

Excerpt from statement of Mr. Sproul before the Joint Committee on the Economic Report on May 12, 1948.

"Then there is the organization and functioning of the Federal Reserve System itself. I have always believed and still believe that we have in the Federal Reserve System a wise blend of national authority and regional responsibility, of Government control and private participation. But it is some time since the Congress gave us its mandate and various interpretations of its intent have gained currency. More and more it seems to have become the habit to think of the System as a head office in Washington with 12 branches or subsidiaries in the 12 Federal Reserve Districts, and even to forget that the Board of Governors is a Board and not a chairman with deputies, great though the powers of the Chairman may be. More and more it has become the habit to minimize the value or deny the propriety of any private participation in the affairs of the System. I oppose these tendencies."