

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 21, 1948.

To Chairman Eccles

Subject: _____

From Mr. Thurston

Section 10, paragraph 2, of the Federal Reserve Act states:

"Of the persons thus appointed, one shall be designated by the President as Chairman and one as Vice Chairman of the Board, to serve as such for a term of four years."

While the same paragraph provides that "members of the Board shall continue to serve until their successors are appointed and have qualified", there is no such hold-over provision with respect to the designation as Chairman. George Vest thinks that the Chairman's term is definitely for the four-year period and that he has to be redesignated each four years. There is no reason, he says, why the President could not at any time sign the customary designation, to be effective beginning February 1, 1948.

Accordingly, I think it would be appropriate for you to mention to Matt Connelly that unless the President has other ideas, it would be well to issue the redesignation at any time now so as to allay possible speculation and uncertainty. The same considerations apply, of course, to Matt Szymczak.

A handwritten signature in black ink, appearing to be 'G. Vest', written over a horizontal line.