

ERRORS IN "THE CODE OF THE LAWS OF THE UNITED STATES  
OF AMERICA" RELATING TO THE FEDERAL RESERVE ACT.

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Those parts of "The Code of the Laws of the United States of America," Act of Congress approved June 30, 1926, which correspond to the various provisions of the Federal Reserve Act have been carefully examined and the errors and other inaccuracies which have been discovered are listed below. This list includes also a few errors which have been found in other statutes which affect indirectly the Federal Reserve System. The codification of such other statutes, however, has not been carefully checked and such errors as are mentioned were discovered incidentally in connection with the examination of the codification of the Federal Reserve Act and the amendments.

OMISSIONS.

The sixth and seventh paragraphs of Section 2 of the Federal Reserve Act providing for the forfeiture of the franchises of national banks, have been omitted from the bill. This omission was made evidently because these provisions were considered obsolete. A careful examination, however, shows that they are not obsolete but are still in full force and effect and applicable to national banks at the present time. These provisions should, therefore, be retained in the Code.

The first sentence of the fourth paragraph of Section 10 providing that the first meeting of the Federal Reserve Board shall be held in Washington is omitted. This was also omitted no doubt because considered obsolete but the provision is one which may have a bearing upon the location or situs of the Federal Reserve Board for purposes of suit or otherwise and should be retained.

Section 29 of the Federal Reserve Act providing that if any part of the Act is adjudged invalid such invalidity shall not extend to other parts of the Act,

has been omitted.

Section 30 of the Federal Reserve Act providing that the Act may be altered, amended, or repealed, has also been omitted.

There are certain other portions of the Federal Reserve Act which have been omitted from the codification but the omissions mentioned above are the only ones found to be material. All other provisions which have been omitted are believed to be obsolete.

OTHER ERRORS.

All references are to Title 12 unless otherwise stated.

Section 1. Corresponds to a part of Section 10 of the Federal Reserve Act. In the fourth line "a" before the words "national currency" should be omitted in order to comply with the original statute.

Section 82. Corresponds to Section 5202 of the Revised Statutes as amended by Section 13, Federal Reserve Act.

The 8th exception made under this section is not now law. This exception was intended to be made by Section 504 of the Agricultural Credits Act of 1923 but by mistake the amending provision referred to Section 502 of the Revised Statutes instead of 5202 of the Revised Statutes.

Section 92. Corresponds to the tenth paragraph of Section 13 of the Federal Reserve Act. In the last line of this section the word "filing" has been omitted between the words "in" and "his".

Section 221. Corresponds to Section 1 of the Federal Reserve Act. The definition of a "member bank" reads, in part, "\* \* a member of one of the reserve banks created by this chapter." Inasmuch as Federal

reserve banks were created under the Federal Reserve Act of December 23, 1913 and the provisions for their creation are omitted from the code, it would be better to say "a member of one of the Federal reserve banks."

Section 222. Corresponds to first paragraph of Section 2 of the Federal Reserve Act. Leaves out provisions regarding reserve bank organization committee but retains provision that new districts may be from time to time created by the Federal Reserve Board not to exceed twelve in all. Inasmuch as twelve districts have already been created, this provision is obsolete and should be omitted unless it is desired to preserve all of the provisions relating to the original creation of the Federal reserve districts. The authority to re-adjust districts, however, should be preserved.

Section 223. Corresponds to a part of Section 2 of the Federal Reserve Act. Provides that, "The Federal reserve cities now in existence are continued." This is now and might be construed to forbid the changing of any Federal reserve city. The present law does not forbid the changing of a Federal reserve city; but the Attorney General has ruled that the present law does not authorize the Federal Reserve Board to change a Federal reserve city once established.

Section 225. Corresponds to a part of Section 2 of the Federal Reserve Act. This contains a new provision to the effect that, "The Federal reserve banks now in existence in the various Federal reserve cities are continued". This also might be construed to prohibit the discontinuance of any Federal reserve bank but the Attorney General has ruled that the present law does not authorize the

Federal Reserve Board to discontinue any Federal reserve bank once established.

Section 243  
(e)

This corresponds to Section 11(c) of the Federal Reserve Act and refers to the reserve requirements set forth in "Section 20 of this chapter". There is no Section 20 in the same chapter of the Code, and the proper section number should be substituted. Section 11(e) of the Federal Reserve Act refers to Section 20 of the Federal Reserve Act; but this obviously is a clerical error, and Congress obviously intended to refer to Section 19 of the Federal Reserve Act, which is covered by Sections 461-466 of the Code.

Section 243  
(f)

Corresponds to Section 11(f) of the Federal Reserve Act. The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913."

Section 243  
(k)

Corresponds to Section 11(k) of the Federal Reserve Act. The reference at the end of this section contains two typographical errors. The proper reference is as follows: "December 23, 1913, C.6, Section 11, 38 Stat. 262; September 26, 1916, C. 177, Section 2, 40 Stat. 968".

Section 243  
(l)

Corresponds to Section 11(l) of the Federal Reserve Act. The reference to Section 632 of Title 5 should be to "Chapter 12 of Title 5 and amendments thereto".

Section 261

Corresponds to a part of Section 12 of the Federal Reserve Act. The comma in the next to the last line of this section does not appear in the original statute and should be omitted.

Section 234.

Corresponds to a portion of Section 2 of the Federal Reserve Act. This contains part but not all of the corresponding paragraph of the Federal Reserve Act, all of which is practically obsolete be-

cause no stock has ever been allotted to the United States and none ever will be allotted to the United States under the present law. It would seem that the corresponding paragraph of the Federal Reserve Act should either be omitted entirely or all of it should be covered in the codification act.

Section 322. Corresponds to a part of Section 9 of the Federal Reserve Act. The word "applications" in the second line should be made singular "application".

Section 324. Corresponds to a part of Section 9 of the Federal Reserve Act. The reference to "this section" in the second line should be changed to read "Sections 321 to 331". The reference to Section 5209 of the Revised Statutes should be changed to read "Section 592."

Section 325. Corresponds to a part of Section 9 of the Federal Reserve Act. The reference at the end of this section "30 Stat. 232" should be changed to read "40 Stat. 232".

Section 327. Corresponds to part of Section 9 of the Federal Reserve Act. The word "section" appearing in the fourth line and also in the last line should be changed to read "Sections 321 to 331 inclusive."

Section 330. Corresponds to a part of Section 9 of the Federal Reserve Act. The three references to "this section" should be changed to read "Sections 321 to 331 inclusive".

The reference at the end of this section "33 Stat. 257" should be changed to read "33 Stat. 259".

Section 331. Corresponds to a part of Section 9 of the Federal Reserve Act. The two references to "this section" should be changed to read "Sections 321 to 331 inclusive".

Section 341. Corresponds to a part of Section 4 of the Federal Reserve Act. In

the third line of this section, the words "the organization of" are meaningless and should be omitted.

The comma in the first line of the paragraph marked "Fifth" does not appear in the original statute. A comma should be placed after the word "directors" in the first line of the paragraph marked "Sixth" in order to comply with the original statute.

The last paragraph of this section provides that no Federal reserve bank shall transact any business except such as is incidental and necessarily preliminary to its organization until authorized by the Comptroller of the Currency to commence business. If it is the policy of the codification to omit all obsolete matter it would seem that this paragraph should be omitted.

Section 342. Corresponds to a part of Section 13 of the Federal Reserve Act.

The comma after the word "checks" in the sixteenth line should be omitted as it was not in the original act and its insertion at this place might be construed to change the meaning of the law.

Section 343. Corresponds to a part of Section 13 of the Federal Reserve Act.

There is a typographical error in the middle of this section; the word "or" should be inserted after the word "wares".

Section 344. Corresponds to a part of the Agricultural Credits Act of 1923. The title to this section would be much more appropriate if changed to read "Rediscount or purchase of bills of exchange payable at sight or on demand".

Section 345. Corresponds to a part of Section 13 of the Federal Reserve Act.

The catch-line of this section is incorrect and misleading. The limitation contained in this section applies to the rediscount of any and all paper but the catch line would indicate that it applies

only to agricultural paper. In view of the subdivision into separate sections it would seem that the word "such" in the third line of this section could well be omitted.

Section 346. Corresponds to a part of Section 13 of the Federal Reserve Act. In view of the rearrangement of the provisions of the Federal Reserve Act relating to acceptances of member banks it would seem that the phrase "of the kinds hereinafter described" should be changed to read "of the kinds described in sections 372 and 373."

Section 347. Corresponds to a part of Section 13 of the Federal Reserve Act. The reference at the end of this section to "March 4, 1923, C. 252, Title IV, Sections 402, 403, 42 Stat. 1478, 1479" is incorrect. The Act of March 4, 1923, did not amend this part of Section 13 of the Federal Reserve Act.

Section 350. Corresponds to a part of the Agricultural Credits Act of 1923. Reference to Title I of the Federal Farm Loan Act should be changed so as to refer to the proper chapter and title of the codification.

Section 351. Corresponds to a part of the Agricultural Credits Act of 1923. The phrase "within the meaning of the three preceding sections" should be changed to read "within the meaning of Section 348."

Section 355. Corresponds to a part of Section 14 of the Federal Reserve Act. The reference at the end of this section "38 Stat. 274" should be changed to read: "38 Stat. 364".

Section 372. Corresponds to a part of Section 13 of the Federal Reserve Act. The title to this section is somewhat misleading because the section refers not only to the acceptance of drafts or bills relating to shipments but also to other kinds of drafts or bills. It would seem more appropriate to make the title read "Acceptance of drafts or

bills by member banks.

Section 373. Corresponds to a part of Section 13 of the Federal Reserve Act. The word "or" should be inserted after the word "title" in the 19th line.

Section 375. Corresponds to a part of Section 22 of the Federal Reserve Act. The word "subsection" in the second paragraph it would seem should be changed to "section". The comma appearing after the word "Board" in the next to the last line of the first paragraph is not to be found in the original statute.

Section 391. Corresponds to a part of Section 15 of the Federal Reserve Act. The word "money" should be changed to "moneys". This section is in effect amended by the Appropriation Act of 1920 approved May 29, 1920, but the amendment is not noted in the codification. In the fifth line after the word "may", a comma should appear in order to correspond to the original statute. In the ninth line the semi-colon should be changed to a comma.

Section 411. Corresponds to a part of Section 16 of the Federal Reserve Act. The words "hereinafter set forth" in the fourth line should be changed to read "as set forth in Sections 412 to 422 inclusive". In the reference at the end of this section the date "1913" is omitted after the words "December 23".

Section 412. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference to Section 342 is wrong; because, under that section, notes, drafts and bills of exchange may be received only for purposes of collection and the Federal reserve bank holds them merely as agent and therefore could not pledge them with the Federal Re-



serve Agent as collateral security. The reference to Section 372 is incorrect because that section merely refers to the power of member banks to accept the drafts and bills of exchange drawn upon them. Reference to Sections 343-347 would be correct. Where reference is made to sections 353 to 358 it should refer to Sections 353 to 359 so as to include acceptances of Federal Intermediate Credit Banks and National Agricultural Credit Corporations purchased by Federal reserve banks (under Section 14(f) of Federal Reserve Act). It would also seem that a reference should be made to Section 340; but this is not essential, in view of the fact that Section 348 itself makes agricultural paper acquired thereunder eligible as collateral security for Federal reserve notes.

Section 413. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "December 23, 1923", should be changed to read: "December 23, 1913". In the nineteenth line the comma should be placed after the word "or" instead of before the word "or" in order to comply accurately with the original statute. The words "hereinafter provided" should be changed to read: "provided in Sections 414 and 415". The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913".

Section 414. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913". The words "hereinbefore required" should be changed to read "required by section 413".

Section 415. Corresponds to a part of Section 16 of the Federal Reserve Act.

At the end of this section the reference "December 23, 1923"

should be changed to read "December 23, 1913".

Section 416. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913".

Section 417. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "September 21, 1917" should be changed to read "June 21, 1917".

Section 418. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913".

Section 419. Corresponds to a part of Section 16 of the Federal Reserve Act. The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913".

Section 420. Corresponds to a part of Section 16 of the Federal Reserve Act. The words "herein provided for" should be changed to read "provided for in Sections 411 to 422 inclusive". The reference at the end of this section "December 23, 1923" should be changed to read "December 23, 1913".

Section 422. Corresponds to a part of Section 16 of the Federal Reserve Act. This refers to "notes provided for by Act of May 30, 1908". Reference should be made to that section of the Code which corresponds to the Act of May 30, 1908. This section of the codification also contains a phrase "at the time of the passage of this chapter", "chapter" being substituted for the word "act" as contained in the Federal Reserve Act. It would seem that this phrase should be changed to read "at the time of the passage of the Federal Reserve Act."

- Section 447. Corresponds to a part of Section 16 of the Federal Reserve Act. The words "herein provided for" should be changed to read "provided for in Sections 441 to 443 inclusive".
- Section 448. Corresponds to a part of Section 16 of the Federal Reserve Act. The word "herein" in the last line should be stricken out and the words "in Section 441 to 448 of this chapter" added at the end of the section.
- Section 461. Corresponds to a part of Section 19 of the Federal Reserve Act. The reference at the end of this section should also include a reference to "June 21, 1917, C. 32, 40 Stat. 232".
- Section 462. Corresponds to a part of Section 19 of the Federal Reserve Act. In the seventh line of paragraph (b) "a" should be inserted before the word "city".
- Section 463. Corresponds to a part of Section 19 of the Federal Reserve Act. The reference at the end of this section "39 Stat. 691" should be changed to read "38 Stat. 691".
- Section 464. Corresponds to a part of Section 19 of the Federal Reserve Act. The reference at the end of this section "39 Stat. 691" should be changed to read "38 Stat. 691".
- Section 467. Corresponds to a part of Section 16 of the Federal Reserve Act. The words "or any Assistant Treasurer" which are now found in the third line of the present law after the word "Treasurer" are omitted from the codification. The words "or Assistant Treasurer" now found in the eighth line of the present law after the word "Treasurer" are also omitted. Inasmuch as the Subtreasuries and the office of Assistant Treasurer were abolished by the Appropriation Act of May 29, 1920, the omission of references to the Assistant Treasurers is pro-

bably correct but the words "Assistant Treasurer" have been retained in the twelfth line. The word "section" found in the first and third lines of the last paragraph of this section should be changed to read "chapter". The reference at the end of this section to "June 21, 1917", C. 328" should be changed to read "June 21, 1917, C. 32".

Section 481. Corresponds to a part of Section 21 of the Federal Reserve Act. In the 15th line a comma should be placed after the word "bank" to comply accurately with the provisions of the original statute.

Section 482. Corresponds to a part of Section 5240 of the Revised Statutes as amended by Section 21 of the Federal Reserve Act. The word "herein" in the fifth line should be stricken out and the words "in Section 481" inserted after the words "provided for."

Section 501. Corresponds to a part of Section 5208 of the Revised Statutes. The reference to Section 331 should be changed to read "Sections 321 to 331 inclusive."

Section 594. Corresponds to a part of Section 22 of the Federal Reserve Act. In the 14th line the comma after the word "House" does not appear in the original statute.

Section 611. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" in the ninth, twelfth and fourteenth lines should be changed to read "subdivision of Chapter 6".

Section 613. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" in the last line should be changed to read "subdivision of chapter 6."

Section 614. Corresponds to a part of Section 25(a) of the Federal Reserve Act.

the second word of the text of this section, "person" should be made plural, "persons."

Section 615. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "chapter" in the fourteenth line from the end of paragraph (a) should be "subdivision of Chapter 6". The word "section" in the ninth line from the end of paragraph (a) in the fifth line from the end of paragraph (a), in the fourth line from the end of paragraph (a), in the fourth line from the beginning of paragraph (c) and in the sixth line of the last paragraph, should be changed to "subdivision of Chapter 6."

Section 616. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" in the eighth line should be changed to "subdivision of chapter 6" and the same change should be made in the last word of this section.

Section 617. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" in the fifth line should be changed to read "subdivision of chapter 6." The word "section" in the tenth line should also be changed.

Section 619. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" appearing in the 9th line from the end of this section and also as the last word of this section should be changed to "subdivision of chapter 6". After the word "section" in the ninth line from the end of this section the word "in" which in the present law precedes the words "whose capital stock" has been omitted. This changes the meaning of the sentence entirely.

Section 624. Corresponds to a part of Section 25(a) of the Federal Reserve Act. In the next to the last line of this section the word "jurisdic-

tion" should be made plural "jurisdictions".

Section 629. Corresponds to a part of Section 25(a) of the Federal Reserve Act. In the eighth line from the end of the section, the word "section" should be changed to "subdivision of chapter 6". The last word appearing in this section, "hereunder" should be changed to read "thereunder".

Section 630. Corresponds to a part of Section 25(a) of the Federal Reserve Act. The word "section" in the fourth line from the end should be changed to "subdivision of chapter 6." The word "or" appearing after "officer" in the fourteenth line should be changed to read "of".

Section 631. Corresponds to a part of Section 25(a) of the Federal Reserve Act. In the seventh line of this section the word "hereunder" should be changed to read "under this subdivision of chapter 6".

Section 943. Corresponds to a part of the Farm Loan Act. The words "subsection (b) of" in the fifth and sixth lines should be omitted.

Section 1222. Corresponds to a part of the Agricultural Credits Act of 1923. The word "section" in the second line should be changed to read "chapter".

Section 1223. Corresponds to a part of the Agricultural Credits Act of 1923. The word "section" in the second line should be changed to read "chapter".

Section 771. Corresponds to a part of the Act approved April 4 , 1918. The reference in the 15th and 16th lines to Sections 141 to 143 of Title of Title 31. 12 should be changed to read "sections 141 to 144 inclusive of Ti-

tle 12 and Sections 461 and 462 of Title 12".

Section 759.  
of Title 39.

Corresponds to a part of the Postal Savings Act as amended May 18, 1916. After the words "Federal Reserve System", appearing in the 6th line and also in the 25th line of this section of the Code, the original statute contains the words "established by the Act approved December 23, 1913". These words have been omitted from the Code and it is suggested that there be substituted in their stead the words "as described in Chapter 3 of Title 12".