

**FEDERAL RESERVE ACT AMENDMENTS  
OF 1977: HEARING BEFORE THE  
SUBCOMMITTEE ON DOMESTIC  
MONETARY POLICY, NINETY-FIFTH  
CONGRESS, FIRST SESSION ON H.R. 6273**

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Federal Reserve Act Amendments of 1977: Hearing Before the Subcommittee on Domestic Monetary Policy, ninety-fifth congress, first session on H.R. 6273 by Various

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## FEDERAL RESERVE ACT AMENDMENTS OF 1977

THURSDAY, JUNE 23, 1977

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON DOMESTIC MONETARY POLICY OF THE  
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS,  
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:20 a.m., in room 2128, Rayburn House Office Building, Hon. Parren J. Mitchell (chairman of the subcommittee) presiding.

Present: Representatives Mitchell, Neal, D'Amours, Barnard, Watkins, Derrick, Hannaford, Hansen, and Caputo.

Mr. MITCHELL. The hearing will please come to order.

Dr. Burns, it is always good to have you appear before this subcommittee or any of the subcommittees of the Committee on Banking, Finance and Urban Affairs. We are delighted you could take time from your busy schedule to be with us, and we welcome you.

I have an opening statement which is in rather great detail. Recognizing the time constraints on the members and on the chairman, I will simply make one or two observations from that opening statement and ask unanimous consent that it become a part of the record.

This hearing has been called to consider H.R. 6278. The main provisions of the bill are, as you know:

First, that appointments of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System be made at regular 4-year intervals beginning February 1, 1982;

Second, that unexpired portions of the Chairman's or Vice Chairman's terms be filled only for the unexpired portions; and

Third, that the Senate confirm the President's designees for the positions of Chairman and Vice Chairman.

H.R. 6278 makes no change in the appointment of the members of the Board of Governors of the Federal Reserve System.

The scope of the bill is limited to the Federal Reserve Board Chairman and Vice Chairman only. The Senate confirmation has been discussed time and time again. As you read the statement in the record, I think we make a strong point for confirmation by the Senate.

Let me take a moment to stress that this legislation seeks only to achieve what President Carter said in a position paper on the



economy, which was released in April 1976. To-wit—and I am quoting from his position paper:

It is important that throughout a President's term he have a Chairman of the Federal Reserve whose economic views are compatible with his own. Currently the Chairman is appointed for a 4-year term, but not necessarily coterminous with the President's term. To insure greater compatibility between the President and the Federal Reserve Chairman, I propose that subject to Senate confirmation the President be given the power to appoint his own Chairman of the Federal Reserve who would serve a term coterminous with the President.

Obviously President Carter has not formally commented on my bill. I am just indicating what his position was in April of 1976.  
[The text of H.R. 6273 follows:]

95TH CONGRESS  
1st Session

# H. R. 6273

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 1977

Mr. MITCHELL, of Maryland introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To amend the Federal Reserve Act to provide for Senate confirmation of certain appointments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Federal Reserve Act  
4 Amendments of 1977".

5 SEC. 2. The third sentence of the second paragraph  
6 of section 10 of the Federal Reserve Act (12 U.S.C. 242) is  
7 amended to read as follows: "Of the persons thus appointed,  
8 beginning on February 1, 1982, and at four-year intervals  
9 thereafter, one shall be designated by the President, by and  
10 with the advice and consent of the Senate, to serve as Chair-  
11 man of the Board for a term of four years, and one shall be

1 designated by the President, by and with the advice and  
2 consent of the Senate, to serve as Vice Chairman of the  
3 Board for a term of four years."

4       SEC. 3. The second paragraph of section 10 of the Fed-  
5 eral Reserve Act (12 U.S.C. 242) is amended further by  
6 inserting after the third sentence stated above the following  
7 new sentence. "Whenever a vacancy shall occur, other than  
8 by expiration of term, among the Chairman or Vice Chair-  
9 man of the Board of Governors of the Federal Reserve Sys-  
10 tem appointed by the President as above provided, a suc-  
11 cessor shall be appointed by the President, by and with the  
12 advice and consent of the Senate, to fill such vacancy, and  
13 when appointed he shall hold office for the unexpired term of  
14 his predecessor."