

FEDERAL RESERVE BOARD**WASHINGTON****ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD****X-4296**

March 23, 1925.

**SUBJECT: Appointment of alternate member of
Federal Advisory Council.**

Dear Sir:

The Board has been advised that the Federal Advisory Council has suggested to each Federal reserve bank that it appoint one alternate member of the Council to serve in the event of the inability of its regular member to attend a meeting.

A letter has been addressed to the President of the Federal Advisory Council advising him that under the terms of the present law, it is not believed there is any way in which the Federal reserve banks may legally make such appointments. A copy of the Board's letter to the President of the Council is enclosed herewith for your information.

Very truly yours,

D. R. Crissinger,
Governor.

To all Chairmen.

Enclosure:

March 21, 1925.

Dear Mr. Warburg:

The Board has been advised that the Council has suggested to the Federal reserve banks that they appoint one alternate member of the Federal Advisory Council to serve in the case of the inability of the regular member to attend a meeting.

The question of the Federal reserve banks appointing alternate members of the Federal Advisory Council has been before the Board on several occasions in the past, and the Board holds, upon advice of its Counsel, that under the terms of the present law it is not believed there is any way in which the Federal reserve banks may legally make such appointments.

If an occasion arises where it is impossible for a regularly appointed member to attend any particular meeting, the Council might as a matter of courtesy invite anyone it chose to attend its meetings, but in that case such a person would not be a legally constituted member of the Council and would not have power to vote on recommendations or other matters coming before the Council for consideration. The Board understands that some of the reserve banks have already appointed substitute members. Where this has been done the Board believes that the Federal Advisory Council may properly regard the action as an indication of those whom the reserve banks would like to see invited to the meetings of the Council, in the event of the inability of the regular members to attend.

There is some doubt as to whether a person invited by the Council to attend a meeting would be entitled to any compensation or allowance. The Board, however, will not question the payment of actual expenses in such cases.

I am sending a copy of this letter to each of the Federal reserve banks.

Very truly yours,

Governor.

Mr. Paul Warburg, President,
Federal Advisory Council,
53 Cedar Street,
New York, N.Y.