

FEDERAL RESERVE BOARD

WASHINGTON

X-6647

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

June 27, 1930.

Subject: Amendments to Federal Reserve Act and
National Bank Act.

Dear Sir:

There are enclosed herewith for your information certain amendments to the Federal Reserve Act and the National Bank Act. These amendments were only recently approved by the President and copies of the amendments as printed in the form of a Public Act are not yet available. I am, however, enclosing mimeographed copies of the bills as they passed the Senate and House and were approved by the President. These amendments are as follows:

On the 26th day of June, 1930, the President approved the bill S. 4096 amending Section 4 of the Federal Reserve Act with reference to the election of directors of Federal reserve banks;

On the 26th day of June, 1930, the President approved the bill S. 3627 amending Section 11(k) of the Federal Reserve Act so as to authorize national banks under certain circumstances to surrender their right to exercise trust powers;

On the 26th day of June, 1930, the President approved the bill S. 485, amending the seventh paragraph of Section 9 of the Federal Reserve Act and Section 5240 of the United States Revised Statutes with reference to the assessment of costs of examinations against member banks.

On the 25th day of June, 1930, the President approved the bill S. 486, amending Section 5153 of the United States Revised Statutes so as to authorize national banks to give security for the safe keeping of deposits of the public money of a State or a political subdivision thereof.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Enclosures.

To Governors and Chairmen of all Federal reserve banks.

S. 4096

AN ACT

To amend section 4 of the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 304), be further amended by striking out that paragraph thereof which reads as follows:

"Any candidate having a majority of all votes cast in the column of first choice shall be declared elected. If no candidate have a majority of all the votes in the first column, then there shall be added together the votes cast by the electors for such candidates in the second column and the votes cast for the several candidates in the first column. If any candidate then have a majority of the electors voting, by adding together the first and second choices, he shall be declared elected. If no candidate have a majority of electors voting when the first and second choices shall have been added, then the votes cast in the third column for other choices shall be added together in like manner, and the candidate then having the highest number of votes shall be declared elected. An immediate report of election shall be declared."

and by inserting in lieu thereof the following:

"Any candidate having a majority of all votes cast in the column of first choice shall be declared elected. If no candidate have a majority of all the votes in the first column, then there shall be added together the votes cast by the electors for such candidates in the second column and the votes cast for the several candidates in the first column.

The candidate then having a majority of the electors voting and the highest number of combined votes shall be declared elected. If no candidate have a majority of electors voting and the highest number of votes when the first and second choices shall have been added, then the votes cast in the third column for other choices shall be added together in like manner, and the candidate then having the highest number of votes shall be declared elected. An immediate report of election shall be declared."

S. 3627

AN ACT

To amend the Federal Reserve Act so as to enable national banks voluntarily to surrender the right to exercise trust powers and to relieve themselves of the necessity of complying with the laws governing banks exercising such powers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (k) of section 11 of the Federal Reserve Act (subsection (k) of section 248, United States Code, title 12), as amended, be further amended by adding at the end thereof a new paragraph reading as follows:

"Any national banking association desiring to surrender its right to exercise the powers granted under this subsection, in order to relieve itself from the necessity of complying with the requirements of this subsection, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, or for any other purpose, may file with the Federal Reserve Board a certified copy of a resolution of its board of directors signifying such desire. Upon receipt of such a resolution, the Federal Reserve Board, after satisfying itself that such bank has been relieved in accordance with State law of all duties as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics or other fiduciary, under court, private, or other appointments previously accepted under authority of this subsection, may, in its discretion, issue to such bank a certificate

certifying that such bank is no longer authorized to exercise the powers granted by this subsection. Upon the issuance of such a certificate by the Federal Reserve Board, such bank (1) shall no longer be subject to the provisions of this subsection or the regulations of the Federal Reserve Board made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (3) shall not exercise thereafter any of the powers granted by this subsection without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this subsection. The Federal Reserve Board is authorized and empowered to promulgate such regulations as it may deem necessary to enforce compliance with the provisions of this subsection and the proper exercise of the powers granted therein."

S. 485

AN ACT

To amend section 9 of the Federal Reserve Act and section 5240 of the Revised Statutes of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the seventh paragraph of section 9 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 326), is further amended by striking out the last sentence thereof and inserting the following:

"The expenses of all examinations, other than those made by State authorities, may, in the discretion of the Federal Reserve Board, be assessed against the banks examined and, when so assessed, shall be paid by the banks examined. Copies of the reports of such examinations may, in the discretion of the Federal Reserve Board, be furnished to the State authorities having supervision of such banks, to officers, directors, or receivers of such banks, and to any other proper persons."

SEC. 2. That section 5240, United States Revised Statutes, as amended by section 21 of the Federal Reserve Act, is further amended in the third paragraph thereof (U. S. C., title 12, sec. 483) by striking out the second sentence of such paragraph and inserting in lieu thereof the following:

"The expense of such examinations may, in the discretion of the Federal Reserve Board, be assessed against the banks examined, and, when so assessed, shall be paid by the banks examined."

S. 486

AN ACT

To amend section 5153 of the Revised Statutes, as amended.

Be it enacted by the Senate and House of Representatives
of the United States of America in Congress assembled,

That section 5153 of the Revised Statutes, as amended (United States Code, title 12, section 90), is amended by adding at the end thereof a new paragraph to read as follows:

"Any association may, upon the deposit with it of public money of a State or any political subdivision thereof, give security for the safe-keeping and prompt payment of the money so deposited, of the same kind as is authorized by the law of the State in which such association is located in the case of other banking institutions in the State."