

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-102

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



June 15, 1938.

Dear Sir:

Recently one of the Federal reserve banks inquired whether the Board of Governors would have any objection to one of its officers allowing his name to be presented at a school district meeting for election as a member of the board of education of the local school district. The election was held at a meeting open to all residents of the school district and it was understood that in the past the elections had always been free from party politics and that the members of the board had served without remuneration.

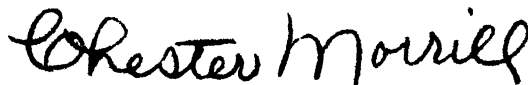
In submitting the matter for consideration by the Board of Governors, the Federal reserve bank suggested that service upon a school board or board of education, when the appointment or election to such office is free from party politics, is a public service which officers and employees of Federal reserve banks should not be precluded from performing, and that, in order to avoid the necessity of asking the Board of Governors to pass on individual cases of this kind, the Board might consider the advisability of permitting officers and employees of Federal reserve banks to serve in such offices whenever, in the opinion of the board of directors of the bank, the service would be compatible with the resolution adopted by the Board on December 23, 1915, in which the position was taken that persons holding political or public office could not serve consistently as directors or officers of Federal reserve banks.

The Board is in agreement with this suggestion and approves a modification of the existing procedure so as to exempt from the necessity of presentation to the Board of Governors for consideration all cases of service of officers and employees of Federal reserve banks as members of school boards or boards of education when, after careful consideration, the board of directors of the Federal reserve bank is satisfied that the procedure followed in connection with the appointment or election

to membership is entirely free from party politics, and that service on the board otherwise would be non-political in character.

In taking this action the Board has in mind that in some instances service on school boards and boards of education is closely associated with party politics. In one case that has come to its attention the election included a primary and general election conducted on the basis of political party affiliation of the candidates with only registered members of the party being entitled to vote in the primary and in that case the Board felt that the person should not serve. Therefore, each case presented to your board should be considered in the light of the facts in the particular case in order that your directors may be satisfied before approval is given that the service is entirely in harmony with the spirit of the resolution above referred to.

Very truly yours,



Chester Morrill,  
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS.