

January 31, 1940.

Dear Rudolph:

I am sending you herewith a copy of the text of a suggested letter for the President's signature with reference to what in effect is my exchanging terms with Chester Davis so that I may take the unexpired portion of his term running until February 1, 1944, which will coincide with a four-year term as Chairman required under the law, and so that Mr. Davis may take the fourteen-year term for which I would otherwise have to be appointed.

I am also enclosing a letter of resignation from Mr. Davis creating the vacancy necessary to accomplish the exchange of terms as indicated. I presume that Steve Early may wish to give out copies of the President's letter to me, assuming, of course, that it is satisfactory, and after the nominations have been made out and sent to the Senate.

I have discussed this letter, embodying the above, with Senators Wagner and Glass, who advise me they can see no objections to this course.

Sincerely yours,

M. S. Eccles,
Chairman.

Mr. Rudolph Forster,
The White House.

enclosures

THE WHITE HOUSE
WASHINGTON

March 5, 1940.

My dear Mr. Chairman:

I am enclosing, for your information, copy of the President's order of this date, designating you as Chairman of the Board of Governors of the Federal Reserve System.

Very sincerely yours,

A handwritten signature in cursive script, appearing to read "Edwin M. Watson". The signature is written in dark ink and is positioned above the typed name.

EDWIN M. WATSON
Secretary to the President

Honorable Marriner S. Eccles,
Chairman, Board of Governors
of the Federal Reserve System,
Washington, D. C.

Enclosure

January 31, 1940.

My dear Mr. President:

In accordance with a conversation with Chairman Eccles, I am submitting to you herewith my resignation as a member of the Board of Governors of the Federal Reserve System in order that you may send to the Senate his appointment for the unexpired portion of my term, ending February 1, 1944, and my appointment for the term of fourteen years, my resignation to take effect as and when my successor has been appointed and qualified. This will enable the Chairman, upon confirmation, to be redesignated as Chairman for the four-year term required by law, coinciding with his term as a member of the Board.

Respectfully,

(signed) Chester C. Davis

The Honorable
The President of the United States,
The White House.

My dear Mr. Chairman:

Since discussing with you my desire to have you continue as Chairman of the Board of Governors of the Federal Reserve System beyond February 1, 1940, I have concluded that the preferable way to accomplish this would be for you to accept a reappointment rather than serve on a hold-over basis. While the latter procedure may be permissible under the statute, I believe that the spirit of the law would be better served by the reappointment. Accordingly, I am transmitting to the Senate your appointment for the remainder of the term of Chester C. Davis which expires on February 1, 1944, and at the same time I am sending to the Senate his appointment for the fourteen-year term beginning February 1, 1940. This will enable me, upon your confirmation, to redesignate you as Chairman for the four-year term required by law, which will then coincide with the four-year period for which you would be appointed as a member of the Board.

You mentioned to me the restriction in the law which makes the Chairman, as well as each other member of the Board, ineligible for two years after termination of his service to hold any office, position or employment in any member bank unless he has served out the full term for which he was appointed. In view of the fact that you devoted so many years of work in the banking field before assuming a position in the Government, I can fully appreciate the considerations that make you reluctant to commit yourself to the acceptance of an appointment for an extended additional period. Therefore, in view of all of the circumstances, should you feel it necessary to relinquish your present position during my term of office, I would be glad to suggest to the Congress that consideration be given to the desirability of waiving the application of this restriction in this instance.

Sincerely yours,

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EXECUTIVE ORDER

DESIGNATING THE CHAIRMAN OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

By virtue of and pursuant to the authority vested in me by section 10 of the Federal Reserve Act (38 Stat. 260), as amended by section 203(a) of the act of August 23, 1935 (49 Stat. 704), I hereby designate Marriner S. Eccles as Chairman of the Board of Governors of the Federal Reserve System, to serve as such for a term of four years, effective February 1, 1940.

(Signed) FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

March 5, 1940.

THE WHITE HOUSE
WASHINGTON

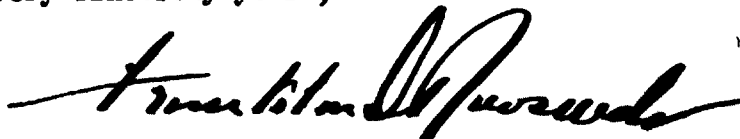
January 31, 1940

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Very sincerely yours,



Honorable Marriner S. Eccles,
Chairman, Board of Governors of the
Federal Reserve System,
Washington, D. C.