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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date August 6, 1941

To The Files

Subject:

From Mr. Coe

MPC.

After correspondence with Mrs. Hamlin (see letters of May 25 and June 4, 1941) the items attached hereto and listed below, because of their possible confidential character, were taken from Volume 224 of Mr. Hamlin's scrap book and placed in the Board's files:

VOLUME 224

Page 5
Dr. Miller's draft to amend the Glass Bill.

Page 49
Proposed Amendment to the Federal Reserve Act with Regard to Member Banks on their Promissory Notes. (Draft - Wyatt)

Page 91
Letter to Governor Meyer from Chairman of Pension Committee re Retirement Program.

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A. C. M.
Feb. 11'32.

Amend the Glass Bill (S. 3215) as follows:

1. Immediately after subsection (h) of Section 2 (i. e., between lines 17 and 18 on page 4 of the print of January 21, 1932) insert a new paragraph as follows:

"(i) 'Security loans' includes all loans secured by stocks, bonds or other investment securities (other than obligations of the Government of the United States) and all loans made for the purpose of enabling the borrower to purchase, trade in or carry such securities."

2. Throughout the bill strike out the words "loans on collateral" and all words of similar import and insert in lieu thereof the words "security loans".

3. Strike out Section 6 of the bill and change section 3 to read as follows:

"Sec. 3. Section 4 of the Federal Reserve Act, as amended, is further amended by inserting therein, immediately after the paragraph thereof which commences with the words, 'Said board shall administer the affairs of said bank fairly and impartially', two new paragraphs reading as follows:

"The primary purposes of the Federal Reserve System shall be to accommodate commerce, industry and agriculture, to protect the depositors of member banks, to maintain economic and financial stability in the United States, and to provide a safe and elastic currency. The Federal Reserve Board and every Federal reserve

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bank shall exercise care to prevent the undue diversion of the resources of the Federal Reserve System into the financing of stocks, bonds and other investment securities or into speculative or other uses inconsistent with such purposes.

"Within the intent and limitations of this Act, as above defined, the Federal Reserve Board may prescribe regulations further defining and regulating the use of the credit facilities of the Federal Reserve System. With a view of insuring the proper and authorized use of the credit facilities of the Federal Reserve System, each Federal reserve bank shall keep itself informed of the loan and investment practices of its member banks. The Chairman of each Federal reserve bank shall report to the Federal Reserve Board any unauthorized or improper use of such credit facilities together with his recommendations for remedial action in the matter. Each Federal reserve bank may, in its discretion, suspend from the use of its credit facilities any member bank making undue, unauthorized or improper use of such facilities; and the Federal Reserve Board shall also have power, in its discretion, to make such suspensions."

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Sec Bk

Wyatt
Nov 18 '32

PROPOSED AMENDMENT TO THE FEDERAL RESERVE ACT WITH REGARD TO ADVANCES TO MEMBER BANKS ON THEIR PROMISSORY NOTES.

The Federal Reserve Board in its annual reports for the years 1927, 1928 and 1929, recommended to Congress the enactment of an amendment to Section 13 of the Federal Reserve Act increasing from 15 to 90 days the maximum maturity of advances which may be made by Federal reserve banks to member banks on their promissory notes secured by paper which is eligible for rediscount by Federal reserve banks; and in its annual report for 1929, the Board also recommended an amendment to this section of the Federal Reserve Act which would make debentures of Federal Intermediate Credit Banks eligible as security for advances by Federal reserve banks to member banks on their promissory notes for periods not exceeding 15 days. In the following paragraphs there are set forth the reasons why such amendments to the Federal Reserve Act are believed both important and desirable.

Under the present law, Federal reserve banks may rediscount for member banks commercial or industrial paper with maturities up to 90 days and agricultural paper with maturities up to nine months, and may make direct advances to member banks on their promissory notes secured by commercial, industrial or agricultural paper for periods not exceeding 15

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days. An amendment to the law, therefore, increasing the maximum maturity of advances to member banks on their promissory notes secured by such paper would not involve a broadening in the character or class of paper or securities which may be legally acquired by Federal reserve banks and would not constitute in any respect a departure from the fundamental purposes of the Federal Reserve Act.

There is no difference in principle between the rediscount by a Federal reserve bank of paper arising out of an agricultural, commercial or industrial transaction, and an advance to a member bank on its promissory note secured by paper arising out of such a transaction. A member bank which has paper of this kind in its portfolio may use it to obtain credit from its Federal reserve bank by either method. The underlying transaction which is the basis for the credit is, therefore, the same in either case; the substance of the transaction is the same and the only difference is one of form. Furthermore, although it was apparently contemplated by the original Federal Reserve Act that member banks would rediscount paper with the Federal reserve banks to obtain funds with which to finance the transactions giving rise to the rediscounted paper, experience has demonstrated that member banks usually borrow for the purpose of restoring depleted reserve balances with the Federal reserve banks rather than for the purpose of making additional loans; and the purpose of the borrowing is, therefore, the same whether the funds are obtained through re-

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discounting or by means of a direct advance from the Federal reserve banks. There is accordingly no logical reason why Federal Reserve Banks should not have the same latitude in making advances to their member banks against the pledge of commercial, industrial and agricultural paper which is eligible for rediscount as they have with respect to rediscounting such paper.

From a practical standpoint, however, the use of promissory notes secured by collateral as a method of obtaining Federal reserve credit has many advantages over rediscounting both for the member banks and for the Federal reserve banks.

Rediscounting is troublesome and inconvenient. To obtain any substantial amount of credit through rediscounting, a member bank must offer to the Federal reserve bank a number of separate notes or bills of varying amounts and of different maturities; and the amount of discount must be calculated separately for each of these notes or bills. For example, if a member bank wishes to rediscount paper in the amount of $100,000, it is usually necessary for it to offer 50 or 60 or more of its customers' notes for the purpose; and the discount must be separately computed as to each of these notes. If for any reason, other notes are later substituted for some of those first rediscounted the amount of discount on each of the substituted notes must also be calculated. When a member bank borrows on its own promissory note secured by collateral, however, it is only necessary to compute the interest on one note for the full amount of the loan and, in cases of

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substitution of collateral, no additional computation of interest is required.

Not only the member banks but the Federal reserve banks as well are benefited by the use of the direct borrowing method in obtaining Federal reserve credit. The amount of interest on each note rediscounted by a member bank must be calculated both by the Federal reserve bank and by the member bank; and a direct borrowing on the basis of one note, therefore, saves the Federal reserve bank much trouble and expense. In addition, it is necessary for the Federal reserve bank to send back to the member bank for collection each note under rediscount as it matures; whereas, the return of notes for collection is unnecessary in the case of an advance to a member bank on its promissory note because the notes or bills pledged with the Federal reserve bank as collateral security do not mature until after the maturity of the advance by the Federal reserve bank. This also results in the saving of much labor on the part of the Federal reserve banks.

Furthermore, in the event of the failure of a member bank which has discounted notes with a Federal reserve bank, it is necessary for the Federal reserve bank to prove a separate claim against the insolvent institution for each note under rediscount; whereas in a case where a Federal reserve bank holds a member bank's own note secured by any number of notes as collateral, it may, in the event of the failure of the member bank, prove one claim for the entire amount.

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It was the practice of banks, prior to the enactment of the Federal Reserve Act to borrow from their correspondent banks on their own promissory notes secured by collateral. This form of borrowing from Federal reserve banks, however, was not permitted to member banks by the original Federal Reserve Act; and membership in the Federal Reserve System was less attractive on this account. Many of the banks which were members of the system preferred to continue their practice of borrowing from their correspondent banks on their own promissory notes rather than to change their method of borrowing in order to avail themselves of the rediscount facilities of the Federal Reserve System. By an amendment to the Federal Reserve Act, adopted September 7, 1916, Congress authorized Federal reserve banks to make direct loans to their member banks on their promissory notes secured by paper eligible for rediscount or for purchase by Federal reserve banks or secured by bonds or notes of the United States; but the maturity of such notes was limited to 15 days.

This amendment proved of material benefit to member banks which are located in the same cities with Federal reserve banks or their branches or in nearby cities, and such banks have made extensive use of the privilege of direct borrowing on their promissory notes. Country banks generally, however, have

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not availed themselves of this privilege to any great extent because of the inconvenience of renewing their notes every 15 days. The character of business conducted by the larger member banks in financial centers is such that they frequently borrow for only a few days at a time; whereas the character of business of country banks, particularly those in the agricultural sections, is such that they frequently need continuous accommodations for periods extending up to ninety days or more. It is obvious that a bank which needs credit for a period of 90 days will find it decidedly unsatisfactory to borrow on its 15-day note, which would have to be renewed five times during the 90-day period.

To many country banks, therefore, there is available no convenient method of obtaining credit from the Federal reserve banks; and, accordingly, these country banks continue to borrow from their city correspondents on their own promissory notes instead of borrowing from the Federal reserve banks. Borrowing from Federal reserve banks should be made equally as convenient for country banks as for city banks.

It is believed, therefore, that an amendment to the law increasing the maximum maturity of advances to member banks on their promissory notes secured by paper eligible for rediscount or for purchase from 15 to 90 days would be of material benefit both to member banks and to Federal reserve banks, for the following reasons:

1. Rediscounting is necessarily troublesome and in-

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convenient to member banks and to Federal reserve banks (a) because of the necessity for calculating separately the amount of discount on each note offered for the purpose, (b) because in cases of substitution of notes interest must be calculated separately on each substituted note, and (c) because each individual note rediscounted must at maturity be returned to the member bank for collection.

2. Borrowing by member banks on their own promissory notes does not involve these difficulties which are present in rediscounting.

3. Under existing law, many country banks do not borrow on their promissory notes because of the inconvenience of renewing such notes every fifteen days; and the proposed amendment would eliminate the necessity for such frequent renewals of member banks' promissory notes and would thus render this method of obtaining credit from Federal reserve banks convenient for use by country banks.

4. A cause of dissatisfaction among country member banks would be removed, and membership in the Federal Reserve System made more attractive to them.

5. In the event of insolvency of a member bank, each note under rediscount for such bank must be proved by the Federal reserve bank as a separate claim, but the entire amount of an insolvent member bank's promissory note secured by collateral may be proved as one claim.

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6. An increase in the maximum maturity of direct advances to member banks would not involve any departure from the fundamental purposes of the Federal Reserve Act but would be merely an extension of the principle of the amendment adopted in 1916.

The increase in maturity of advances on member banks' promissory notes should properly be limited to notes which are secured by paper eligible for rediscount or purchase by Federal reserve banks and should not be made applicable to advances secured by bonds or notes of the United States. It is believed that the proposed increase in maturity of notes secured by paper eligible for rediscount or purchase will be adequate to meet the difficulties mentioned above.

Under the existing law, Federal reserve banks are authorized to purchase debentures and other such obligations of Federal Intermediate Credit Banks which have a maturity at the time of purchase of not more than six months. Such obligations of Federal Intermediate Credit Banks are secured by agricultural paper which, when of proper maturities, is eligible for rediscount by Federal reserve banks. In these circumstances it is believed desirable that the law should be amended so as to permit debentures and other such obligations of Federal Intermediate Credit Banks, when complying with the requirements for purchase by Federal reserve banks, to be used as security for advances by Federal reserve banks to member banks on their promissory notes for periods not exceeding fifteen days.

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Mr. Hamlin
see Bu

February 11, 1932.

Hon. Eugene Meyer,
Governor, Federal Reserve Board,
Washington, D. C.

Dear Governor Meyer:

At a meeting of the Pension Committee of the System held in New York shortly after the last visit of the Governors to Washington, a careful review was had of all of the considerations that have come up during the past twelve years bearing upon the establishment of a retirement program for the staffs of the Federal reserve banks and the Federal Reserve Board.

It was the unanimous view of the committee that the need for formal provision within the System for the orderly and proper retirement of super-annuated officers and employees and those who had become permanently and physically disabled before reaching retirement age becomes more pronounced with each year of our experience and that the whole matter should be reviewed by the committee for the Federal Reserve Board, inasmuch as its membership has been so altered during recent years, and that the active cooperation of the Board be sought in making a retirement plan effective.

The committee accordingly requested Mr. James F. Curtis, counsel for the committee, to prepare a memorandum for the information of the Board, setting forth the history of the plan and the efforts that have heretofore been made to give it effect, as well as the present situation, which are combined in the accompanying memorandum, which contains also the recommendations of the committee. I am sending a copy of the enclosed memorandum to the governors of each of the Federal reserve banks and can furnish as many additional copies as may be desired for members of the Board, and of course the members of the committee would be prepared to discuss any phase of the matter at any time that the Board might desire.

Very truly yours,

E. R. Kenzel,
Chairman, Pension Committee.

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FEDERAL RESERVE RETIREMENT PLAN

Memorandum for the Federal Reserve Board
Submitted by the Retirement Plan Committee
of the Conference of Governors of Federal Reserve Banks
February 11th, 1932.

1.

History of the Plan

At a conference of Governors held at Washington in March, 1919, after a meeting with the Federal Reserve Board, a Special Committee was appointed to study plans for a pension fund for the Federal Reserve System. This Committee was composed of E. R. Kenzel, Deputy Governor of the Federal Reserve Bank of New York, Chairman, J. B. McDougal, Governor of the Federal Reserve Bank of Chicago, and E. R. Fancher, Governor of the Federal Reserve Bank of Cleveland. On November 18, 1919, in a report addressed to Governor Strong as Chairman of the Conference of Governors with the Federal Reserve Board, the Committee recommended that steps be taken to secure the services of expert actuaries and pension specialists, and counsel to advise with the Pension Committee. This report was adopted after the lapse of several months and Mr. Monell Sayre was employed as Pension Adviser, Mr. Henry Moir as Consulting Actuary, Mr. George B. Buck as Working Actuary, and Mr. J. F. Curtis as counsel. The first meeting of the Committee with the experts and counsel was held on September 8, 1920.

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In December 1920 the Committee recommended the adoption of a pension plan which should be applicable to the officers and employees of all Federal Reserve Banks and of the Federal Reserve Board, exclusive of the members of the Board. This plan received the unanimous approval of the Boards of Directors and officers of all the twelve Federal Reserve Banks. It was substantially as follows:

A. Officers and employees to be covered by the plan:

Compulsory for those entering the service after its establishment as they attain the minimum age of twenty-one; elective for those already employed at time of establishment.

B. Benefits to be provided:

1. Pensions or retiring allowances for superannuated employees.

2. Allowances during total and permanent disability.

3. Death benefits for those dying before retirement.

C. Methods of contributing to support of plan:

1. Annual contributions by officers or employees graduated in percentages of salary according to age at entrance into service of Bank; such contributions to be repayable with interest in case of death, resignation or dismissal.

2. Contributions by the Banks on a basis of approximate equality with the contributions of the employees.

3. Accrued liabilities covering credits for past terms of service to be assumed by both the Bank and the employees.

The following table gives an illustration of the average working of the Pension Plan for a member entering service at the age of twenty-five:

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The employee's contribution rate at age 25 is 3.60%. The Bank's contribution rate is 3.36%, covering service pension, disability pension, and death benefit.

After Service for	Average year's salary for age attained	Employee's payments to fund accumulated with 4% interest	Payment to beneficiary on death in service, viz: 1 year's salary and return of own contributions	Annuity in event of total disability in service	Pension on Retirement
0 yrs.	$1,440	$ 0	$ 1,440	$ 0	$
10 "	2,140	784	2,924	442	
20 "	2,660	2,226	4,886	519	
30 "	3,040	4,566	7,606	874	
40 "	3,340	8,184	11,524	1,272	1,526
45 "	3,460	10,644	14,104	-	1,780

When an employee enters on his pension the value of the pension vests and the pension is computed on the basis of guaranteeing the return of all the contributions available at the date the pension is entered upon. The following table shows

SUM PAYABLE AT DEATH OF PENSIONER

After	Pensioner entering at 65	Pensioner entering at 70
0 yrs.	$16,900	$17,200
5 "	9,270	8,300
10 "	1,640	0
15 "	0	0

Note: For a complete description of the Plan, see report of the Committee on Pensions of the Governors' Conference with the Federal Reserve Board, February 24, 1921.

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At the same time the Committee suggested two alternative methods of providing for the operation of the Plan, one being the enactment of an Act of Congress providing for the Federal incorporation of the Pension Association, and the other providing for the organization of such an Association under the existing laws of the District of Columbia.

At this time the Federal Reserve Board tentatively approved the second of these alternatives in order to obviate the necessity of requesting Congress to enact additional legislation. Before doing so, however, the Board requested from counsel of the Committee a memorandum as to the legal authority of the Federal Reserve Banks to organize such a corporation. Both the Secretary of the Treasury and Federal Reserve Board expressed the belief that an opinion on this question should be obtained from the Attorney General. On December 27, 1920, counsel for the Committee submitted an opinion to the effect that there was no provision of law which would prevent the proposed plan from being put into operation without new legislation, a copy of which was immediately forwarded to the Federal Reserve Board.

It appears, however, that the Federal Reserve Board subsequently refrained from asking the opinion of the Attorney General and adopted the view that it would be wiser to obtain an Act of Congress to incorporate the proposed Pension Association. Accordingly a draft of bill was prepared by counsel and was taken up in detail with Senator Smoot on March 16, 1921. On June 10, 1921,

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the Federal Reserve Board forwarded to Senator Smoot the proposed bill, which included the amendment suggested by Senator Smoot and additional amendments suggested by the Federal Reserve Board. In the covering letter Mr. Platt, Vice Governor of the Board, stated that "The bill itself has been given careful study by the Federal Reserve Board and its general details have been approved by the Board and is forwarded to you with the request that it be enacted into law as early as practicable." At the end of the covering letter, however, Mr. Platt stated that the Board were not prepared to approve the provision that the corporation might afford life insurance among other forms of support, as the Board wished to leave that question open.

However, Senator Smoot took no action at that session owing to the preoccupation in Congress with the Revenue Bill and the Tariff Bill, as shown in Senator Smoot's letter of October 13, 1921. Owing to the pressure of other legislation in Congress nothing further was done until December 1923. At that time although the Federal Reserve Board declined to make a formal recommendation to Congress urging the passage of the proposed bill, it appeared that individual members of the Board proposed to support the bill if and when introduced by the Governors of the Banks themselves or their Committee.

In November 1924 the bill was redrafted and, with various amendments that had been suggested by the Committee and by the members of the Federal Reserve Board, was submitted again

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to the Federal Reserve Board for its approval. This proposed bill was prepared for the 68th Congress, Second Session, but no decisive action was taken by the Board thereon until January 13, 1926, at which time the Board expressed itself as not objecting to the Pension Committee having a bill introduced in Congress, and stating that "The Board feels that it should keep itself free from an expression of any opinion at this time" and that anything the Committee decided to do "in connection with the introduction of the bill must be done upon the responsibility of the Committee." The bill had Secretary Mellon's hearty approval; and on April 2, 1926, Mr. Garrard Winston as Acting Secretary of the Treasury, in the absence of Secretary Mellon, wrote Senator McLean to the effect that "It is the view of the Treasury, therefore, that this legislation is desirable and it recommends its adoption." The new bill was accordingly introduced in the Senate on March 22, 1926. The Senate Committee on Banking and Currency held two hearings on April 13 and April 27, 1926, and thereafter reported the bill favorably with one amendment. Unfortunately the bill did not come up for action in the Senate before adjournment. The matter was taken up with Mr. McFadden, Chairman of the House Banking and Currency Committee, who, however, desired to postpone its introduction in the House until after the Banking Bill, then pending, had been disposed of.

The bill introduced by Senator McLean, Chairman of the Banking and Currency Committee, was passed by the Senate on December 17, 1926, and subsequently referred to the Banking and

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Currency Committee of the House on December 18, 1926, at the Second Session of the 69th Congress. The House Committee held two hearings on February 11th and 16th, 1927, and the bill was reported out with recommendation for passage on February 26, 1927, but with an adverse minority report. However, it was not acted upon before adjournment on March 4, 1927.

Thereafter the bill was again revised and introduced by Mr. McFadden as H. R. 4 on December 5, 1927, in the 70th Congress, First Session, and on December 6th (calendar day December 9th), 1927, introduced by Senator McLean in the Senate as S. 791. This bill with certain changes was reported favorably by the Sub-Committee of the House Banking and Currency Committee, of which Mr. Luce was Chairman, on January 27, 1928.

On February 1, 1928, the bill came up for consideration in the House at a time when few members were present. Unexpected opposition developed and a motion was finally made to strike out the enacting clause, which was passed without a record vote and the bill was thus defeated. On February 2, 1928, Mr. Luce of his own accord introduced a substitute bill, H. R. 10438, which was similar to H. R. 4 with certain changes. No action was had on this bill prior to adjournment.

Due to the pressure of other business in Congress, no bill was introduced in the short session beginning December 1928 nor in any of the sessions of 1929, 1930 or 1931.

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Present Situation

There is at present no legislation pending with respect to the proposed retirement plan.

The Committee of Governors has had this matter in hand since March 1919 and is still of the opinion that a retirement plan should be adopted for the benefit of the officers and employees of the Federal Reserve System, and that supplementary legislation is not necessary as a matter of law, but that the Federal Reserve Banks may lawfully place a retirement plan in operation either (a) through the instrumentality of Trustees to operate the fund, or (b) through a corporation organized under the existing laws of the District of Columbia, or (c) through a corporation organized under the insurance laws of the State of New York, as amended in 1926 by Chapter 501 of the Laws of 1926, being "An Act to Amend the Insurance Law in Relation to the Organization of Retirement Systems." This Act was adopted at the suggestion of the New York Superintendent of Insurance in order to authorize the organization of retirement corporations for the benefit of the employees of individual companies, such corporations to be conducted without profit and to operate under the general supervision of the Superintendent of Insurance. The Equitable Trust Company of New York has incorporated its retirement plan under this law and has found it eminently satisfactory in operation. Your Committee believes that the retirement plan for the whole of the Federal Reserve System could be operated under such an incorporation.

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Various insurance companies who have for some years carried group life insurance for employees of other concerns, have broadened the scope of their activities and undertake to underwrite retirement plans for the same groups in conjunction with their group life insurance. This form of retirement underwriting could be put into effect by Federal Reserve Banks by the payment of premiums into a fund by both the Banks and the employees. But your Committee are convinced that it would prove less useful and considerably more expensive than any of the other methods so far discussed.

The history of the attempted legislation has convinced the Committee that the adoption of any retirement plan which requires Congressional action is almost impossible unless it has not only the approval of the Federal Reserve Board but also the active support and co-operation of the Board.

The necessity for action has not diminished with the passage of time; on the contrary, it has increased. As evidence supporting this view the Committee ventures to quote a resolution adopted by the Board of Directors of the Federal Reserve Bank of New York on January 21, 1932, which is as follows:

> "WHEREAS, the directors have been giving consideration to the possibility of reducing the operating expenses of the bank without loss of efficiency and without lowering the morale of the bank's personnel, and such consideration has emphasized the fact that attempts further to reduce operating expenses without loss of efficiency or without lowering morale are seriously handicapped by the lack of any pension plan or retirement system, and

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WHEREAS, up to this time it has not been possible to organize a pension plan or retirement system in which all Federal reserve banks may participate,

NOW, THEREFORE, be it

RESOLVED, that the officers are authorized and directed to report and recommend to the Board of Directors, at as early a date as may be practicable, a pension plan or retirement system for this bank which, if approved by the directors, shall be submitted to the Federal Reserve Board for its approval; it being understood that if it should be possible, with or without legislation by Congress, to organize a satisfactory pension plan or retirement system to be participated in by all Federal reserve banks, this bank would participate in such pension plan or retirement system rather than in a pension plan or retirement system for this bank alone."

3.

Recommendations

Your Committee respectfully recommends that the Federal Reserve Board authorize the inauguration of a general retirement plan for the Federal Reserve System substantially in accordance with the method outlined by the Committee in December 1920; and it further recommends that the operation of such a plan be provided for under one of the following possible forms of organization, all of which have heretofore been considered.

While the Committee feels that incorporation under a Special Act of Congress would provide the most acceptable form of administration for the plan, yet as such a course apparently will still involve delays of a character and duration impossible to foresee in advance, it recommends as an alternative one of the other forms of organization listed below, the Committee's preference being indicated by the order in which they are listed.

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In conclusion, the Committee expresses its firm belief that the adoption of any form of organization is preferable to leaving the Federal Reserve System and its officers and employees wholly without the benefit or protection of any pension or retirement plan whatsoever.

The suggested forms of organization are as follows:

(1) A corporation organized by Special Act of Congress; or

(2) A retirement corporation organized under the amendment to the insurance laws of the State of New York; or

(3) A corporation organized under the laws of the District of Columbia; or

(4) A board of trustees to be appointed by the Federal Reserve Banks, or otherwise, under the supervision of the Federal Reserve Board without incorporation; or

(5) The purchase of retirement annuity insurance from the company or companies with which the Federal Reserve Banks now carry their group life insurance, to be supplementary to such group life insurance.

Respectfully submitted,

E. R. Fancher,
J. B. McDougal,
E. R. Kenzel, Chairman.

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