80TH CONGRESS
1ST SESSION

S. 828

IN THE SENATE OF THE UNITED STATES

MARCH 10 (legislative day, FEBRUARY 19), 1947

Mr. TOBEY introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To amend the Federal Reserve Act, 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, notwithstanding the provisions of section 1501 of the
4 Second War Powers Act, 1942, as amended, section 14 (b)
5 of the Federal Reserve Act, as amended (U. S. C., 1940
6 edition, Supp. V, title 12, sec. 355), is hereby amended
7 by striking out the proviso in such section 14 (b) and
8 inserting in lieu thereof the following: "*Provided,* That
9 notwithstanding any other provision of this Act, (1) until
10 July 1, 1950, any bonds, notes, or other obligations which
11 are direct obligations of the United States or which are

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1 fully guaranteed by the United States as to principal and
2 interest may be bought and sold without regard to maturities
3 either in the open market or directly from or to the United
4 States; but all such purchases and sales shall be made in
5 accordance with the provisions of section 12A of this Act
6 and the aggregate amount of such obligations acquired
7 directly from the United States which is held at any one
8 time by the twelve Federal Reserve banks shall not exceed
9 $5,000,000,000; and (2) after June 30, 1950, any bonds,
10 notes, or other obligations which are direct obligations of
11 the United States or which are fully guaranteed by the
12 United States as to principal and interest may be bought
13 and sold without regard to maturities but only in the open
14 market. The Board of Governors of the Federal Reserve
15 System shall include in their annual report to Congress
16 detailed information with respect to direct purchases and
17 sales from or to the United States under the provisions of
18 the preceding proviso."

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