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ADDRESS REPLY TO
FEDERAL RESERVE BOARD
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At the beginning of my service on the Federal Reserve Board I had a rather strong feeling, which perhaps amounted to a prejudice, that Federal Reserve notes should not be counted as reserve by National banks. During the twenty-two months of my service I have given the matter careful thought and study and while my mind is perhaps not fully made up, and certainly still open to conviction, I have rather come to the conclusion that my first view was a mistake and that there is at least a good deal to be said on the other side.

I have attempted to state the case fully and fairly in the attached memorandum and I should be very glad to have you read it at your convenience and give me the benefit of your suggestions and criticisms. Please understand that this memorandum expresses only my personal views and expressions.