

February 8, 1954

Luncheon Interview with Mr. Carl Parry
at the Board, Friday, Feb. 5, 1954.

Parry asked two or three pertinent questions:

1. Why, in 1925, was the Federal Reserve Board's charter made permanent, instead of going the way of older federal banking systems?

2. What had the System done between 1913 and 1925 that won it immortality?

3. He also said the Federal Reserve Act was passed when the United States was on the gold standard. In substance, it assumes that we still are; that point of view still holds despite everything that has happened. Why has theory not kept up with fact?

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WJQ

(MA)