

Apr. 15, 1930.

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Federal Reserve Board  
Mr. Wyatt-General Counsel.

Status of legislation  
recommended by the Board.

I respectfully submit the following report as to the status at the close of business on April 14th of certain legislation which the Federal Reserve Board has recommended to Congress:

1. An amendment to Section 9 of the Federal Reserve Act to permit State banks to establish foreign branches. - S. 2605 passed the Senate without amendment on April 14th; and I am informed that there will be no opposition in the House Committee on Banking and Currency, which takes the position that it is merely intended to correct a mistake made by the Senate in revising the branch bank provisions of the McFadden Bill. It might be advisable, however, to call the matter again to the attention of Mr. McFadden.

2. An amendment to Sections 6 and 9 of the Federal Reserve Act permitting cancellation of Federal reserve bank stock held by member banks which have gone out of business without a receiver or liquidating agent having been appointed therefor. - H.R. 6604, which is the bill submitted by the Board with slight amendments, passed the House on February 19th; and S. 2666, which is a bill exactly as recommended by the Board, passed the Senate on April 1st. It will be necessary either for the House to adopt the Senate Bill or have the Senate adopt the House Bill before this proposed amendment becomes law; and on April 3rd Mr. Platt wrote a letter to Mr. McFadden suggesting that the House adopt the Senate Bill in order to expedite final action. He had previously written a letter to Senator Norbeck suggesting that the House Bill be substituted for the Senate Bill in order to expedite final action. Mr. Thompson advises me that he is informed that the Senate will withdraw its bill and adopt the House Bill instead.

3. An amendment making it discretionary with the Federal Reserve Board to assess the costs of examining State member banks against the bank examined. - S. 485, the Senate Bill for this purpose, passed the Senate on April 14th and will be referred to the Banking and Currency Committee of the House within the next day or two. A similar bill passed the Senate during the last session, however, and was never reported out by the Banking and Currency Committee of the House of Representatives. I have taken the matter up informally with Mr. Platt and I understand that he will take the matter up with the House Banking and Currency Committee to see if this bill can be reported out in time to be voted upon at this session of Congress.

4. An amendment to Section 9 of the Federal Reserve Act authorizing

the Federal Reserve Board to waive the six months notice of intended withdrawal of a State member bank from the Federal Reserve System. - H.R. 8877 passed the House on April 3rd and passed the Senate on April 14th. It should be ready for the President's signature within the next two or three days.

5. An amendment to Section 4 of the Federal Reserve Act to permit an officer, director or employee of a mutual savings bank to serve as a Class B director of a Federal Reserve Bank. - S. 4079 passed the Senate on April 14th and will be referred to the House Banking and Currency Committee within the next day or two.

6. An amendment exempting Federal reserve banks from attachment or garnishment proceedings before final judgment in any case or proceeding. - Bills for this purpose (H.R. 10035 and S. 3626) have been introduced but neither bill has been reported out.

7. An amendment to the judicial code restoring to the United States District Courts jurisdiction of suits by and against Federal reserve banks. - This amendment was recommended in the Board's Annual Reports for the years 1927 and 1928 and is again being recommended in the Annual Report for 1929, but the Board has never addressed letters on this subject to the Chairmen of any of the Committees of Congress. I mentioned the matter informally in a social conversation with Honorable Hatton W. Summers, ranking Democrat of the House Judiciary Committee, and he told me that he thought the bill would receive favorable action if it were introduced.

8. An amendment to Section 13 of the Federal Reserve Act increasing from 15 to 90 days the maximum maturity of advances made by Federal reserve banks to member banks on their promissory notes secured by paper eligible for rediscount by Federal reserve banks and making debentures of Federal intermediate credit banks eligible as collateral security to 15-day notes. - S. 4139, introduced by Senator Baird on April 10, 1930, and not yet reported out. No corresponding bill introduced in the House at this session.

9. Bill to amend Section 4 so as to clarify meaning of phrase "electors voting" in provision re elections of Federal reserve bank directors. - Bills for this purpose (H.R. 10249 and S. 4096) have been introduced in both houses of Congress but neither bill has yet been reported out.

10. An amendment to the fourth paragraph of Section 13 of the Federal Reserve Act making the limitations prescribed by that paragraph

conform to Section 5200 of the Revised Statutes as amended by the McFadden Act. - H.R. 9046 has passed both Houses of Congress and was signed by the President on April 12. It is now law and is known as Public Act No. 120.

11. An amendment to Section 22(a) of the Federal Reserve Act making it clear that the prohibition against examiners accepting loans and gratuities from member banks applies to State examiners. - S. 3541 passed Senate April 14 and will be referred to House Banking and Currency Committee within next day or two. A similar bill, H.R. 10070, has been introduced in House, but not yet reported out.

12. An amendment to make the robbery or burglary of a member bank a Federal offense punishable through the Federal courts. - Bills for this purpose (H.R. 10067 and S. 4080) have been introduced in both Houses, but neither bill has been reported out.

13. Bill authorizing voluntary surrender of trust powers by national banks. - S. 3627 passed Senate April 14 and will be referred to House Banking and Currency Committee within next day or two. A similar bill, H. R. 10036, was introduced in House February 18, but has not yet been reported out.

14. Resolution authorizing construction of building for Pittsburgh branch. - H.J. Res. 227, signed by President, April 12.

#### CONCLUSION

For the sake of brevity this memorandum omits all detailed information as to the character of these bills. That information, however, will be gladly supplied by this office to any member of the Board desiring it. This office will also be glad to draft any further letters or take any other steps which the Board desires to have taken with respect to these bills or any other bills.

Respectfully,

(Signed) Walter Wyatt,  
General Counsel.

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