



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

June 21, 1976

CONFIDENTIAL (FR)
CLASS II FOMC

TO: Federal Open Market Committee

FROM: Arthur L. Broida *ALB*

Chairman Burns has called for an executive session at the start of tomorrow's FOMC meeting (9:30 a.m.) to discuss the attached letter from Congressman Reuss.

Attachment

HENRY B. REUSS, WIS., CHAIRMAN
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June 21, 1976

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225-4347

#266

Honorable Arthur F. Burns
 Chairman
 Federal Open Market Committee
 Washington, D. C. 20551

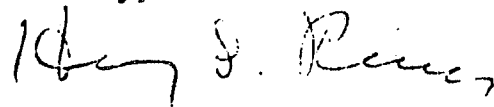
Dear Chairman Burns:

As you know, I have for some time advocated that presidents of Federal Reserve banks be appointed by the President of the United States, with Senate confirmation, because of their substantial function in the formulation and execution of governmental policy.

The recent decision of the United States Supreme Court in *Buckley v. Valeo* seems to me to raise a serious question as to the constitutionality of their continued service as voting members of the Federal Open Market Committee under the present procedure for their selection.

Since this is a question which only the courts can answer, I have initiated a legal action to enjoin them from serving on the Committee. I trust you will assure the members of the Committee who are named as defendants that this action is in no way a reflection on them. Its sole purpose is to bring about a prompt, definitive resolution of a serious constitutional issue.

Sincerely,



Henry S. Reuss
 Chairman

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