

TO

*M. H. E.*

FROM

*L. C.*

**REMARKS:**

This is a re-draft in charter form and not signed.

You might use this & Land & some me.

*Hubert*  
*M. H. E.*

*L. C.*

**GOVERNOR'S OFFICE**

President's authority with respect to appointments  
to the Board of Governors of the Federal Reserve System  
under the Banking Act of 1935.

The Board of Governors of the Federal Reserve System now consists of six members appointed by the President by and with the advice and consent of the Senate and two ex officio members. Under the Banking Act of 1935, the Board will consist, after February 1, 1936, of seven members appointed by the President by and with the advice and consent of the Senate. The law provides that the members in office on August 23, 1935 and the ex officio members shall continue to serve until February 1, 1936.

The law contemplates that the President shall appoint seven members of the Board to take office February 1, 1936, the terms of office of such members to be two, four, six, eight, ten, twelve and fourteen years from that date, respectively. There are no vacancies in the membership of the Board at this time, however, and in my opinion the President is, accordingly, not authorized to appoint a member of the Board to take office prior to February 1, 1936 unless such a vacancy should occur.

The President may, however, if he desires for any reason to make his selection at this time of one or more Board members effective February 1, publicly announce that he will nominate upon the convening of the Senate a certain person or persons to take office on February 1 or thereafter when confirmed by the Senate. As to the Chairmanship, it is not believed that the President is authorized at this time to designate a present member of the Board as Chairman, since the law provides that he shall designate a Chairman from the persons "thus appointed", apparently referring to persons appointed to succeed present appointive members of the Board. However, the President may, if he so desires, announce that he intends to designate a certain person as Chairman when he shall have become a member on or after February 1. Pending such designation, the present Chairman will continue as such during his service as a member of the Board.