Foster a flow of credit and money that will facilitate orderly economic growth, a stable dollar, and a long run balance in our international payments.

Article I, Section 8, Clause 5: The Congress shall have power to coin money, regulate the value thereof, and of foreign coin.

Federal Reserve System never has been tested for const. compliance. Court has refused to accept jurisdiction of cases.

Power of Congress is absolute --

Gold cases
Legal tender
Greenbacks

The court is powerless.

Ground rules can be changed. Harsh results. Explosive evolution of banking industry --

Sophistication of customers
Computers
Change in money mix
Trust services
Federal funds market
International considerations
Deliberate and positive effort --

Fiscal policy
Monetary policy

This district --

Small banks --

1342 banks (insured)
1171 are under 10 M
926 are under 5 M
597 non par
494 are members of Fed. Res.

Average of all member banks: 13.3 M
Average of all non-member banks: 3.5 M