

A B I L L

To amend the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 12A of the Federal Reserve Act, as amended (U.S.C., Title 12, sec. 263), is amended by striking out the second and third sentences thereof and substituting the following:

"Such representatives shall be presidents or first vice presidents of Federal Reserve Banks and, beginning with the election for the term commencing March 1, 1943, shall be elected annually as follows: One by the board of directors of the Federal Reserve Bank of New York, one by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia and Richmond, one by the boards of directors of the Federal Reserve Banks of Cleveland and Chicago, one by the boards of directors of the Federal Reserve Banks of Atlanta, Dallas and St. Louis, and one by the boards of directors of the Federal Reserve Banks of Minneapolis, Kansas City and San Francisco. In such elections each board of directors shall have one vote; and the details of such elections may be governed by regulations prescribed by the Committee, which may be amended from time to time. An alternate to serve in the absence of each such representative shall likewise be a president or first vice president of a Federal Reserve Bank and shall be elected annually in the same manner."

SEC. 2. The sixth paragraph of section 19 of the Federal Reserve Act, as amended (U.S.C. Title 12, sec. 462b), is amended to read as follows:

"Notwithstanding the other provisions of this section, the Board of Governors of the Federal Reserve System, upon the affirmative vote of not less than four of its members, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained 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 the amount of the reserves required to be maintained by any such member bank as a result of any such change shall not be less than the amount of the reserves required by law to be maintained by such bank on the date of enactment of the Banking Act of 1935 nor more than twice such amount."

SEC. 3. The ninth paragraph of section 19 of the Federal Reserve Act, as amended (U.S.C. Title 12, sec. 464), is amended by striking out the proviso thereof, so that the paragraph will read as follows:

"The required balance carried by a member bank with a Federal Reserve Bank may, under the regulations and subject

to such penalties as may be prescribed by the Board of Governors of the Federal Reserve System, be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities."