

BE IT ENACTED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES OF AMERICA IN CONGRESS ASSEMBLED, That Section 19 of the Act approved December 23, 1913, amended by an Act of August 14, 1914, be further amended and re-enacted so as to read as follows:

Sec. 19. Demand deposits within the meaning of this Act shall comprise all deposits payable within thirty days, and time deposits shall comprise all deposits payable after thirty days, and all savings accounts and certificates of deposit which are subject to not less than thirty days' notice before payment, AND ALL POSTAL SAVINGS DEPOSITS.

When the Secretary of the Treasury shall have officially announced, in such manner as he may elect, the establishment of a Federal reserve bank in any district, every subscribing member EVERY bank, BANKING ASSOCIATION, OR TRUST COMPANY WHICH IS OR WHICH BECOMES A MEMBER OF ANY FEDERAL RESERVE BANK shall establish and maintain BALANCES WITH ITS FEDERAL RESERVE BANK reserves as follows:

(a) A bank not in a reserve or central reserve city as now or hereafter defined shall hold and maintain WITH THE FEDERAL RESERVE BANK OF ITS DISTRICT A BALANCE IN COLLECTED AVAILABLE FUNDS reserves equal to NOT LESS THAN twelve SEVEN per centum of the aggregate amount of its demand deposits and five THREE per centum of its time deposits, as follows:

In its vaults for a period of thirty six months after said date five-twelfths thereof and permanently thereafter four-twelfths.

In the Federal reserve bank of its district, for a period of twelve months after said date, two-twelfths, and for each succeeding six months an additional one-twelfth, until five-twelfths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserve may be held in its own vaults, or in the Federal reserve bank, or in national banks in reserve or central reserve cities as now defined by law.

After said thirty-six months' period, said reserves, other than those hereinbefore required to be held in the vaults of the member bank and in the Federal reserve bank, shall be held in the vaults of the member bank or in the Federal reserve bank or in both, at the option of the member bank.

(b) A bank in a reserve city, as now or hereafter defined, shall hold and maintain WITH THE FEDERAL RESERVE BANK OF ITS DISTRICT A BALANCE IN COLLECTED AVAILABLE FUNDS reserves equal to NOT LESS THAN fifteen TEN per centum of the aggregate amount of its demand deposits and five THREE per centum of its time deposits, as follows:

In its vaults for a period of thirty-six months after said date six-fifteenths thereof, and permanently thereafter five-fifteenths.

In the Federal reserve bank of its district for a period of twelve months after the date aforesaid at least three-fifteenths, and for each succeeding six months an additional one-fifteenth, until six-fifteenths have been so deposited, which shall be the amount permanently required.

For a period of thirty-six months after said date the balance of the reserves may be held in its own vaults, or in the Federal reserve bank, or in national banks in reserve or central reserve cities as now defined by law.

-After said thirty-six months' period all of said reserves except those hereinbefore required to be held permanently in the vaults of the member bank and in the Federal reserve bank, shall be held in the vaults or in the Federal reserve bank, or in both, at the option of the member bank.

(c) A bank in a central reserve city, as now or hereafter defined, shall hold and maintain WITH THE FEDERAL RESERVE BANK OF ITS DISTRICT a BALANCE IN COLLECTED AVAILABLE FUNDS reserve equal to NOT LESS THAN eighteen THIRTEEN per centum of the aggregate amount of its demand deposits and five THREE per centum of its time deposits as follows:

In its vaults six-eighteenths thereof.  
 In the Federal reserve bank seven-eighteenths.  
 The balance of said reserves shall be held in its own vaults or in the Federal reserve bank at its option.

Any Federal reserve bank may receive from the member banks as reserves, not exceeding one-half of each installment, -eligible paper as described in section fourteen, properly indorsed and acceptable to the said reserve bank.

If a State bank or trust company is required by the law of its State to keep its reserves either in its own vaults or with another State bank or trust company, such reserve deposits so kept in such State bank or trust company shall be construed within the meaning of this section, as if they were reserve deposits in a national bank in a reserve or central reserve city for a period of three years after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in the district in which such State bank or trust company is situate except as thus provided, no No member bank shall keep on deposit with any nonmember bank a sum

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in excess of ten per centum of its own paid-up capital and surplus UNLESS SAID NONMEMBER BANK SHALL HAVE QUALIFIED AS AN ASSOCIATE MEMBER BANK UNDER THE PROVISIONS OF SECTION \_\_\_\_\_ OF THIS ACT. No member bank shall act as a medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this Act, ~~except~~ by permission of the Federal Reserve Board, UNLESS SAID NONMEMBER BANK SHALL HAVE QUALIFIED AS AN ASSOCIATE MEMBER UNDER THE PROVISIONS OF SECTION \_\_\_\_\_ OF THIS ACT.

The REQUIRED BALANCE ~~reserve~~ 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 Federal Reserve Board be checked against and withdrawn by such member bank for the purpose of meeting existing liabilities: Provided, however, That no bank shall at any time make new loans or shall pay any dividends unless and until the total ~~reserve~~ BALANCE required by law is fully restored.

In estimating the ~~reserves~~ BALANCES required by this Act, the net DIFFERENCE balance of amounts due to and from other banks shall be taken as the basis for ascertaining the deposits against which ~~reserves~~ REQUIRED BALANCES WITH FEDERAL RESERVE BANKS shall be determined. Balances in reserve banks due to member banks shall to the extent herein provided, be counted as reserves.

National banks OR BANKS ORGANIZED UNDER LOCAL LAWS located in Alaska or outside the continental United States may remain non-member banks, and shall in that event maintain reserves and comply with all the conditions now provided by law regulating them; or said banks ~~except in the Philippine Islands~~, may, with the consent of the Federal Reserve Board become member banks of any one of the reserve districts, and shall, in that event, take stock, maintain reserves and be subject to all the other provisions of this Act.

THIS ACT SHALL BECOME EFFECTIVE SIXTY DAYS AFTER ITS PASSAGE.