

AMENDMENT TO SECTION 204 of H.R. 7617

Page 149, lines 19 and 20, strike out the words:

"the members of the Board of Governors of the Federal Reserve System and".

Page 150, commencing with line 17, strike out everything through line 14 on page 151 and substitute the following:

"(b) The Committee shall consult and advise with, and make recommendations to, the Board from time to time with regard to the open-market policy of the Federal Reserve System. The Committee shall also aid in the execution of open-market policies adopted from time to time by the Board and shall perform such other duties relating thereto as the Board may prescribe. The Board shall consult the Committee before making any changes on its own initiative in the open-market policy, in the rates of interest or discount to be charged by the Federal Reserve banks, or in the reserve balances required to be maintained by member banks.

"(c) After consulting with and considering the recommendations of the Committee, the Board, from time to time, shall prescribe the open-market policy of the Federal Reserve System. Each Federal Reserve bank shall purchase or sell obligations of the United States, bankers' acceptances, bills of exchange, and other obligations of the kinds and maturities made eligible for purchase under the provisions of section 14 of this Act to such extent and in such manner as may be required by the Board in order to effectuate the open-market policies adopted by the Board from time to time under the provisions of this section and each Federal Reserve bank shall cooperate fully, in every way, in making such policies effective.

"(d) All transactions of Federal Reserve banks under authority of section 14 of this Act shall be subject to such regulations, limitations, and restrictions as the Board may prescribe."