

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7491

July 10, 1933.

SUBJECT: Alternates for Members of Federal
Open Market Committee.

Dear Sir:

There is attached hereto, for your information,
a copy of a letter addressed by the Board to the Secre-
tary of the Federal Reserve Bank of Philadelphia under
date of July 8, 1933, with regard to the status of
alternates for regularly selected members of the Fed-
eral Open Market Committee.

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO ALL F. R. AGENTS.

C O P Y

X-7491-a

July 8, 1933.

Mr. C. A. McIlhenny, Secretary,
Federal Reserve Bank of Philadelphia,
Philadelphia, Pennsylvania.

Dear Mr. McIlhenny:

Receipt is acknowledged of your letter of June 28, 1933, advising that, at a meeting of the Board of Directors of the Federal Reserve Bank of Philadelphia held on June 21, 1933, Mr. George W. Norris, Governor, was elected a member of the Federal Open Market Committee to represent the Federal Reserve Bank of Philadelphia and Mr. William H. Hutt, Deputy Governor, was elected his alternate.

Under the provisions of Section 12A of the Federal Reserve Act, as amended by Section 8 of the Banking Act of 1933, the Federal Open Market Committee is a statutory committee; the Board of Directors of each Federal reserve bank is authorized to select only one member thereof annually; and no provision is made for an alternate. In the circumstances, it would seem that an alternate would have no legal status as a member of the Committee, even in the absence of the regularly appointed representative of his Federal Reserve Bank, and that the vote of an alternate on any matter coming before the Committee could not be counted, if a point of order were made against it.

There would seem to be no reasonable objection, however,

Mr. C. A. McIlhenny,

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to an alternate attending the meetings of the Committee and participating in the discussion, in the absence of the regularly appointed representative of his Federal Reserve Bank.

Very truly yours,

Chester Morrill,
Secretary.