

Hon. Robert LaFollette
U. S. Senate
Washington, D. C.
Sir;

98-37

~~file 50~~
40-164

As one who believes that the Pinkerton Detective Organization constitute a menace to individual liberties and who is therefore in sympathy with the work of your committee, I offer the following information for whatever value it may have.

Following the establishment of the S.E.C. the New York Stock Exchange has instituted the practice of requiring from every employee of every member firm a complete personal history covering records of all employments, explanation of any financial or other past difficulties, etc. This is of course highly personal information and is given to the Exchange in confidence. It is required of all employees of member firms from office boys up to and including partners. The Exchange formerly made the necessary check ups and investigations of these personal histories themselves but now employ the Pinkertons to do so. Their charges average \$10 to \$15 per report and since the total personnel of all the member firms with their branches is considerable, the income from the business is very substantial.

This supervision by the Exchange is doubtless praiseworthy, however what they probably do not know and what the individuals who furnish their personal information to the Exchange in confidence certainly do not know is that this confidential information becomes a part of the Pinkerton files and is thereafter available to any private client who is willing to pay for a report.

It appears to me that if this situation were brought to light in the hearings before your committee so that it came to the attention of the partners and officers of member firms, the resulting reaction would supply an effective corrective.

You may also be interested to learn, if you do not already know that as of August 15th 1937, the Pinkertons put into effect a general salary cut throughout their organization of 10%. The reason given to their employees was a loss of business due to the activities of the LaFollette Committee. This is interesting in the light of the previous testimony of Mr. Pinkerton as to the amount of his dividends in 1936 and the net worth of the corporation.