

[PUBLIC LAW 905—80TH CONGRESS]

[CHAPTER 836—2D SESSION]

[S. J. Res. 157]

JOINT RESOLUTION

To aid in protecting the Nation's economy against inflationary pressures.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to protect the Nation's monetary, banking, and credit structure, and interstate and foreign commerce, against increased inflationary pressures, the Board of Governors of the Federal Reserve System are authorized, notwithstanding the Act of August 8, 1947 (Public Law 386, Eightieth Congress), to exercise, up to and including June 30, 1949, consumer-credit controls in accordance with and to carry out the purposes of Executive Order Numbered 8843 (August 9, 1941) insofar as it relates to installment credit.

All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of consumer installment credit controls as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such consumer installment credit controls as the Commission now has under the said sections.

SEC. 2. Section 19 of the Federal Reserve Act, as amended, is amended by inserting after the sixth paragraph thereof the following new paragraph:

“Notwithstanding any other provision of law, the Board of Governors of the Federal Reserve System, in order to prevent injurious credit expansion, may by regulation change the requirements as to reserves to be maintained pursuant to this section against demand or time deposits or both (1) by member banks in central reserve cities, or (2) by member banks in reserve cities, or (3) by member banks not in reserve or central reserve cities, or (4) by all member banks; but no such change shall have the effect of requiring any such member bank to maintain a reserve balance against its time deposits in an amount equal to more than 7½ per centum thereof, or a reserve balance against its demand deposits in an amount equal to more than 30 per centum thereof if such bank is in a central reserve city, 24 per centum thereof if in a reserve city, or 18 per centum thereof if not in a reserve or central reserve city. No change in reserve requirements made under authority of this paragraph shall continue in effect after June 30, 1949.”

Approved August 16, 1948.