. Past Vice President American Economic Association 1962.
- 17 Frank H. Knight Economics Professor, U. Chicago (1922-52) signed 100% banking reserves letter March 1933 on file in FDR Library in Hyde Park, NY. Past President AEA 1950. (11/7/1885 - 4/15/1972).
- 18 Lloyd W. Mints Economics professor, U. Chicago signed 100% banking reserves letter March 1933 on file in Roosevelt Library in Hyde Park, NY (Feb 20, 1888 – Jan 3, 1989).
- 19 Henry Schultz Economics professor, U. Chicago signed 100% banking reserves letter March 1933 on file in FDR Library in Hyde Park, NY (9/4/1893 – 11/26/1938). One of 16 Econometric Society founding members.
- 20 Frank Dunstone Graham Economics and International Finance Professor Princeton (1890-1949). Frank D. Graham Memorial Lecture at Princeton is named in his honor. (Jan 1, 1890 - Sep 24, 1949).
- 21 Charles R. Whittlesley Economics professor at Princeton and Wharton School, U. Penn (1900-79).
- 22 Richard A. Lester Labor Economics Professor, Former Chairman Princeton Department of Economics author "Gold Money, Bank Money, and Real Money" VQR Spring 1941 (3/1/1908 – 12/31/1997). AEA VP 1961.
- 23 Earl J. Hamilton Economics Professor Duke (1927-44) and U. Chicago (1947-67), also editor of the Journal of Political Economy for seven years and president of the Economic History Association 1951-52. (1899 – 1989).
- 24 Willford I. King Economics Professor, NYU 1927-45 (1880–1962).
- 25 Charles O. Hardy Associate Economist at Fed during Marriner Eccles Roosevelt era Chairmanship, fellow at Brookings Institution and author including "Credit Policies of the Federal Reserve System in 1932.
- 26 John R. Commons Economics Professor and Labor Historian University of Wisconsin-Madison. Past President of the American Economic Association 1917. (October 13, 1862 – May 11, 1945).
- 27 James W. Angell Economics Professor Columbia University (1898-1986).

#### # Government Members

- 1 Robert L. Owen U.S. Senator (D-OK) 1907-25, Chairman Senate Committee on Banking and Currency (1913-1919) and Senate sponsor of the Glass-Owen Bill (H.R. 7837) which became the Federal Reserve Act signed into law 12/23/1913, (Feb 2, 1856 – July 19, 1947).
- 2 Henry Wallace 33rd Vice President of the United States (1941-45), Secretary of Agriculture (1933-40) and Secretary of Commerce (1945-46) under Roosevelt and Truman Administrations
- 3 Paul Howard Douglas U.S. Senator (D-IL) 1948-66 and former Univ of Chicago economics professor supported 100% reserve banking including co-authoring *A Program for Monetary Reform* in July 1939. President AEA 1947. (3/26/1892 - 9/24/1976).
- 4 Bronson Cutting U.S. Senator from New Mexico (interim 1928 and 1929-35) introduced 100% reserve banking legislation in Senate June 6, 1934 (S. 3744)(June 23, 1888 – May 6, 1935).
- 5 Wright Patman U.S. Congressman (D) from 1st District Texas (1929-1976) and chair of the House Committee on Banking and Currency (1965–75) introduced legislation in House in 1934 (H.R. 9855)(August 6, 1893 – March 7, 1976).
- 6 Jerry Voorhis U.S. Congressman (D) from 12th District California 1937-1947. Voorhis supported 100% reserve banking and teamed with Wright Patman to force Fed to pay most interest earned on federal securities to the U.S. Government (Apr 6, 1901–Sep 11, 1984).
- 7 T. Alan Goldsborough U.S. Congressman (D) from 1st District Maryland (1921-1939) introduced legislation to end fractional reserve banking system in 1937 (HR 31) (September 16, 1877 – June 16, 1951).
- 8 Ron Paul U.S. Congressman from 14th District Texas (1997-2012) and two time Republican candidate for President.
- 9 Dennis J. Kucinich U.S. Congressman from 10th District Ohio (1997-2012).
- 10 Douglas Carswell MP in British Parliament (2005-2017)

#### # Notable Historic Supporters

- 1 Thomas Edison Greatest Inventor of 20th Century (February 11, 1847 – October 18, 1931).
- 2 David Hume One of the most important figures in the history of Western philosophy in *Of Money* 1752. (1711-1776)
- 3 Robert de Fremery Respected financial writer and author *Money and Freedom* 1955. (Aug 24, 1916 - Nov 7, 2000)
- 4 Gertrude M. Coogan First woman to receive MBA from Northwestern in 1922 with special honors and author of *Money Creators* 1935.

#### SOURCES:

- 1-Robert de Fremery from *Money and Freedom*, 1955 at <https://www.cooperative-individualism.org/fremery-robert-de-money-and-freedom-1955-00.htm>
- 2-"Irving Fisher and the 100% Reserve Proposal", William Allan, UCLA, 1993 at [http://www.fullreservebanking.com/?page\\_id=24](http://www.fullreservebanking.com/?page_id=24)
- 3-"The 'Chicago Plan' and New Deal Banking Reform", Ronnie J. Phillips, 1992 at <http://www.levyinstitute.org/pubs/wp/76.pdf>