OBJECTIONS TO THE BANKING BILL OF 1935

I. Bill embodies new and untried and unsound theory

Theory is monetary control by public body in public interest
Breakdown of automatic gold standard - hence need of control
Possibility of good control lessened by poor administrative organization of system

II. Destroys regional autonomy of Federal Reserve banks

Monetary control must be national not regional
Reserve banks don't invest member bank funds - they create and destroy money
Increased automomy in regional matters
Bill aims at proper division of powers

III. Political domination

No change in relation of Federal Reserve Board to Administration
Bill aims at increased independence of Federal Reserve Board
1. Pensions
2. Salaries
3. Qualifications
4. Objective
5. Increased authority and responsibility
6. Enhanced prestige

Fine record of independence in past
Not to finance deficit

IV. Deterioration of quality of bank assets

Eligibility
Real estate

V. No emergency; need for further study