

The original documents are located in Box 119, folder “Federal Reserve Board” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Ron Nessen donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

February 18, 1975

SUBJECT: HUMPHREY CRITICIZES FEDERAL
RESERVE BOARD

In his appearance on Meet the Press on Sunday, Senator Humphrey criticized the Federal Reserve Board for not easing credit.

What's your reaction to Senator Humphrey's statements, and do you feel the Federal Reserve Board should ease credit?

GUIDANCE: I should point out that when the Federal Reserve Board buys Federal Securities in the open market, this makes more bank reserves available, thus easing credit. An indication of this easing is that in July, the Federal Fund Rate, the Inter-bank Lending Rate, was over 13.5%. That is now down to about 6%. This is just one indication that the credit conditions have eased somewhat.

I'd also like to point out in 1913, the Federal Reserve Board was created as an independent agency. *and* ~~It was given this independent status, in order to be above political pressures, we feel it would be improper to exert influence or bring pressure on the Federal Reserve Board because of its independent nature.~~

I might also point out that the Federal Reserve Board is subject to Congressional oversight.

FYI

Don says there may be times when we want to jawbone the Fed.

JGC