

distinguished and influential. Enhancement of the importance of this office is necessary if men of the highest capacity are to be secured and if Board membership in general is to be more attractive. This proposal is not to be understood to involve any reflection upon the present Secretary of the Treasury. On the contrary, his ability and the undoubted high character of his public service stamp his administration as one of the ablest the country has ever enjoyed. It is because of his very incumbency that such a proposal can be made without the restraints that would be necessary were a lesser man in office.

**Relationship  
to Treasury**

There should, however, be some rather close interrelationship between the Federal Reserve Board and the Treasury Department, and it is inevitable that in the very nature of things there would be. To be independent is not to be less cooperative. There could, and undoubtedly would exist a close contact and splendid cooperation between the Department and the Board, without dissolution of the official connection as we suggest. There are important banks of issue abroad which have no representatives of the government upon their governing boards.

The Committee has reviewed a current proposal that, instead of the Secretary of the Treasury being a member of the Board, the Undersecretary should sit, but is convinced that this is not a practical suggestion. The Committee is convinced of the undesirability of the Secretary's membership on the Board. The Committee is willing to concede that legislation to this end might await the test of further experience, but believes that an early change in the Chairmanship of the Board is desirable.

**Comptroller of  
Currency**

This Committee is further of the opinion that there should be a thoroughgoing survey of the office of Comptroller of the Currency and its relationships to the Treasury Department and to the Federal Reserve Board to see if it would not be feasible to make such a transfer as would bring the duties and activities of that office under the purview of the Federal Reserve Board rather than continue them under the Treasury. While recognizing the force of some of the practical difficulties, the Committee nevertheless feels that more is to be said for the divorce of the office of the Comptroller of the Currency from the Treasury Department than against that proposition.

**Building for  
Board**

As a further means of developing the independent status of the Board, that body should be adequately housed in a special building of its own. This building should provide adequate facilities for the Board's analytical and research work, now being done at a distance from the Treasury Building where the Board is housed.

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