

COMMITTEE REPORT

*To the Board of Directors of the
Chamber of Commerce of the United States:*

Introductory

The undersigned, as a committee appointed to review the extensive report upon the federal reserve system recently submitted by the Banking and Currency Committee of the Chamber, find it to be currently applicable and to contain recommendations which should have the consideration of the organizations in the Chamber membership.

Extended Report

The report—"The Federal Reserve System"—and the eight auxiliary statements upon special phases of the system, should contribute to the development by the American business public of a spirit of sober and sympathetic criticism of the system, and in their entirety will repay review by the business community. They should be considered as a whole in connection with our observations below.

Auxiliary Statements

Recommendations for Decision

We have found it practicable to select from the report certain recommendations which in our judgment lend themselves to expressions of approval or disapproval by the member organizations. We have omitted conclusions that are so technical in nature or so general as to be unsuited to this purpose. A few of the recommendations we present below differ in literal statement but are compatible in substance with those of your Banking and Currency Committee, of which all of the undersigned were members.

Nature of Recommendations

We believe it is significant that in the studies of the Banking and Currency Committee, extending over a year, and in subsequent review, made in the light of recent developments, there are relatively few recommendations for changes in the Federal Reserve Act or in the administrative policies or practices of the system. In no instance is there insistence upon the necessity of immediate legislation. Instead, the emphasis is upon the importance of a capable and politically independent management and upon the wisdom of permitting the system to develop improvements in practice unhampered by upsetting investigations or by attempts at narrow legislative control of its policies.

Management Emphasized

It is recognized, however, that it is not possible to foretell when harmful proposals will be vigorously agitated. It is well, therefore, for the business community to register without undue delay its considered opinion upon fundamental aspects of the system.

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