HOUSE BANKING AND CURRENCY BILL

ALSO

COMPARATIVE PRINT
SHOWING THE CHANGES SUGGESTED BY THE AMENDMENT SUBMITTED TO THE SENATE BY MR. OWEN, ALSO THE CHANGES SUGGESTED BY THE AMENDMENTS INTENDED TO BE PROPOSED BY MR. HITCHCOCK TO

H. R. 7837
AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF FEDERAL RESERVE BANKS, TO FURNISH AN ELASTIC CURRENCY, TO AFFORD MEANS OF REDISCOUNTING COMMERCIAL PAPER, TO ESTABLISH A MORE EFFECTIVE SUPERVISION OF BANKING IN THE UNITED STATES, AND FOR OTHER PURPOSES.
Ordered, That the print in parallel columns of House bill 7837, "An Act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," be printed so as to show on the left-hand page the House bill as it stands without amendment. Also that in the reprint the term "substitute" be stricken from the print and it be made to read "Owen amendment," and that within the $500 limit these documents be printed for the use of the country.

Attest: JAMES M. BAKER, Secretary.
AN ACT
To provide for the establishment of Federal reserve banks, to
furnish an elastic currency, to afford means of rediscount-
ing commercial paper, to establish a more effective super-
vision of banking in the United States, and for other
purposes.
1

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
2
That the short title of this Act shall be the "Federal Reserve
3
Act."

Wherever the word "bank" is used in this Act, the word
1
shall be held to include State bank, banking association, and
2
trust company, except where national banks or Federal reserve
3
banks are specifically referred to.

HITCHCOCK AMENDMENTS.

AN ACT
To provide for the establishment of Federal reserve banks, to
furnish an elastic currency, to afford means of rediscount-
ing commercial paper, to establish a more effective super-
vision of banking in the United States, and for other
purposes.
1

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
2
That the short title of this Act shall be the "Federal Reserve
3
Act."

The terms "national bank" and "national banking
4
association" used in this Act shall be held to be synonymous
5
and interchangeable. The term "member bank" shall be
6
held to mean any national bank, State bank, or trust com-
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pany which has become a member of one of the reserve banks
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created by this Act. The term "board" shall be held to mean
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Federal Reserve Board; the term "district" shall be held to
10
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FEDERAL RESERVE DISTRICTS.

3

OWNEN AMENDMENT.

FEDERAL RESERVE DISTRICTS.

3

FEDERAL RESERVE DISTRICTS.

mean Federal reserve district; the term "reserve bank" shall

be held to mean Federal reserve bank.

SEC. 3. That within ninety days after the passage of

this Act, or as soon thereafter as practicable, the Secretary

of the Treasury, the Secretary of Agriculture, and the Com-

ptroller of the Currency, acting as "The Reserve Bank Or-

ganization Committee," shall designate from among the

reserve and central reserve cities now authorized by law a

number of such cities to be known as Federal reserve cities;

and shall divide the continental United States into districts;

each district to contain one of such Federal reserve cities:

Provided, That the districts shall be apportioned with due

regard to the convenience and customary course of business

of the community and shall not necessarily coincide with

the areas of such State or States as may be wholly or in part

included in any given district. The districts thus-created

may be readjusted and new districts may from time to time

be created by the Federal Reserve Board hereinafter es-

lished, acting upon a joint application made by not less

than ten member banks desiring to be organized into a new

district. The districts thus constituted shall be known as

Federal reserve districts and shall be designated by number

according to the pleasure of the organization committee;

and no Federal reserve district shall be abolished, nor the
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1. Location of a Federal reserve bank changed, except upon
2. the application of three-fourths of the member banks of such
3. district.
4. The organization committee shall, in accordance with
5. regulations to be established by itself, proceed to organize in
6. each of the reserve cities designated as hereinbefore specified
7. a Federal reserve bank. Each such Federal reserve bank
8. shall include in its title the name of the city in which it is
9. situated, as "Federal Reserve Bank of Chicago," and so
10. forth. The total number of reserve cities designated by the
11. organization committee shall be not less than twelve, and
12. the organization committee shall be authorized to employ
13. counsel and expert aid, to take testimony, to send for persons
14. and papers, to administer oaths, and to make such investigations
15. as may be deemed necessary by the said committee for the
16. purpose of determining the reserve cities to be designated
17. and organizing the reserve districts hereinbefore provided.
18. Every national bank located within a given district
19. shall be required to subscribe to the capital stock of the
20. Federal reserve bank of that district a sum equal to twenty
21. per centum of the capital stock of each national bank fully
22. paid in and unimpaired, one-fourth of such subscription to
23. be paid in cash and one-fourth within sixty days after said
24. subscription is made. The remainder of the subscription
25. or any part thereof shall become a liability of the member

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Federal Reserve Bank of St. Louis
HOUSE BILL.

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SEC. 2. That within ninety days after the passage of this Act, or as soon thereafter as practicable, the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, acting as “The Reserve Bank Organization Committee,” shall designate from among the reserve and central reserve cities now authorized by law a number of such cities to be known as Federal reserve cities, and shall divide the continental United States into districts, each district to contain one of such cities.

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SEC. 2. That the Federal Reserve Board, hereinafter provided for, shall, as soon as practicable after their appointment and confirmation, designate from among the reserve and central reserve cities now established a number of such cities to be termed Federal reserve cities, and shall divide the continental United States into districts, each district to embrace...
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4 Federal reserve cities: Provided, That the districts shall be apportioned with due regard to the convenience and customary course of business of the community and shall not necessarily coincide with the area of such State or States as may be wholly or in part included in any given district. The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board hereinafter established, acting upon a joint application made by not less than ten member banks desiring to be organized into a new district. The districts thus constitutted shall be known as Federal reserve districts and shall be designated by number according to the pleasure of the organization committee, and no Federal reserve district shall be abolished, nor the location of a Federal reserve bank changed, except upon the application of three-fourths of the member banks of such district.

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1 only one, of such Federal reserve cities. The determination of said organization committee shall not be subject to review except by the Federal Reserve Board when organized: Provided, That the districts shall be apportioned with due regard to the convenience and customary course of business of the community and shall not necessarily coincide with the area of such State or States as may be coterminous with any State or States as may be wholly or in part included in any given district. The districts thus created may be readjusted and new districts may from time to time be created by the Federal Reserve Board hereinafter established, acting upon a joint application made by not less than ten member banks desiring to be organized into a new district. The districts thus constituted shall be known as Federal reserve districts and each of them shall be designated by the name of the Federal reserve city located in such district.

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4 one of such Federal reserve cities: Provided, That the districts shall be formed with due regard to the convenience and customary course of financial and commercial business in each district, and need not necessarily coincide with State or county boundaries. The districts thus established shall be known as Federal reserve districts, and each of them shall be designated by the name of the Federal reserve city located in such district.

See page 7, lines 7 to 11, for amendments proposed on this subject.
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1. Shall include in its title the name of the city in which it is situated, as "Federal Reserve Bank of Chicago," and so forth. The total number of reserve cities designated by the organization committee shall be not less than twelve, and the organization committee shall be authorized to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and to make such investigations as may be deemed necessary by the said committee for the purpose of determining the reserve cities to be designated and organizing the reserve districts hereinbefore provided.

2. Every national bank located within a given district shall be required to subscribe to the capital stock of the Federal reserve bank of that district a sum equal to twenty per centum of the capital stock of such national bank fully paid in and unimpaired, one fourth of such subscription to be paid in cash and one fourth within sixty days after said subscription is made. The remainder of the subscription or any part thereof shall become a liability of the member bank, subject to call and payment whenever necessary to meet the obligations of the Federal reserve bank under such terms and in accordance with such regulations as the board of directors of said Federal reserve bank may prescribe. Provided that no
The organization committee shall, in accordance with regulations to be established by itself, proceed to organize in each of the reserve cities designated as hereinbefore specified a Federal reserve bank. Each such Federal reserve bank shall include in its title the name of the city in which it is situated, as "Federal Reserve Bank of Chicago," and so forth. The total number of reserve cities designated by the organization committee shall be not less than twelve, and the organization committee shall be authorized to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and to make such investigations as may be deemed necessary by the said committee for the purpose of determining the reserve cities to be designated and organizing the reserve districts hereinbefore provided.

Every national bank located within a given district shall be required to subscribe to the capital stock of the Federal Reserve Bank of Chicago. The Federal Reserve Board shall, as soon as practicable after the said districts have been established, proceed to organize, conformable to the provisions of this Act, in each Federal reserve city designated as aforesaid, a Federal reserve bank, which shall be known by the name of the city in which it is established, as "Federal Reserve Bank of Chicago," and so forth.

Said organization committee shall be authorized to employ counsel and expert aid, to take testimony, to send for persons and papers, to administer oaths, and to make such investigations as may be deemed necessary by the said committee in determining the reserve districts and in determining the cities within such districts where such Federal reserve banks shall be severally located. The said committee shall supervise the organization, in each of the cities designated, of a Federal reserve bank, which shall include in its title the name of the city in which it is situated, as "Federal Reserve Bank of Chicago," and so forth.
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1 Federal reserve bank of such district a sum equal to twenty
2 per centum of the capital stock of such national
3 bank fully paid in and unimpaired, one-fourth of such
4 subscription to be paid in cash and one-fourth within
5 sixty days after said subscription is made. The remain-
6 der of the subscription or any part thereof shall become
7 a liability of the member bank, subject to call and pay-
8 ment thereof whenever necessary to meet the obligations
9 of the Federal reserve bank under such terms and in ac-
10 cordance with such regulations as the board of directors
11 of said Federal reserve bank may prescribe: Provided

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1 Federal reserve bank of such district, a sum equal to
2 six per centum of the fully paid-up capital stock
3 and surplus of such national bank, which stock so
4 allotted shall be underwritten by said bank and for a period
5 of sixty days after allotment be offered for subscription at par
6 to the public at large, but no more than one hundred shares
7 shall be allowed to be subscribed for or held by any person,
8 firm, or corporation and all of the allotted stock not sub-
9scribed for and taken by the public shall immediately be sub-
10scribed for and taken by the national bank to which the same
11 was in the first instance allotted. The preparation, allot-
12ment, subscription to, and sale of stock shall be under the con-
13 trol of the board, which in case of oversubscription shall
14 give preference to the smaller subscriptions. The national
15 banks shall in the first instance act as agents of the Federal
16 Reserve Board to take subscriptions from the general public
17 and receive payment therefore which shall be held subject to
18 the order of the board. That said stock subscription shall be
19 paid for in gold coin or gold certificates as follows: One-third
20 at the time of subscription, one-third within thirty days, and

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Under regulations to be prescribed by the organization
committee, every national banking association is hereby
required and every eligible bank is hereby authorized to sig-
write within sixty days after the passage of this Act,
its acceptance of the terms and provisions hereof. When such

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Federal reserve bank shall have been organized, every national
banking association within that district shall be required and
every eligible bank may be permitted to subscribe to the capital
stock thereof in a sum equal to six per centum of the paid-up
capital stock and surplus of such bank, one-sixth of such
subscription to be payable on call of the organization
committee or of the Federal Reserve Board, one-sixth
within three months and one-sixth within six months there-
after, and the remainder of the subscription, or any part there-
of, shall be subject to call when deemed necessary by the
Federal Reserve Board. Said payments to be in gold or gold
certificates.

The shareholders of every Federal reserve bank shall be
held individually responsible, equally and ratably, and not one
for another, for all contracts, debts, and engagements of such
bank to the extent of the amount of their subscriptions to such
stock at the par value thereof in addition to the amount sub-
scribed, whether such subscriptions have been paid up in whole
or in part, under the provisions of this Act.

Any national bank failing to signify its acceptance of
the terms of this Act within the sixty days aforesaid shall
cease to act as a reserve agent, upon thirty days' notice, to be
given within the discretion of the said organization committee
or of the Federal Reserve Board.
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Should any national banking association now organized fail, within one year after the passage of this Act, to become a member bank under the provisions hereinafter stated, or fail to comply with any of the provisions of this Act applicable thereto, all of the rights, privileges, and franchises of such association granted to it under the national-bank Act, or under the provisions of this Act, shall be thereby forfeited.

Any noncompliance with or violation of this Act shall, however, be determined and adjudged by a proper circuit, district, or Territorial court of the United States in a suit brought for that purpose by the Comptroller of the Currency in his own name before the association shall be declared dissolved, and in cases of such violation, other than the failure to become a member bank under the provisions of this Act, every director who participated in or assented to the same shall be held liable in his personal or individual capacity for all damages which said bank, its shareholders, or any other person shall have sustained in consequence of such violation.

Such dissolution shall not take away or impair any remedy against such corporation, its stockholders or officers, for any liability or penalty which shall have been previously incurred.

Should the subscriptions by banks to the stock of said Federal reserve banks or any one or more of them be, in the judgment of the organisation committee, insufficient to pro-
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vide the amount of capital required therefor, then and
in that event the said organization committee may, under
conditions and regulations to be prescribed by it, offer to public
subscription at par such an amount of stock in said Federal
reserve banks, or any one or more of them, as said committee
shall determine, subject to the same conditions as to payment
in and stock liability as provided for member banks.

No individual, copartnership, or corporation other than
a member bank of its district shall be permitted to subscribe for
or to hold at any time more than $10,000 par value of stock in
any Federal reserve bank. Such stock shall be known as public
stock and may be transferred on the books of the Federal
reserve bank by the chairman of the board of directors of such
bank.

Should the total subscriptions by banks and the public to
the stock of said Federal reserve banks, or any one or more of
them, be, in the judgment of the organization committee, insuf-
icient to provide the amount of capital required therefor, then
and in that event the said organization committee shall allot
to the United States such an amount of said stock as said com-
mittee shall determine. Said United States stock shall be
paid for at par out of any money in the Treasury not other-
wise appropriated, and shall be held by the Secretary of the
Treasury and disposed of for the benefit of the United States
in such manner, at such times, and at such price, not less than
par, as the Secretary of the Treasury shall determine.
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That no Federal reserve bank shall commence business with a paid-up and unimpaired capital less in amount than $5,000,000. The organization committee shall have power to appoint such assistants and incur such expenses in carrying out the provisions of this Act as it shall deem necessary, and such expenses shall be payable by the Treasurer of the United States upon voucher approved by the Secretary of the Treasury, and the sum of $100,000, or so much thereof as may be necessary, is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, for the payment of such expenses.

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Stock not held by member banks shall not be entitled to voting power in the hands of its holders, but the voting power therein shall be vested in and be exercised solely by the class C directors of the Federal reserve bank in which said stock may be held, and who shall be designated as 'voting trustees.' The voting power on said public stock shall be limited to one vote for each $15,000 par value thereof, fractional amounts not to be considered. The voting trustees shall exercise the same powers as member banks in voting for class A and class B directors.

The Federal Reserve Board is hereby empowered to adopt and promulgate rules and regulations governing the transfers of said stock and the exercise of the voting power therein.

No Federal reserve bank shall commence business with a paid-up and unimpaired subscribed capital less than $5,000,000. The organization of reserve districts and Federal reserve cities shall not be construed as changing the present status of reserve cities and central reserve cities, except in so far as this Act changes the amount of reserves that may be carried with approved reserve agents located therein. The organization committee shall have power to appoint such assistants and incur such expenses in carrying out the provisions of this Act as it shall deem necessary, and such expenses shall be payable by the Treas-

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one-third within sixty days thereafter. The board is hereby empowered to appoint such assistants, to subpoena, swear, and examine witnesses, to employ counsel and experts, and to incur such expenses as may be necessary for establishing, organizing,
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SEC. 3. That the capital stock of each Federal reserve bank shall be divided into shares of $100 each. The outstanding capital stock shall be increased from time to time as member banks increase their capital stock or as additional banks become members, and shall be decreased as member banks reduce their capital stock or cease to be members.

Each Federal reserve bank may establish branch offices under regulations of the Federal Reserve Board at points within the Federal Reserve district in which it is located. Provided, That the total number of such branches shall not exceed one for each $100,000 of the capital stock of said Federal reserve bank.

SEC. 3. That the capital stock of each Federal reserve bank shall be divided into shares of $100 each, and shall be without voting power. The Federal Reserve Board shall have power
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1. Member banks increase their capital stock or as additional
2. banks become members, and shall be decreased as member
3. banks reduce their capital stock or cease to be members.
4. Each Federal reserve bank may establish branch offices under
5. regulations of the Federal Reserve Board at points within
6. the Federal reserve district in which it is located: Provided,
7. That the total number of such branches shall not exceed one
8. for each $500,000 of the capital stock of said Federal reserve
9. bank.

OWEN AMENDMENT.

1. Member banks increase their capital stock or as additional
2. banks become members, and may be decreased as member
3. banks reduce their capital stock or cease to be members.
4. Each Federal reserve bank may establish branch offices under
5. regulations of the Federal Reserve Board at points within
6. the Federal reserve district in which it is located: Provided,
7. That the total number of such branches shall not exceed one
8. for each $500,000 of the capital stock of said Federal reserve
9. bank.

FEDERAL RESERVE BANKS.

1. The national banks in each Federal reserve
2. district uniting to form the Federal reserve bank therein,
3. hereinafter provided for, shall under their seals, make an
4. organization certificate, which shall specifically state the name
5. of such Federal reserve bank or organized; the territorial ex-
6. tent of the district over which the operations of said Federal
7. reserve bank are to be carried on; the city and State in which
8. said bank is to be located; the amount of capital stock and the
9. number of shares into which the same is divided; the names
10. and places of doing business of each of the makers of said cer-
11. tificate and the number of shares held by each of them; and the

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1. to prescribe regulations for the transfer of said stock. With
2. the consent and approval of the board, reserve banks may
3. establish such branch offices, within their respective districts,
4. as they deem necessary to conform to the convenience and
5. established course of business.

FEDERAL RESERVE BANKS.

1. The national banks in each Federal reserve
2. district uniting to form the Federal reserve bank therein,
3. hereinafter provided for, shall under their seals, make an
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5. of such Federal reserve bank or organized; the territorial ex-
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7. reserve bank are to be carried on; the city and State in which
8. said bank is to be located; the amount of capital stock and the
9. number of shares into which the same is divided; the names
10. and places of doing business of each of the makers of said cer-
11. tificate and the number of shares held by each of them; and the
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1. The fact that the certificate is made to enable such banks to avail
2. themselves of the advantages of this Act.—The said organiza-
3. tion certificate shall be acknowledged before a judge of some
4. court of record or notary public; and shall be, together with
5. the acknowledgment thereof, authenticated by the seal of
6. such court, or notary, transmitted to the Comptroller of the
7. Currency, who shall file, record, and carefully preserve the
8. same in his office.—Upon the filing of such certificate with the
9. Comptroller of the Currency as aforesaid, the said Federal
10. reserve bank as formed shall become a body corporate; and as
11. such, and in the name designated in such organization cer-
12. tificate, shall have power to perform all those acts and to enjoy
13. all those privileges and to exercise all those powers described
14. in section fifty-one hundred and thirty-six, Revised Statutes;
15. save in so far as the same shall be limited by the provisions
16. of this Act.—The Federal reserve bank as incorporated shall
17. have succession for a period of twenty years from its organiza-
18. tion, unless sooner dissolved by Act of Congress.

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HITCHCOCK AMENDMENTS.

1. The fact that the certificate is made to enable such banks to avail
2. themselves of the advantages of this Act.—The said organiza-
3. tion certificate shall be acknowledged before a judge of some
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5. the acknowledgment thereof, authenticated by the seal of
6. such court, or notary, transmitted to the Comptroller of the
7. Currency, who shall file, record, and carefully preserve the
8. same in his office.—Upon the filing of such certificate with the
9. Comptroller of the Currency as aforesaid, the said Federal
10. reserve bank as formed shall become a body corporate; and as
11. such, and in the name designated in such organization cer-
12. tificate, shall have power to perform all those acts and to enjoy
13. all those privileges and to exercise all those powers described
14. in section fifty-one hundred and thirty-six, Revised Statutes;
15. save in so far as the same shall be limited by the provisions
16. of this Act.—The Federal reserve bank as incorporated shall
17. have succession for a period of twenty years from its organiza-
18. tion, unless sooner dissolved by Act of Congress.
19. Every Federal reserve bank shall be conducted under
20. the oversight and control of a board of directors, whose
21. powers shall be the same as those conferred upon the boards
22. of directors of national banking associations under existing
23. law, not inconsistent with the provisions of this Act.—Such
24. board of directors shall be constituted and elected as here-
25. after specified and shall consist of nine members, holding

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1. Office for three years, and divided into three classes, designates.
2. Class A shall consist of three members, who shall be chosen by and be representative of the
3. Class B shall consist of three members, who shall be representative of the general public interests of the
4. Class C shall consist of three members, who shall be designated by the Federal Reserve Board.
5. Directors of class A shall be chosen in the following manner:
6. It shall be the duty of the chairman of the board of directors of the Federal reserve bank of the district in which
7. Each such bank is situated to classify the member banks of the said district into three general groups or divisions. Each
8. Such group shall consist of nearly one-third of the aggregate number of said member banks of the said
9. Said groups shall be designated by the chairman of the board of each of the Federal reserve banks.
10. At a regularly called meeting of each member bank in the Federal reserve district, the chairman of the board of
11. Directors of such member bank shall elect by ballot one of its own members as a district reserve director and shall certify his
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name to the chairman of the board of directors of the Federal reserve bank of the district.—The said chairman shall establish lists of the district reserve electors, class A, thus named by banks in each of the aforesaid three groups and shall transmit one list to each such elector in each group. Every elector shall, within fifteen days of the receipt of the said list, select and certify to the said chairman from among the names on the list pertaining to his group, transmitted to him by the chairman, one name, not his own, as representing his choice for Federal reserve director, class A.—The name receiving the greatest number of votes, not less than a majority, shall be designated by said chairman as Federal reserve director for the group to which he belongs.—In case no candidate shall receive a majority of all votes cast in any group, the chairman aforesaid shall establish an eligible list, consisting of the three names receiving the greatest number of votes on the first ballot, and shall transmit said list to the electors in each of the groups of banks established by him.—Each elector shall at once select and certify to the said chairman from among the three persons submitted to him his choice for Federal reserve director, class A, and the name receiving the greatest number of such votes shall be declared by the chairman as Federal reserve director, class A.—In case of a tie vote the balloting shall continue in the manner hereinafter prescribed until one candidate receives more votes than either of the others.
Directors of class B shall be chosen by the electors of the respective groups at the same time and in the same manner prescribed for directors of class A, except that they must be selected from a list of names furnished, one by each member bank, and such names shall in no case be those of officers or directors of any bank or banking association. They shall not accept office or such during the term of their service as directors of the Federal reserve bank. They shall be fairly representative of the commercial, agricultural, or industrial interests of their respective districts. The Federal Reserve Board shall have power at its discretion to remove any director of class B in any Federal reserve bank, if it should appear at any time that such director does not fairly represent the commercial, agricultural, or industrial interests of his district.

Three directors belonging to class C shall be chosen directly by the Federal Reserve Board and shall be residents of the district for which they are selected, one of whom shall be designated by said board as chairman of the board of directors of the Federal reserve bank of the district to which he is appointed and shall be designated as Federal reserve agent. He shall be a person of tested banking experience and in addition to his duties as chairman of the board of directors of the Federal reserve bank of the district to which he is appointed, he shall be required to maintain under regulations.
to be established by the Federal Reserve Board a local office
of said board, which shall be situated on the premises
of the Federal reserve bank of the district.—He shall make
regular reports to the Federal Reserve Board, and shall
act as its official representative for the performance of the
functions conferred upon it by this Act.—He shall receive an
annual compensation to be fixed by the Federal Reserve
Board and paid monthly by the Federal reserve bank to which
he is designated;

Directors of Federal reserve banks shall receive, in
addition to any compensation otherwise provided, a reason-
able allowance for necessary expenses in attending meetings
of their respective boards, which amount shall be paid by
the respective Federal reserve banks.—Any compensation
that may be provided by boards of directors of Federal
reserve banks for members of such boards shall be subject
to review by the Federal Reserve Board;

The Reserve Bank Organization Committee may, in or-
organizing Federal reserve banks for the first time, call such
meetings of board-directors in the several districts as may be
necessary to carry out the provisions of this Act and may exercise
the functions therein conferred upon the chairman of the board
of directors of each Federal reserve bank pending the complete
organization of such bank;

At the first meeting of the full board of directors of each
Federal reserve bank after organization it shall be the duty of
19 SEC. 4. The national banks in each Federal reserve
20 district uniting to form the Federal reserve bank therein,
21 hereby provided for, shall under their seals, make an
22 organization certificate, which shall specifically state the name
23 of such Federal reserve bank so organized, the territorial ex-
24 tent of the district over which the operations of said Federal
25 reserve bank are to be carried on, the city and State in which

19 SEC. 4. When the organization committee shall have estab-
20 lished Federal reserve districts as provided in section two of
21 this Act, a certificate shall be filed with the Comptroller of the
22 Currency showing the geographical limits of such districts
23 and the Federal reserve city designated in each of such dis-
24 tricts. The Comptroller of the Currency shall thereupon
25 cause to be forwarded to each national bank located in each

the directors of classes A, B, and C, respectively, to design-
26 nate one of the members of each class whose term of office
27 shall expire in one year from the first of January nearest to
28 date of such meeting, one whose term of office shall expire
29 at the end of two years from said date, and one whose term
30 of office shall expire at the end of three years from said date.
31 Therefore, every director of a Federal reserve bank chosen
32 as hereinbefore provided shall hold office for a term of three
33 years, but the chairman of the board of directors of
34 each Federal reserve bank designated by the Federal Reserve
35 Board, as hereinbefore described, shall be removable at
36 the pleasure of the said board without notice, and his
37 successor shall hold office during the unexpired term of the
38 director in whose place he was appointed. Vacancies that
39 may occur in the several classes of directors of Federal reserve
40 banks may be filled in the manner provided for the original
41 selection of such directors, such appointment to hold office for
42 the unexpired terms of their predecessors.

19 SEC. 4. When the Federal Reserve Board has estab-
20 lished Federal reserve districts, as prescribed in section two
21 of this Act, the governor or vice governor of each board shall,
22 under his hand and seal, execute a certificate designating the
23 territorial limits of such districts and the Federal reserve city
24 in each district, and shall file such certificate with the Secre-
25 tary of the Treasury. When such certificate has been
HOUSE BILL.

1. Said bank is to be located, the amount of capital stock and the
2. number of shares into which the same is divided, the names
3. and places of doing business of each of the makers of said cer-
4. tificate and the number of shares held by each of them, and the
5. fact that the certificate is made to enable such banks to avail

OWEN AMENDMENT.

1. district, and to such other banks declared to be eligible by the
2. organization committee which may apply therefor, an applic-
3. ation blank in form to be approved by the organization com-
4. mittee, which blank shall contain a resolution to be adopted by
5. the board of directors of each bank executing such applica-
6. tion, authorizing a subscription to the capital stock of the
7. Federal reserve bank organizing in that district in accord-
8. ance with the provisions of this Act.

When the minimum amount of capital stock prescribed by
1. this Act for the organization of any Federal reserve bank shall
2. have been subscribed and allotted the organization committee
3. shall designate any five banks of those whose applications have
4. been received, to execute a certificate of organization, and there-
5. upon the banks so designated shall, under their seals, make an
6. organization certificate which shall specifically state the name
7. of such Federal reserve bank as organized, the territorial extent
8. of the district over which the operations of such Federal reserve
9. bank are to be carried on, the city and State in which said bank
10. is to be located, the amount of capital stock and the number
11. of shares into which the same is divided, the name and place
12. of doing business of each bank executing such certificate, and
13. of all banks which have subscribed to the capital stock of such
14. Federal reserve bank and the number of shares subscribed by
15. each, and the fact that the certificate is made to enable those
16. banks executing same, and all banks which have subscribed or

HITCHCOCK AMENDMENTS.

1. executed and filed, as aforesaid, the board shall allot
2. to each and every national bank stock in the reserve
3. banks as prescribed in section two of this Act, and when,
4. conformable to section two of this Act, an amount of
5. such stock has been subscribed for in any Federal re-
6. serve district equal to $6,000,000, and one-third of
7. such subscription has been paid in, the board shall, by its
8. governor or vice governor, under his hand and seal, issue a cer-
9. tificate in writing specifying the name and location of the
10. reserve bank in such district, the territorial limits of the
11. district, the amount of the capital stock subscribed, and the
12. amount paid in on such subscription, and the name and
13. amount of stock taken by each subscriber. Such certificate
14. shall be acknowledged before the clerk of a court of record, or
15. a notary public, and shall be filed with the Secretary of the
OWN AMENDMENT.

1. May thereafter subscribe to the capital stock of such Federal
   reserve bank, to avail themselves of the advantages of this Act,

2. The said organization certificate shall be acknowledged
   before a judge of some court of record or notary public; and

3. Shall be, together with the acknowledgment thereof, authenti-
   cated by the seal of such court, or notary, transmitted to the

4. Comptroller of the Currency, who shall file, record and care-

5. fully preserve the same in his office.

6. Upon the filing of such certificate with the

7. Comptroller of the Currency as aforesaid, the said Federal

8. reserve bank so formed shall become a body corporate, and as

9. such, and in the name designated in such organization certifi-

10. cate, shall have power to perform all those acts and to enjoy

11. all those privileges and to exercise all those powers described

12. in section fifty-one hundred and thirty-six, Revised Statutes,

13. save in so far as the same shall be limited by the provisions

14. of this Act. The Federal reserve bank so incorporated shall

15. have succession for a period of twenty years from its organiza-

16. tion, unless sooner dissolved by Act of Congress.


HITCHCOCK AMENDMENTS.

9. Upon the filing of such certificate with the Secretary

10. of the Treasury as aforesaid, the said Federal reserve bank so

11. formed shall become a body corporate and as such, and in the

12. name designated in such organization certificate, shall have

13. power—

14. First. To adopt and use a corporate seal.

15. Second. To have succession for a period of twenty

16. years from its organization unless it is sooner dissolved by an

17. Act of Congress, or unless its franchise becomes forfeited by some

18. violation of law.

19. Third. To make contracts.

20. Fourth. To sue and be sued, complain and defend, in

21. any court of law and equity as fully as natural persons.

22. Fifth. To appoint by its board of directors, elected as

23. hereinafter provided, such officers as are not otherwise pro-

24. vided for in this Act, to define their duties, require bonds of

25. them and fix the penalty thereof, to dismiss such officers or
HOUSE BILL.

OWEN AMENDMENT.

1. Any of them as may be appointed by them at pleasure, and to
   appoint others to fill their places.
2. Sixth. To prescribe by its board of directors by-laws not
   inconsistent with law, regulating the manner in which its
   general business may be conducted, and the privileges granted
   to it by law may be exercised and enjoyed.
3. Seventh. To exercise by its board of directors, or duly
   authorized officers or agents, all powers specifically granted
   by the provisions of this Act and such incidental powers as
   shall be necessary to carry on the business of banking within
   the limitations prescribed by this Act.
4. Eighth. Upon deposit with the Treasurer of the United
   States of any bonds of the United States in the manner pro-
   vided by existing law relating to national banks, to receive
   from the Comptroller of the Currency circulating notes in
   blank, registered and countersigned as provided by law, equal
   in amount to the par value of the bonds so deposited, such
   notes to be issued under the same conditions and provisions of
   law which relate to the issue of circulating notes of national
   banks secured by bonds of the United States bearing the
   circulating privilege.
5. But no Federal reserve bank shall transact any business
   except such as is incidental and necessarily preliminary to its
   organization until it has been authorized by the Comptroller of
   the Currency to commence business under the provisions of
   this Act.

HITCHCOCK AMENDMENTS.

1. Any of them as may be appointed by them at pleasure, and to
   appoint others to fill their places.
2. Sixth. To prescribe by its board of directors by-laws not
   inconsistent with law, regulating the manner in which its
   general business may be conducted, and the privileges granted
   to it by law may be exercised and enjoyed.
3. Seventh. To exercise by its board of directors, or duly
   authorized officers or agents, all powers specifically granted
   by the provisions of this Act and such incidental powers as
   shall be necessary to carry on the business of banking within
   the limitations prescribed by this Act.
4. No Federal reserve bank shall transact any banking
   business, except such as pertains to the perfection of its or-
   ganization and management, until two-thirds of its stock
   subscribed for has been paid in as prescribed in section two
   of this Act.
Every Federal reserve bank shall be conducted under the oversight and control of a board of directors, whose powers shall be the same as those conferred upon the boards of directors of national banking associations under existing law, not inconsistent with the provisions of this Act. Such board of directors shall be constituted and elected as hereinafter specified and shall consist of nine members, holding office for three years, and divided into three classes, designated as classes A, B, and C.

Class A shall consist of three members, who shall be chosen by and be representative of the stock-holding banks. Class B shall consist of three members, who shall be representative of the general public interests of the reserve district. Class C shall consist of three members, who shall be designated by the Federal Reserve Board.
HOUSE BILL.

3 Directors of class A shall be chosen in the following manner:
4 It shall be the duty of the chairman of the board of
directors of the Federal reserve bank of the district in which
each such bank is situated to classify the member banks of the
said district into three general groups or divisions. Each
such group shall contain as nearly as may be one-third of
the aggregate number of said member banks of the said dis-
9 trict and shall consist, as nearly as may be, of banks of simi-
lar capitalization. The said groups shall be designated by
number at the pleasure of the chairman of the board of di-
rectors of the Federal reserve bank.

10 At a regularly called directors' meeting of each member
11 bank in the Federal reserve district aforesaid, the board of
directors of each member bank shall elect by ballot one of its
own members as a district reserve elector and shall certify his
name to the chairman of the board of directors of the Federal
reserve bank of the district. The said chairman shall
13 establish lists of the district reserve electors, class A,
14 thus named by banks in each of the aforesaid three groups and
15 shall transmit one list to each such elector in each

OWN AMENDMENT.

1 No director of class B or of class C shall be an officer,
director, or stockholder of a member bank.

2 Directors of class A and class B shall be chosen in the
following manner:
3 It shall be the duty of the chairman of the board of
directors of the Federal reserve bank of the district in which
each such bank is situated to classify the member
banks of the said district into three general groups or divisions.
Each
such group shall contain as nearly as may be one-third of
the aggregate number of said member banks of the said dis-

HITCHCOCK AMENDMENTS.

16 At a regularly called directors' meeting of each member
17 bank in the Federal reserve district aforesaid, the board of
directors of each member bank shall elect by ballot one of its
own members as a district reserve elector and shall certify his
name to the chairman of the board of directors of the Federal
reserve bank of the district. The said chairman shall
19 establish lists of the district reserve electors, class A,
20 thus named by banks in each of the aforesaid three groups and
21 shall transmit one list to each such elector in each
HOUSE BILL.

Every elector shall, within fifteen days of the receipt of the said list, select and certify to the said chairman from the said list the names of the three candidates for Federal reserve directors, class A, and the name of the candidate receiving the greatest number of votes of such candidates shall be designated as Federal reserve director for the group to which he belongs. In case no candidate shall receive a majority of all votes cast in any group, the chairman aforesaid shall cause the names of the three candidates receiving the greatest number of votes on the first ballot to be transmitted to the electors in each of the groups of banks established by him. Each elector shall at once select and certify to the said chairman the name from among the three persons submitted to him his choice for Federal reserve director, class A, and the name receiving the greatest number of such votes shall be declared by the chairman as Federal reserve director, class A. In case of a tie, the balloting shall continue until one candidate receives more votes than either of the others. Directors of class B shall be chosen by the electors of the respective groups at the same time and in the same manner prescribed for directors of class A, except that they shall be selected from a list of names furnished, one by each member bank, and shall consist of three of officers, directors, and directors of any bank or banking association.

OWEN AMENDMENT.

As soon as practicable after a reserve bank has been incorporated as above provided, the board shall notify the

HITCHCOCK AMENDMENTS.
HOUSE BILL.

Among the names on the list pertaining to his group, transmitted to him by the chairman, one name, not his own, as representing his choice for Federal reserve director, class A. The name receiving the greatest number of votes, not less than a majority, shall be designated by said chairman as Federal reserve director for the group to which he belongs. In case no candidate shall receive a majority of all votes cast in any group, the chairman aforesaid shall establish an eligible list, consisting of the three names receiving the greatest number of votes on the first ballot, and shall transmit said list to the electors in each of the groups of banks established by him.

Each elector shall at once select and certify to the said chairman from among the three persons submitted to him his choice for Federal reserve director, class A, and the name receiving the greatest number of such votes shall be declared by the chairman as Federal reserve director, class A. In case of a tie vote the balloting shall continue in the manner hereinafter prescribed until one candidate receives more votes than either of the others.

Directors of class B shall be chosen by the electors of the respective groups at the same time and in the same manner prescribed for directors of class A, except that they must be selected from a list of names furnished, one by each member bank, and such names shall in no case be those of officers or directors of any bank or banking association. They shall not accept office as such during the term of their service in the Federal reserve bank of the district. Each elector shall make a cross opposite the name of the first, second, and third candidate for director of class A and for a director of class B, but shall not vote more than one choice for any candidate.

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 the votes in the first column, then there shall be added together the votes cast by the electors for each candidate in the second column to the votes cast for the several candidates in the first column. If any candidate have a majority of the voters voting, by adding together the first and second choices, he shall be declared elected.

If no candidate have a majority of voters voting when the first and second choices 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.

They shall not accept office as such during the term of their service or directors of the Federal reserve bank. They shall be fairly representative of the commercial, agricultural, or industrial interests of their respective districts. The Federal Reserve Board shall have other choices upon the list, upon a preferential ballot, on a form furnished by the chairman of the board of directors of the Federal reserve bank of the district. Each elector shall make a cross opposite the name of the first, second, and third candidates for director of class A and for a director of class B, but shall not vote more than one choice for any candidate.

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 each candidate in the second column to the votes cast for the several candidates in the first column. If any candidate have a majority of the votes in the first column, then there shall be added together the votes cast by the electors for each candidate in the second column to the votes cast for the several candidates in the first column. If any candidate have a majority of the votes in the first column, then there shall be added together the votes cast by the electors for each candidate in the second column to the votes cast for the several candidates in the first column. If any candidate have a majority of the votes in the first column, then there shall be added together the votes cast by the electors for each candidate in the second column to the votes cast for the several candidates in the first column. If any candidate have a majority of the votes in the first column, then there shall be added together the votes cast by the electors for each candidate in the second column to the votes cast for the several candidates in the first column.
HOUSE BILL.

1. as directors of the Federal reserve bank. They shall be fairly
2. representative of the commercial, agricultural, or industrial
3. interests of their respective districts. The Federal Reserve
4. Board shall have power at its discretion to remove any di-
5. rector of class B in any Federal reserve bank, if it should ap-
6. pear at any time that such director does not fairly represent
7. the commercial, agricultural, or industrial interests of his
8. district.

9. Three directors belonging to class C shall be chosen
10. directly by the Federal Reserve Board, and shall be residents
11. of the district for which they are selected, one of whom shall be
12. designated by said board as chairman of the board of directors
13. of the Federal reserve bank of the district to which he is
14. appointed and shall be designated as "Federal reserve agent."
15. He shall be a person of tested banking experience; and in
16. addition to his duties as chairman of the board of directors of
17. the Federal reserve bank of the district to which he is
18. appointed, he shall be required to maintain under regulations
19. to be established by the Federal Reserve Board a local office
20. of said board, which shall be situated on the premises
21. of the Federal reserve bank of the district. He shall make
22. regular reports to the Federal Reserve Board, and shall
23. act as its official representative for the performance of the
24. functions conferred upon it by this Act. He shall receive an
25. annual compensation to be fixed by the Federal Reserve

OWEN AMENDMENT.

1. power at its discretion to remove any director of class B in
2. any Federal reserve bank, if it should appear at any time that
3. such director does not fairly represent the commercial, agri-
4. cultural, or industrial interests of his district.

5. Three directors belonging to class C shall be chosen
6. appointed directly by the Federal Reserve Board, and shall
7. hold their offices for four years, except the
8. Federal reserve agent, who shall hold his office at the pleasure of
9. the board. Of the directors "A" first selected one shall hold
10. office for one year, one for two years, one for three years, and
11. one for the full term of four years, as designated by the board.
12. Directors "B" shall hold their offices for four years except
13. that as to the first election one shall be elected for one year,
14. one for two years, one for three years, and one for four years.

HITCHCOCK AMENDMENTS.

1. holder, or employee of any other bank or of any trust com-
2. pany, and no person shall be appointed or elected director who is
3. not at the time of his appointment or election an actual and bona
4. fide resident of the Federal reserve district for which he is ap-
5. pointed or elected. The Federal Reserve Board shall designate
6. and appoint one of said directors "A" as chairman of the board
7. of directors, who shall be known as "Federal reserve agent."
8. Directors "A" shall hold their offices for four years, except the
9. Federal reserve agent, who shall hold his office at the pleasure of
10. the board. Of the directors "A" first selected one shall hold
11. office for one year, one for two years, one for three years, and
12. one for the full term of four years, as designated by the board.
13. Directors "B" shall hold their offices for four years except
14. that as to the first election one shall be elected for one year,
15. one for two years, one for three years, and one for four years.
HOUSE BILL.

Board and paid monthly by the Federal reserve bank to which he is designated.

Directors of Federal reserve banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, which amount shall be paid by the respective Federal reserve banks. Any compensation that may be provided by boards of directors of Federal reserve banks for members of such boards shall be subject to review by the Federal Reserve Board.

The Reserve Bank Organization Committee may, in organizing Federal reserve banks for the first time, call such meetings of bank directors in the several districts as may be necessary to carry out the purposes of this Act and may exercise the functions herein conferred upon the chairman of the board of directors of each Federal reserve bank pending the complete organization of such bank.

At the first meeting of the full board of directors of each Federal reserve bank after organization it shall be the duty of

OWN AMENDMENT.

annual compensation to be fixed by the Federal Reserve Board and paid monthly by the Federal reserve bank to which he is designated. One of the directors of class C shall be appointed by the Federal Reserve Board as deputy chairman and deputy Federal reserve agent to exercise the powers of the chairman of the board and Federal reserve agent in case of the absence or disability of his principal.

Directors of Federal reserve banks shall receive, in addition to any compensation otherwise provided, a reasonable allowance for necessary expenses in attending meetings of their respective boards, which amount shall be paid by the respective Federal reserve banks. Any compensation that may be provided by boards of directors of Federal reserve banks for members of such boards shall be subject to review and subsequent readjustment at any time by the Federal Reserve Board.

The Reserve Bank Organization Committee may, in organizing Federal reserve banks for the first time, call such meetings of bank directors in the several districts as may be necessary to carry out the purposes of this Act, and may exercise the functions herein conferred upon the chairman of the board of directors of each Federal reserve bank pending the complete organization of such bank.

At the first meeting of the full board of directors of each Federal reserve bank after organization it shall be the duty of

HITCHCOCK AMENDMENTS.

The salaries of the directors shall be fixed by the board, and shall be payable from the revenue of the Federal reserve bank of which they are directors. The board of directors shall have authority to fix the salaries and wages of all the employees of their bank.
the directors of classes A and B and C, respectively, to designate one of the members of each class whose term of office shall expire in one year from the first of January nearest to date of such meeting, one whose term of office shall expire at the end of two years from said date, and one whose term of office shall expire at the end of three years from said date. Thereafter every director of a Federal reserve bank chosen as hereinbefore provided shall hold office for a term of three years, but the chairman of the board of directors of each Federal reserve bank designated by the Federal Reserve Board, as hereinbefore described, shall be removable at the pleasure of the said board, without notice, and his successor shall hold office during the unexpired term of the director in whose place he was appointed. Vacancies that may occur in the several classes of directors of Federal reserve banks may be filled in the manner provided for the original selection of such directors, such appointees to hold office for the unexpired terms of their predecessors.

Upon its own initiative, for cause, or upon written complaint under oath presented by ten or more member banks charging any director of a reserve bank with incompetency, dishonesty, or other matter affecting his efficiency as a director, the board shall have the power, after hearing and proof and pursuant to a written notice specifying the grounds thereof, to remove such director. The accused director shall be allowed thirty days in which to make defense thereto. Pending...
HOUSE BILL.

Owen Amendment.

INCREASE AND DECREASE OF CAPITAL.

3 STOCK ISSUES; INCREASE AND DECREASE OF CAPITAL.

31

Hitchcock Amendments.

1 In the hearing the board may within its discretion suspend
2 the accused director.

3 INCREASE AND DECREASE OF CAPITAL.

4 Sec. 5. That shares of the capital stock of Federal
5 reserve banks shall not be transferable nor be hypothecated;
6 in case a member bank increases its capital, it shall there-
7 upon subscribe for an additional amount of capital stock of
8 the Federal reserve bank of its district equal to twenty per
9 centum of the bank's own increase of capital; one half of
10 said subscription to be paid in cash in the manner herein-
11 before provided for original subscription, and one half to
12 become a liability of the member bank according to the
13 terms of the original subscription. A bank applying for
14 stock in a Federal reserve bank at any time after the forma-
15 tion of the latter must subscribe for an amount of the capital
16 of said Federal reserve bank equal to twenty per centum of
17 the capital stock of said subscribing bank, paying therefor
18 its par value in accordance with the terms prescribed by
19 section two of this Act. When the capital stock of any
20 Federal reserve bank has been increased either on account
21 of the increase of capital stock of member banks or on
22 account of the increase in the number of member banks,
23 the board of directors shall make and execute a certificate
24 to the Comptroller of the Currency showing such increase
25 in capital, the amount paid in, and by whom paid. In case
1. Sec. 5. That shares of the capital stock of Federal reserve banks shall not be transferable, nor be hypothecated.

2. In case a member bank increases its capital, it shall thereupon subscribe for an additional amount of capital stock of the Federal reserve bank of its district equal to twenty per centum of the bank's own increase of capital, one-half of said subscription to be paid in cash in the manner hereinbefore provided for original subscription, and one-half to become a liability of the member bank according to the terms of the original subscription. A bank applying for stock in a Federal reserve bank at any time after the formation of said bank shall receive in payment therefor, under regulations to be prescribed by the Federal Reserve Board, a sum equal to its paid subscriptions on the shares surrendered.

3. Sec. 5. That the capital stock in the reserve banks shall be maintained as nearly as practicable in an amount equal to six per centum of the capital and surplus of the member banks in said district, and the board is authorized from time to time to sell to the public such additional stock in any reserve bank as may be required to maintain this proportion. The price at which said stock shall be offered to the public shall be at its fair market value, but in no case below par. Any bank applying for membership in a reserve bank shall be required by the board to underwrite, at the price fixed by the board, such an amount of capital stock in said reserve bank, equal to six per centum of the capital and surplus of such applying bank, as may be allotted to it by the board, and to purchase and pay for such portion of said allotment as may not be purchased by the public, as provided for in this Act.
HOUSE BILL.

10 of this Act. When the capital stock of any Federal reserve
11 bank has been increased either on account of the increase of
12 capital stock of member banks or on account of the increase
13 in the number of member banks, the board of directors shall
14 make and execute a certificate to the Comptroller of the Cur-
15 rency showing said increase in capital, the amount paid in,
16 and by whom paid. In case a member bank reduces its
17 capital stock it shall surrender a proportionate amount of its
18 holdings in the capital of said Federal reserve bank, and in
19 case a member bank goes into voluntary liquidation it shall
20 surrender all of its holdings of the capital stock of said Federal
21 reserve bank. In either case the shares surrendered shall
22 be canceled and such member bank shall receive in payment
23 therefor, under regulations to be prescribed by the Federal
24 Reserve Board, a sum equal to its paid subscriptions on
25 the shares surrendered.

OWN AMENDMENT.

1 subscription subject to call of the Federal Reserve Board. A
2 bank applying for stock in a Federal reserve bank at any time
3 after the formation of the latter organization thereof must
4 subscribe for an amount of the capital stock of said the
5 Federal reserve bank equal to twenty-six per centum of the
6 paid-up capital stock and surplus of said subscribing applicant
7 bank, paying therefor its par value in accordance with the
8 terms prescribed by section two of this Act plus one-half of
9 one per cent a month from the period of the last dividend.
10 When the capital stock of any Federal reserve bank has
11 shall have been increased either on account of the increase of
12 capital stock of member banks or on account of the increase
13 in the number of member banks, the board of directors shall
14 make and execute a certificate to the Comptroller of the Cur-
15 rency showing the increase in capital stock, the amount paid in,
16 and by whom paid. In case a member bank reduces its
17 capital stock it shall surrender a proportionate amount of its
18 holdings in the capital of said Federal reserve bank, and in
19 case a member bank goes into voluntary liquidation it shall
20 surrender all of its holdings of the capital stock of said Federal
21 reserve bank. In either case the shares surrendered shall
22 be canceled and such member bank shall receive in payment
23 therefor, under regulations to be prescribed by the Federal
24 Reserve Board, a sum equal to its paid subscriptions on
25 the shares surrendered.

OWEN AMENDMENT.

1 subscription subject to call of the Federal Reserve Board. A
2 bank applying for stock in a Federal reserve bank at any time
3 after the formation of the latter organization thereof must
4 subscribe for an amount of the capital stock of said the
5 Federal reserve bank equal to twenty-six per centum of the
6 paid-up capital stock and surplus of said subscribing applicant
7 bank, paying therefor its par value in accordance with the
8 terms prescribed by section two of this Act plus one-half of
9 one per cent a month from the period of the last dividend.
10 When the capital stock of any Federal reserve bank has
11 shall have been increased either on account of the increase of
12 capital stock of member banks or on account of the increase
13 in the number of member banks, the board of directors shall
14 make and execute a certificate to the Comptroller of the Cur-
15 rency showing the increase in capital stock, the amount paid in,
16 and by whom paid. In case a member bank reduces its
17 capital stock it shall surrender a proportionate amount of its
18 holdings in the capital of said Federal reserve bank, and in
19 case a member bank goes into voluntary liquidation it shall
20 surrender all of its holdings of the capital stock of said Federal
21 reserve bank. In either case the shares surrendered shall
22 be canceled and such member bank shall receive in payment
23 therefor, under regulations to be prescribed by the Federal
24 Reserve Board, a sum equal to its paid subscriptions on
25 the shares surrendered.

HITCHCOCK AMENDMENTS.

10 When the capital stock of any reserve bank has been in-
11 creased, the board shall certify the same to the Secretary of
12 the Treasury.

OWN AMENDMENT.

1 subscription subject to call of the Federal Reserve Board. A
2 bank applying for stock in a Federal reserve bank at any time
3 after the formation of the latter organization thereof must
4 subscribe for an amount of the capital stock of said the
HOUSE BILL.

Owen Amendment.

Sec. 6. That if any member bank shall become insolvent and a receiver be appointed, the stock held by it in said Federal reserve bank shall be canceled and the balance, after deducting from the amount of its cash paid subscriptions all debts due by such insolvent bank to said Federal reserve bank, shall be paid to the receiver of the insolvent bank. Whenever the capital stock of a Federal reserve bank is reduced, either on account of a reduction in capital stock of any member bank or of the liquidation or insolvency of any such member bank, the board of directors shall make and execute a certificate to the Comptroller of the Currency showing such reduction of capital stock and the amount repaid to such bank.

Hitchcock Amendments.

Sec. 6. That if any member bank shall become insolvent and a receiver be appointed, the stock held by it in said Federal reserve bank shall be canceled and the balance, after deducting from the amount of its cash paid subscriptions all debts due by such insolvent bank to said Federal reserve bank, shall be paid to the receiver of the insolvent bank. Whenever the capital stock of a Federal reserve bank is reduced, either on account of a reduction in capital stock of any member bank or of the liquidation or insolvency of any such member bank, the board of directors shall make and execute a certificate to the Comptroller of the Currency showing such reduction of capital stock and the amount repaid to such bank.

Sec. 6. That in case the Federal Reserve Board shall decide, after two years' operation of the reserve banks first established, that one or more additional banks herein authorized should be established it shall make the necessary changes in laws of existing districts, designate the new reserve city or cities, and notify the member banks affected by such changes to associate themselves with the new reserve bank or banks and change the deposit of their reserves accordingly. Stockholders in pre-
HOUSE BILL.

1. reduction in capital stock of any member bank or of the liquidation or insolvency of any such member bank, the board of directors shall make and execute a certificate to the Comptroller of the Currency showing such reduction of capital stock and the amount repaid to such bank.

DIVISION OF EARNINGS.

1. reserve bank shall be canceled, and all cash-paid subscriptions on said stock, with one-half of one per cent per month from the period of last dividend, not to exceed the book value thereof, shall be first applied to all debts of the insolvent member bank to the Federal Reserve bank, and the balance, if any, shall be paid to the receiver of the insolvent bank. Whenever the capital stock of a Federal Reserve bank is reduced, either on account of a reduction in capital stock of any member bank or of the liquidation or insolvency of any such member bank, the board of directors shall make and execute a certificate to the Comptroller of the Currency showing such reduction of capital stock and the amount repaid to such bank.

Owen Amendment.

1. reserve bank shall be canceled, and all cash-paid subscriptions on said stock, with one-half of one per cent per month from the period of last dividend, not to exceed the book value thereof, shall be first applied to all debts of the insolvent member bank to the Federal Reserve bank, and the balance, if any, shall be paid to the receiver of the insolvent bank. Whenever the capital stock of a Federal Reserve bank is reduced, either on account of a reduction in capital stock of any member bank or of the liquidation or insolvency of any such member bank, the board of directors shall make and execute a certificate to the Comptroller of the Currency showing such reduction of capital stock and the amount repaid to such bank.

Hitchcock Amendments.

1. provisionally established reserve banks affected by the change shall be invited to exchange a portion of their stock certificates as indicated by the reserve board, and for all stock so exchanged the reserve board shall direct the transfer to the new reserve bank or banks from the old reserve bank or banks of the corresponding amount of cash capital in gold.

2. If insufficient stock certificates are not thus exchanged the reserve board may offer to the general public at par stock in the newly created district or districts to an amount necessary to make up the difference.

3. As an inducement to make the exchange of stock the reserve board may direct that the stock of the old reserve bank or banks so exchanged shall be entitled to payment in cash of its share of the accumulated surplus.

DIVISION OF EARNINGS.

1. Sec. 7. That after the payment of all necessary expenses and taxes of a Federal Reserve bank, the member banks shall be entitled to receive an annual dividend of five per centum on the paid-in capital stock, which dividend shall be cumulative. One-half of the net earnings, after the afore-mentioned dividend claims have been fully met, shall be paid into a surplus fund, until such fund shall amount to twenty per centum of the paid-in capital stock of such bank; and of the remaining one-half sixty per centum shall be paid to the United States and forty per centum
HOUSE BILL.

Owen Amendment.

Sec. 7. That after the payment of all necessary expenses and taxes of a Federal reserve bank, the member banks shall be entitled to receive an annual dividend of five per centum on the paid-in capital stock, which dividend shall be cumulative. One-half of the net earnings, after the aforegoing, to the member banks in the ratio of their average balances with the Federal reserve bank for the preceding year; whenever and so long as the surplus fund of a Federal reserve bank amounts to twenty per centum of the paid-in capital stock, and the member banks have received the dividends at the rate of five per centum per annum hereinbefore provided for, sixty per centum of all excess earnings shall be paid to the United States and forty per centum to the member banks in proportion to their annual average balances with such Federal reserve bank; all earnings derived by the United States from Federal reserve banks shall constitute a sinking fund to be held for the reduction of the outstanding bonded indebtedness of the United States; said reduction to be accomplished under regulations to be prescribed by the Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquidation, the surplus fund of said bank, after the payment of all debts and dividend requirements as hereinbefore provided for, shall be paid into and become the property of the United States.

Hitchcock Amendments.

Sec. 5. That after the payment of all necessary expenses and taxes of a Federal reserve bank, the member banks shall be entitled to receive an annual dividend of five per centum on the paid-in capital stock, which dividend shall be cumulative. One-half of the net earnings, after the aforementioned, to the member banks in the ratio of their average balances with the Federal Reserve Board for the preceding year; whenever and so long as the surplus fund of a Federal reserve bank amounts to twenty per centum of the paid-in capital stock, and the member banks have received the dividends at the rate of five per centum per annum hereinbefore provided for, sixty per centum of all excess earnings shall be paid to the United States and forty per centum to the member banks in proportion to their annual average balances with such Federal reserve bank; all earnings derived by the United States from Federal reserve banks shall constitute a sinking fund to be held for the reduction of the outstanding bonded indebtedness of the United States; said reduction to be accomplished under regulations to be prescribed by the Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquidation, the surplus fund of said bank, after the payment of all debts and dividend requirements as hereinbefore provided for, shall be paid into and become the property of the United States.
said dividend claims have been fully met, shall be paid into a surplus fund until such fund shall amount to twenty per centum of the paid-in capital stock of such bank, and of the remaining one-half sixty per centum shall be paid to the United States and forty per centum to the member banks in the ratio of their average balances with the Federal Reserve Bank for the preceding year. Whenever and so long as the surplus fund of a Federal Reserve Bank amounts to twenty per centum of the paid-in capital stock and the member banks have received the dividends at the rate of five per centum per annum as hereinbefore provided for, sixty per centum of all excess earnings shall be paid to the United States and forty per centum to the member banks in proportion to their average balances with such Federal Reserve Bank; all earnings derived by the United States from Federal Reserve Banks shall constitute a sinking fund to be held for the reduction of the outstanding bonded indebtedness of the United States, said redemption to be accomplished under regulations to be prescribed by the Secretary of the Treasury. Should a Federal Reserve Bank be dissolved or go into liquidation, the surplus fund of said bank, after the payment of all debts and dividend requirements as hereinbefore provided for, shall be paid to and become the property of the United States.
HOUSE BILL.

Every Federal reserve bank incorporated under the terms of this Act and the capital stock therein held by member banks shall be exempt from Federal, State, and local taxation, except in respect to taxes upon real estate.

OWN AMENDMENT.

1. Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquidation, the surplus fund of such bank any surplus remaining, after the payment of all debts and dividend requirements as hereinbefore provided for, shall be paid to and become the property of the United States and shall be similarly applied.

2. Every Federal reserve bank incorporated under the terms of this Act and the capital stock therein held by member banks and the income derived therefrom shall be exempt from Federal, State, and local taxation, except in respect to taxes upon real estate.

3. Sec. 8. That any national banking association heretofore organized may upon application at any time within one year after the passage of this Act, and with the approval of the Comptroller of the Currency, be granted, as herein provided, all the rights and be subject to all the liabilities of national banking associations organized subsequent to the passage of this Act: Provided, That such application on the part of such associations shall be authorized by the consent in writing of stockholders owning not less than a majority of the capital stock of the association.

4. Any national banking association now organized which shall not, within one year after the passage of this Act, become a national banking association under the provisions hereinafore stated, or which shall fail to comply with any

HITCHCOCK AMENDMENTS.

1. States, and bonds then to be retired; or if such bonds can not be so purchased said amount shall be applied to the purchase of other interest-bearing obligations of the United States, which obligations shall thenceforward be retired.

2. Every Federal reserve bank incorporated under the terms of this Act and the capital stock therein held by member banks and the income derived therefrom shall be exempt from Federal, State, and local taxation, except in respect to taxes upon real estate.

3. Sec. 8. That any national banking association heretofore organized may upon application at any time within one year after the passage of this Act, and with the approval of the Comptroller of the Currency, be granted, as herein provided, all the rights and be subject to all the liabilities of national banking associations organized subsequent to the passage of this Act: Provided, That such application on the part of such associations shall be authorized by the consent in writing of stockholders owning not less than a majority of the capital stock of the association. 

4. Any national banking association now organized which shall not, within one year after the passage of this Act, become a national banking association under the provisions hereinafore stated, or which shall fail to comply
HOUSE BILL.

6 Sec. 8. That any national banking association here-
7 before organized may upon application at any time
8 within one year after the passage of this Act, and
9 with the approval of the Comptroller of the Currency,
10 be granted, as herein provided, all the rights, and be sub-
11 ject to all the liabilities, of national banking associations
12 organized subsequent to the passage of this Act: Provided,
13 That such application on the part of each associations shall
14 be authorized by the consent in writing of stockholders
15 owning not less than a majority of the capital stock of the
16 association. Any national banking association now organ-
17 ized which shall not, within one year after the passage of this
18 Act, become a national banking association under the pro-
19 visions herebefore stated, or which shall fail to comply
20 with any of the provisions of this Act applicable thereto,
21 shall be dissolved; but such dissolution shall not take away
22 or impair any remedy against such corporation, its stockholders
23 or officers, for any liability or penalty which shall have pre-
24 viously been incurred.

OWN AMENDMENT.

1 1 of the provisions of this Act applicable thereto, shall be dis-
2 solved; but such dissolution shall not take away or impair
3 any remedy against such corporation, its stockholders or
4 officers, for any liability or penalty which shall have pre-
5 viously been incurred.

HITCHCOCK AMENDMENTS.

6 Sec. 8. That within six months after a national bank
7 shall have been notified by the Federal Reserve Board of its
8 allotment of stock under section two of this Act, said national
9 bank shall hold a meeting of its stockholders and decide by a
10 majority vote whether it will become a member bank under the
11 terms of this Act or whether it will give up its charter as a
12 national bank. In case the stockholders of said national bank
13 shall decide that said national bank shall become a member
14 bank, the officers of said bank, upon a blank provided by the
15 board, shall forward the formal acceptance by said national
16 bank of the terms of this Act to the board, properly attested
17 before a notary public. In case any national bank shall
18 fail to forward its acceptance to the board within six months
19 from the time said board makes the allotment of stock to
20 said bank, it shall be deemed to have declined to become a mem-
21 ber bank and shall thereupon have six months within which to
22 surrender its charter and abandon its existence as a national
23 bank. In any case, however, every national bank shall be
24 and is required to accept the allotment of stock as provided
25 in section two, which stock may be freely sold and disposed of.
HOUSE BILL.

OWEN AMENDMENT.

SEC. 9. That any bank or banking association incorporated by special law of any State or of the United States, or organized under the general laws of any State or the United States, and having an unimpaired capital sufficient to entitle it to become a national banking association under the provisions of existing laws, may, by the consent in writing of the shareholders owning not less than fifty-one per centum of the capital stock of such bank or banking association, and with the approval of the Comptroller of the Currency, become a national banking association under its former name or by any name approved by the comptroller.

The directors thereof may continue to be the directors of the association so organized until others are elected or appointed in accordance with the provisions of the law. When the comptroller has given to such bank or banking association a certificate that

HITCHCOCK AMENDMENTS.

as other assets of the bank: Provided, however, That any national bank acting as a reserve agent in a reserve or central reserve city shall be required to accept the terms of this Act within six months from the date of notification of its allotment of stock, or, upon failure to do so, shall cease to be a reserve agent for national banks.

SEC. 9. That any bank or banking association incorporated by special law of any State or of the United States, or organized under the general laws of any State or the United States, and having an unimpaired capital sufficient to entitle it to become a national banking association under the provisions of existing laws, may, by the consent in writing of the shareholders owning not less than fifty-one per centum of the capital stock of such bank or banking association, and with the approval of the Comptroller of the Currency, become a national banking association with any name approved by the said comptroller, and transfer its business to such national banking association under its former name or by any name approved by the comptroller.

The directors thereof may continue to be the directors of the association so organized until others are elected or appointed in accordance with the provisions of the law. When the comptroller has given to such bank or banking association a certificate that
HOUSE BILL.

1 if the provisions of this Act have been complied with, such
2 bank or banking association, and all its stockholders, officers,
3 and employees, shall have the same powers and privileges,
4 and shall be subject to the same duties, liabilities, and regu-
5 lations, in all respects, as shall have been prescribed by
6 this Act or by the national banking Act for associations
7 originally organized as national banking associations.

OWNEN AMENDMENT.

1 a certificate that the provisions of this Act have been com-
2 plied with, such bank or banking association, and all its
3 stockholders, officers, and employees, shall have the same
4 powers and privileges, and shall be subject to the same
5 duties, liabilities, and regulations, in all respects, as shall
6 have been prescribed by this Act or by the national
7 banking Act for associations originally organized as national
8 banking associations.

HITCHCOCK AMENDMENTS.

1 complied with, such bank or banking association, and all
2 its stockholders, officers, and employees, shall have the same
3 powers and privileges, and shall be subject to the same
4 duties, liabilities, and regulations, in all respects, as shall
5 have been prescribed by this Act or by the national bank-
6 ing Act for associations originally organized as national
7 banking associations.

STATE BANKS AS MEMBERS.

10 SEC. 10. That from and after the passage of this Act
11 any bank or banking association or trust company incor-
12 porated by special law of any State, or organized under
13 the general laws of any State or the United States, may
14 make application to the Federal Reserve Board hereinafter
15 created for the right to subscribe to the stock of the Federal
16 reserve bank organized or to be organized within the Federal
17 reserve district where the applicant is located. The Federal
18 Reserve Board, under such rules and regulations as it may
19 prescribe, subject to the provisions of this section, shall
20 permit such applying bank to become a stockholder in the
21 Federal reserve bank of the district in which such applying
22 bank is located. Whenever the Federal Reserve Board
23 shall permit such applying bank to become a stockholder
24 in the Federal reserve bank of the district in which the ap-
25 plying bank is located, stock shall be issued and paid for under

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HOUSE BILL.

1 the rules and regulations in this Act provided for national banks which become stockholders in Federal reserve banks.

It shall be the duty of the Federal Reserve Board to establish by-laws for the general government of its conduct in acting upon applications made by the State banks and banking associations and trust companies hereinafter referred to for stock ownership in Federal reserve banks. Such by-laws shall require applying banks not organized under Federal law to comply with the reserve requirements and submit to the inspection and regulations provided for in this and other laws relating to national banks. No such applying bank shall be admitted to membership in a Federal reserve bank unless it possesses a paid-up unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated, under the provisions of the national banking Act, and conforms to the provisions herein prescribed for national banking associations and to the regulations of the Federal Reserve Board.

OWEN AMENDMENT.

1 to become a stockholder in the Federal reserve bank of the district in which the applying bank is located, stock shall be issued and paid for under the rules and regulations in this Act provided for national banks which become stockholders in Federal reserve banks. It shall be the duty of the organization committee of the Federal Reserve Board to establish by-laws for the general government of its conduct in acting upon applications made by the State banks and banking associations and trust companies hereinafter referred to for stock ownership in Federal reserve banks. Such by-laws shall require applying banks not organized under Federal law to comply with the reserve requirements and submit to the inspection and examination regulations prescribed by the organization committee or the Federal Reserve Board. No such applying bank shall be admitted to membership in a Federal reserve bank unless it possesses a paid-up unimpaired capital sufficient to entitle it to become a national banking association in the place where it is situated, under the provisions of the national banking Act, and conforms to the provisions herein prescribed for national banking associations and to the regulations of the Federal Reserve Board.

HITCHCOCK AMENDMENTS.

1 located, stock shall be issued and paid for under the rules and regulations in this Act provided for national banks which become stockholders in Federal reserve banks in which one stock shall be allotted to it as provided in this Act. It shall be the duty of the Federal Reserve Board to establish by-laws for the general government of its conduct in acting upon applications made by the State banks and banking associations and trust companies hereinafter referred to for stock ownership in Federal reserve banks. Such by-laws shall require applying banks not organized under Federal law to comply with the reserve requirements and submit to the inspection and examination provisions prescribed by the organization committee or the Federal Reserve Board and it shall thereafter be required to make the same reports and be subject to the same examination and supervision as national banking associations and subject also to the reserve requirements of this Act.
If at any time it shall appear to the Federal Reserve Board that a banking association or trust company organized

...any person, firm, or corporation to such banks, the prohibition against making purchases of or loans on stock of such banks, and the withdrawal or impairment of capital, or the payment of noncenter dividends.

Such banks, and the officers, agents, and employees thereof, shall also be subject to the provisions of and to the penalties prescribed by sections fifty-one hundred and ninety-eight, fifty-two hundred and eight, fifty-two hundred and one, and fifty-two hundred and eight and fifty-two hundred and nine of the Revised Statutes. The member banks shall also be required to make reports of the conditions and of the payments of dividends to the comptroller, as provided in sections fifty-two hundred and eleven and fifty-two hundred and twelve of the Revised Statutes, and shall be subject to the penalties prescribed by section fifty-two hundred and thirteen for the failure to make such report.
HOUSE BILL.

1. under the laws of any State or of the United States has failed
2. to comply with the provisions of this section or the regu-
3. lations of the Federal Reserve Board, it shall be within
4. the power of the said board to require such banking associa-
5. tion or trust company to surrender its stock in the Federal
6. reserve bank in which it holds stock upon receiving from
7. such Federal reserve bank the cash-paid subscriptions to
8. the said stock in current funds, and said Federal reserve
9. bank shall upon notice from the Federal Reserve Board
10. be required to suspend said banking association or trust
11. company from further privileges of membership, and shall
12. within thirty days of such notice cancel and retire its
13. stock and make payment therefor in the manner herein
14. provided.

OWN AMENDMENT.

1. owned under the laws of any State or of the United
2. States and having become a member bank has failed
3. to comply with the provisions of this section or the regu-
4. lations of the Federal Reserve Board, it shall be within
5. the power of the said board, after hearing, to require such
6. banking association or trust company to surrender its stock in
7. the Federal reserve bank; in which it holds stock upon re-
8. ceiving from such Federal reserve bank the cash-
9. paid subscriptions to the said stock in current funds
10. according to the rate of one-half of one per
11. centum per annum interest, computed from the last dividend,
12. if earned, not to exceed the book value thereof, less any liability
13. to said Federal reserve bank, except the subscription liability
14. not previously called, which shall be canceled, and said Federal
15. reserve bank shall, upon notice from the Federal Reserve
16. Board, be required to suspend said banking association or trust
17. company from further privileges of membership, and shall
18. within thirty days of such notice cancel and retire its
19. stock and make payment therefor in the manner herein
20. provided. The Federal Reserve Board may restore mem-
21. bership upon due proof of compliance with the conditions im-
22. posed by this section.

HITCHCOCK AMENDMENTS.

1. under the laws of any State or of the United States
2. member bank has failed to comply with the provisions of
3. this section Act or the regulations of the Federal Reserve
4. Board, it shall be within the power of the said board to re-
5. quire such banking association or trust company to surrender
6. its stock to the Federal reserve bank in which it holds stock
7. upon receiving from such Federal reserve bank the cash-
8. paid subscriptions to the said stock in current funds, and said
9. Federal reserve bank shall upon notice from the Federal
10. Reserve Board be required to suspend said banking associa-
11. tion or trust company from further privileges of member-
12. ship, and shall within thirty days of such notice cancel and
13. retire its stock and make payment therefor in the manner
14. herein provided, after due hearing, to suspend or expel the
15. said bank from membership. The Federal Reserve Board
16. may restore membership upon due proof of compliance with
17. the conditions imposed by this Act.

FEDERAL RESERVE BOARD.

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FEDERAL RESERVE BOARD.

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FEDERAL RESERVE BOARD.

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FEDERAL RESERVE BOARD.

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Federal Reserve Bank of St. Louis

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Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, who shall be members ex officio, and four members appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the four appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of different geographical divisions of the country. The four members of the Federal Reserve Board appointed by the President and confirmed as aforesaid shall devote their entire time to the business of the Federal Reserve Board and shall each receive an annual salary of $10,000, together with an allowance for actual necessary traveling expenses, and the Comptroller of the Currency, as an ex officio member of said Federal Reserve Board, shall, in addition to the salary now paid him as comptroller, receive the sum of $4,000 annually for his services as a member of said Board. Of the four members thus appointed by the President not more than two shall be of the same political party, and at least one of whom shall be a person experienced in banking. One shall be designated by the President to serve for two, one for four, one for six, and one for eight years, respectively; and thereafter each member so appointed shall serve for a term of eight years unless sooner removed for cause by the President. Of the four per-
OWEN AMENDMENT.

SEC. 11. That there shall be created a Federal Reserve Board, which shall consist of seven members, including the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, who shall be members ex officio, and four members appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the four appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard to a fair representation of different geographical divisions of the country. The four members of the Federal Reserve Board appointed by the President and confirmed as aforesaid shall devote their entire time to the business of the Federal Reserve Board and shall each receive an annual salary of $10,000, together with an allowance for actual necessary traveling expenses, and the Comptroller of the Currency, as ex officio member of said Federal Reserve Board, shall, in addition to the salary now paid him as comptroller,
receive the sum of $5,000 annually for his services as a mem-
ber of said board. Of the four members thus appointed by the
President not more than two shall be of the same political
party, and at least one of whom shall be a person experienced
in banking. One shall be designated by the President to
serve for two, one for four, one for six, and one for
eight years, respectively, and thereafter each member so
appointed shall serve for a term of eight years unless sooner
removed for cause by the President. Of the four persons thus
appointed, one shall be designated by the President as man-
gager of the Federal Reserve Board, subject to the super-
vision of the Secretary of the Treasury and Federal Reserve
Board, shall be the active executive officer of the Federal
Reserve Board.

HITCHCOCK AMENDMENTS.

In addition to the salary now paid him as comptroller,
receive the sum of $12,000 annually for his services as a mem-
er of said board. Of the four persons thus appointed
by the President not more than two shall be of the same politi-
cal party, and at least one of whom shall be a person
experienced in banking or finance. One shall be
designated by the President to serve for two, one for four,
one for six, and one for eight years, respectively, and thereafter each
member so appointed shall serve for a term of eight six
years unless sooner removed for cause by the President. Of
the four persons thus appointed, one shall be designated
by the President as manager governor and one as vice governor
of the Federal Reserve Board. The manager
governor of the Federal Reserve Board, subject to the super-
vision of the Secretary of the Treasury and Federal Reserve
Board, shall be the active executive officer of the Federal
Reserve Board. In case of vacancies, temporary appoint-
ments on the Federal Reserve Board may be made by the
President when the Senate is not in session, to be immedi-
ately submitted to the Senate when it convenes. The Secret-
tary of the Treasury may assign offices in the Department of
the Treasury for the use of the Board. Each member of the Federal Reserve Board shall within
fifteen days after notice of appointment make and subscribe
to the oath of office.
HOUSE BILL.

1 The Federal Reserve Board shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock, an assessment sufficient to pay its estimated expenses for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year.

OWEN AMENDMENT.

1 The Federal Reserve Board shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year.

HITCHCOCK AMENDMENTS.

1 The Federal Reserve Board shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and salaries for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year.

8 The first meeting of the Federal Reserve Board shall be held in Washington, District of Columbia, as soon as may be after the passage of this Act; at a date to be fixed by the Reserve Bank Organization Committee: The Secretary of the Treasury shall be ex-officio chairman of the Federal Reserve Board: No member of the Federal Reserve Board shall be an officer or director of any bank or banking-institution or Federal reserve bank nor hold stock in any bank or banking-institution; and before entering upon membership in the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement. Whenever a vacancy shall occur, other than by expiration of term, among the four members of the Federal Reserve Board appointed by the President, as above provided, a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy, and when appointed shall hold office for the unexpired term of the member whose place he is selected to fill.
The first meeting of the Federal Reserve Board shall be held in Washington, District of Columbia, as soon as may be after the passage of this Act, at a date to be fixed by the Reserve Bank Organization Committee. The Secretary of the Treasury shall be ex officio chairman of the Federal Reserve Board. No member of the Federal Reserve Board shall be an officer or director of any bank or banking institution or Federal reserve bank nor hold stock in any bank or banking institution; and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement. Whenever a vacancy shall occur, other than by expiration of term, among the four members of the Federal Reserve Board appointed by the President, as above provided, a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of the member whose place he is selected to fill.
The Federal Reserve Board shall annually make a report of its fiscal operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

Section three hundred and twenty-four of the Revised Statutes of the United States shall be amended so as to read as follows: "There shall be in the Department of the Treasury a bureau charged, except as in this Act otherwise provided, with the execution of all laws passed by Congress relating to the issue and regulation of currency issued or through banking associations, the chief officer of which bureau shall be called the Comptroller of the Currency, and shall perform his duties under the general direction of the Secretary of the Treasury, acting as the chairman of the Federal Reserve Board;" Provided, however, That nothing herein contained shall be construed to affect any power now vested by law in the Comptroller of the Currency or the Secretary of the Treasury.

# OWEN AMENDMENT.

1. Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

3. The Federal Reserve Board shall annually make a full report of its fiscal operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

# HITCHCOCK AMENDMENTS.

3. The Federal Reserve Board shall annually make a full report of its fiscal operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

Section three hundred and twenty-four of the Revised Statutes of the United States shall be amended so as to read as follows: "There shall be in the Department of the Treasury a bureau charged, except as in this Act otherwise provided, with the execution of all laws passed by Congress relating to the issue and regulation of national currency issued or through banking associations, United States bonds and, under the general supervision of the Federal Reserve Board, of all Federal reserve notes, the chief officer of which bureau shall be called the Comptroller of the Currency, and shall perform his duties under the general direction of the Secretary of the Treasury, acting as the chairman of the Federal Reserve Board;" Provided, however, That nothing herein contained shall be construed to affect any power now vested by law in the Comptroller of the Currency or the Secretary of the Treasury. There shall be in the Department of the Treasury a bureau charged with the execution of all laws passed by Congress relating to the issue and regulation of national currency secured by United States bonds and, under the general supervision of the Federal Reserve Board, of all Federal reserve notes, the chief officer of which bureau shall be called the Comptroller of the Currency, and shall perform his duties under the general direction of the Secretary of the Treasury, acting as the chairman of the Federal Reserve Board;" Provided, however, That nothing herein contained shall be construed to taking away any powers now powers herebefore vested by law in the Comptroller of the Currency or the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and the bureaus under such department.
HOUSE BILL.

SEC. 12. That the Federal Reserve Board hereinbefore established shall be authorized and empowered:

(a) To examine at its discretion the accounts, books, and affairs of each Federal reserve bank and to require such statements and reports as it may deem necessary. The said board shall publish once each week a statement showing the condition of each Federal reserve bank and a consolidated statement for all Federal reserve banks. Such statements shall show in detail the assets and liabilities of such Federal reserve banks, single and combined, and shall furnish full information regarding the character of the lawful money held as reserve and the amount, nature, and maturities of the paper owned by Federal reserve banks.

(b) To permit or require, in time of emergency, Federal reserve banks to rediscount the discounted prime paper of other Federal reserve banks, at least five members of the Federal Reserve Board being present when such action is taken and all present consenting to the requirement. The exercise of this compulsory rediscount power by the Federal Reserve Board shall be subject to an interest charge to the

OWN AMENDMENT.

1 shall be called the Comptroller of the Currency and shall perform his duties under the general directions of the Secretary of the Treasury."

HITCHCOCK AMENDMENT.

SEC. 12. That the Federal Reserve Board hereinbefore established shall be authorized and empowered:

(a) To examine at its discretion the accounts, books, and affairs of each Federal reserve bank and of each member bank and to require such statements and reports as it may deem necessary. The said board shall publish once each week a statement showing the condition of each Federal reserve bank and a consolidated statement for all Federal reserve banks. Such statements shall show in detail the assets and liabilities of such Federal reserve banks, single and combined, and shall furnish full information regarding the character of the lawful money held as reserve and the amount, nature, and maturities of the paper and other investments owned or held by Federal reserve banks.

(b) To permit or require, in time of emergency, Federal reserve banks to rediscount the discounted prime paper of other Federal reserve banks, at least five members of the Federal Reserve Board being present when such action is taken and all present consenting to the requirement. The exercise of this compulsory rediscount power by the Federal Reserve Board shall be subject to an interest charge to the
HOUSE BILL.

1 accommodated bank of not less than one nor greater than
2 three per centum above the higher of the rates prevailing
3 in the districts immediately affected.

(c) To suspend for a period not exceeding thirty days
8 and to renew such suspension for periods not to exceed
9 fifteen days) any and every reserve requirement specified in
10 this Act: Provided, That it shall establish a graduated tax
11 upon the amounts by which the reserve requirements of
12 this Act may be permitted to fall below the level hereinafter
13 specified, such tax to be uniform in its application to all banks;
14 but said board shall not suspend the reserve requirements
15 with reference to Federal reserve notes.

(d) To supervise and regulate the issue and retirement
18 of Federal reserve notes and to prescribe the form and tenor
19 of such notes.

OWN AMENDMENT.

1 accommodated bank of not less than one nor greater than
2 three per centum above the higher of the rates prevailing
3 in the districts immediately affected at rates of interest to be
4 fixed each week by the Federal Reserve Board.

(c) To suspend for a period not exceeding thirty days,
8 (and to renew such suspension for periods not to exceed
9 fifteen days), any and every reserve requirement specified in
10 this Act: Provided, That it shall establish a graduated tax
11 upon the amounts by which the reserve requirements of
12 this Act may be permitted to fall below the level hereinafter
13 specified, such tax to be uniform in its application to all Federal
14 reserve banks and to member banks, required to keep the same
15 reserve notes but said board shall not suspend the reserve requirements
16 with reference to Federal reserve notes.

(d) To supervise and regulate the issue and retirement
18 of Federal reserve notes and to prescribe the form and tenor
19 of such notes.

HITCHCOCK AMENDMENTS.

1 accommodated bank of not less than one nor greater than
2 three per centum above the higher of the rates prevailing
3 in the districts immediately affected. In such case the Fed-
4 eral board shall fix a special rediscount rate of not more than
5 three per centum in excess of the discount rate of the accom-
6 modated reserve bank.

(e) To suspend for a period not exceeding thirty days,
8 (and to renew such suspension for periods not to exceed
9 fifteen days), any and every reserve requirement specified in
10 this Act: Provided, That it shall establish a graduated tax
11 upon the amounts by which the reserve requirements of
12 this Act may be permitted to fall below the level hereinafter
13 specified, such tax to be uniform in its application to all banks;
14 but said board shall not suspend the reserve require-
15 ments with reference to Federal reserve notes.

(d) To supervise and regulate the issue and retirement
18 of Federal reserve notes and to prescribe the form and tenor
19 of such notes.
(e) To add to the number of cities classified as reserve and central reserve cities under existing law in which national banking associations are subject to the reserve requirements set forth in section twenty of this Act; or to reclassify existing reserve and central reserve cities and to designate the banks therein situated as country banks at its discretion.

(f) To suspend the officials of Federal reserve banks and, for cause stated in writing with opportunity of hearing, require the removal of said officials for incompetency, dereliction of duty, fraud, or deceit, such removal to be subject to approval by the President of the United States.

(g) To require the writing off of doubtful or worthless assets upon the books and balance sheets of Federal reserve banks.

(h) To suspend, for cause relating to violation of any of the provisions of this Act, the operations of any Federal reserve bank and appoint a receiver therefor.

(i) To perform the duties, functions, or services specified or implied in this Act.
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Federal Advisory Council.

Sec. 13. There is hereby created a Federal Advisory Council, which shall consist of as many members as there are Federal reserve districts. Each Federal reserve bank by its board of directors shall annually select from its own Federal reserve district one member of said council, who shall receive no compensation for his services, but may be reimbursed for actual necessary expenses. The meetings of said advisory council shall be held at Washington, District of Columbia, at least four times each year, and oftener if called by the Federal Reserve Board. The council may select its own officers and adopt its own methods of procedure, and a majority of its members shall constitute a quorum for the transaction of business. Vacancies in the council shall be filled in the same manner. The council may select its own officers and adopt its own methods of procedure, and a majority of its members shall constitute a quorum for the transaction of business. Vacancies in the council shall be filled in the same manner.

Owen Amendment.

1. Act, and to make all rules and regulations necessary to enable said board effectively to perform the same.
2. To exercise general supervision over said Federal reserve banks.
3. To authorize the use, as reserves of member banks, Federal reserve notes, or bank notes based on United States bonds, to the extent that said board may find necessary.
4. To grant by special permit to national banks applying therefor the right to act as trustee, executor, or to exercise general trust powers under such rules and regulations as the said board may prescribe.

Hitchcock Amendments.

1. To perform the duties, functions, or services specified or implied in this Act.
2. To exercise general supervision over said Federal reserve banks.
3. To authorize the use, as reserves of member banks, Federal reserve notes, or bank notes based on United States bonds, to the extent that said board may find necessary.
4. To grant by special permit to national banks applying therefor the right to act as trustee, executor, or to exercise general trust powers under such rules and regulations as the said board may prescribe.
The Federal Advisory Council shall have power (1) to meet and confer directly with the Federal Reserve Board on general business conditions; (2) to make oral or written representations concerning matters within the jurisdiction of said board; (3) to call for complete information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open-market operations by said banks, and the general affairs of the reserve banking system.

**Rediscouts.**

Sec. 14. That any Federal reserve bank may receive from any member bank deposits of current funds in lawful money, national bank notes, Federal reserve notes, or checks and drafts upon solvent banks, payable upon presentation; or, solely for exchange purposes, may receive from other Federal reserve banks deposits of current funds in lawful money, national bank notes, or checks and drafts upon solvent banks, payable upon presentation. Reserve banks shall not pay interest on deposits.
HOUSE BILL.

Upon the indorsement of any member bank any Federal reserve bank may discount notes and bills of exchange arising out of commercial transactions; that is, notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or may be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act; nothing herein contained shall be construed to prohibit such notes and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes or bills issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities. Notes and bills admitted to discount under the terms of this paragraph must have a maturity of not more than ninety days.

OWN AMENDMENT.

Upon the indorsement of any member bank any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or may be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act; nothing herein contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than ninety days.

HITCHCOCK AMENDMENTS.

Upon the indorsement of any member bank any Federal reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or may be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this Act; nothing herein contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States and interest thereon.
 Upon the indorsement of any member bank any Federal
reserve bank may discount the paper of the classes herein-
before described having a maturity of more than ninety
and not more than one hundred and twenty days, when its
own cash reserve exceeds thirty-three and one-third per cent
of its total outstanding demand liabilities exclusive of its
outstanding Federal reserve notes by an amount to be fixed
by the Federal Reserve Board; but not more than fifty per
cent of the total paper so discounted for any member bank
shall have a maturity of more than ninety days.

Upon the indorsement of any member bank any
Federal reserve bank may discount acceptances of
such banks which are based on the exportation or
importation of goods and which mature in not
more than six months and bear the signature of at
least one member bank in addition to that of the acceptor.
The amount so discounted shall at no time exceed one-half the
capital stock of the bank for which the rediscounts are made.

The aggregate of such notes and bills bearing the sig-

nature or indorsement of any one person, company, firm, or

HITCHCOCK AMENDMENTS.
1. Upon the indorsement of any member bank any Federal
reserve bank may discount the paper of the classes herein-
before described having a maturity of more than ninety
and not more than one hundred and twenty days, when its
own cash reserve exceeds thirty-three and one-third per cent
of its total outstanding demand liabilities exclusive of its
outstanding Federal reserve notes by an amount to be fixed
by the Federal Reserve Board; but not more than fifty per
cent of the total paper so discounted for any member bank
shall have a maturity of more than ninety days.

2. Upon the indorsement of any member bank any Federal
reserve bank may discount acceptances of
such banks which are based on the exportation or
importation of goods and which mature in not
more than six months and bear the signature of at
least one member bank in addition to that of the acceptor. The amount so discounted shall at no time exceed one-half the
capital stock of the bank for which the rediscounts are made.

3. The aggregate of such notes and bills bearing the sig-

nature or indorsement of any one person, company, firm, or
corporation rediscounted for any one bank shall at no time exceed ten per centum of the unimpaired capital and surplus of said bank; but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Any national bank may, at its discretion, accept drafts or bills of exchange drawn upon it having not more than six months sight to run and growing out of transactions involving the importation or exportation of goods; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half the face value of its paid-up and unimpaired capital.

Any national bank may, at its discretion, accept drafts or bills of exchange drawn in good faith against actually existing values.

Any national bank may, at its discretion, accept drafts or bills of exchange drawn upon it having not more than six months sight to run and growing out of transactions involving the importation, exportation, or domestic shipment of goods having not more than six months sight to run; but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half the face value of its paid-up and unimpaired capital stock and surplus.

No association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Section fifty-two hundred and two of the Revised Statutes of the United States is hereby amended so as to read as follows:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Owen Amendment.

Hitchcock Amendments.
HOUSE BILL.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of sections two, five, and fourteen of the Federal reserve Act.

OWNEN AMENDMENT.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of sections two, five, and fourteen of the Federal reserve Act.

The Federal Reserve Board may authorize the reserve bank of the district to discount the direct obligations of member banks, secured by the pledge and deposit of satisfactory securities; but in no case shall the amount so loaned by a Federal reserve bank exceed three-fourths of the actual value of the securities so pledged.

HITCHCOCK AMENDMENTS.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

Fifth. Liabilities incurred under the provisions of sections two, five, and fourteen of the Federal reserve Act.

The Federal Reserve Board may authorize the reserve bank of the district to discount the direct obligations of member banks, secured by the pledge and deposit of satisfactory securities; but in no case shall the amount so loaned by a Federal reserve bank exceed three-fourths of the actual market value of the securities so pledged or one-half the amount of the paid-up and unimpaired capital of the member bank.

The rediscount by any Federal reserve bank of any bills receivable and of domestic and foreign bills of exchange and acceptances shall be subject to such restrictions, limitations, and regulations as may be imposed by the Federal Reserve Board.

The discount provisions of this Act shall be equitably extended to all of its member banks by each reserve bank upon equal terms, and each member bank shall be entitled as a matter of right to the rediscount of eligible paper to the full amount of its capital stock upon the lowest current rate of discount, and no member bank shall be permitted to discount an amount of paper exceeding the amount of its capital stock except upon payment of a higher rate of discount, the increase
HOUSE BILL.

OPEN-MARKET OPERATIONS.

6 Sec. 15. That any Federal reserve bank may, under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, either from or to domestic or foreign banks, firms, corporations, or individuals, prime bankers' bills, and bills of exchange of the kinds and maturities by this Act made eligible for rediscount, and cable transfers.

Every Federal reserve bank shall have power (a) to deal in gold coin and bullion both at home and abroad, to make loans thereon, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds; (b) to invest in United States bonds, and bonds issued by any State, territory, or municipality, or any school, road, canal, harbor, or other public improvement district, or any city, town, or village

HITCHCOCK AMENDMENTS.

1 In rate of discount to be one per centum for an additional fifty per centum, and two per centum for all in excess. In no case shall a Federal reserve bank discount paper for a member bank in excess of twice the amount of its capital stock without special authority by the board.

OPEN-MARKET OPERATIONS.

6 Sec. 15. That any Federal reserve bank may, under rules and regulations prescribed by the Federal Reserve Board, purchase and sell in the open market, either from or to domestic or foreign banks, firms, corporations, or individuals, prime bankers' bills, and bills of exchange of the kinds and maturities by this Act made eligible for rediscount, and cable transfers.

Every Federal reserve bank shall have power (a) to deal in gold coin and bullion both at home and abroad, to make loans thereon, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds; (b) to invest in United States bonds and notes of the United States bonds and bonds—
HOUSE BILL.

OWEN AMENDMENT.

9 county, district, or municipality; (c) to purchase from member banks and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions, as hereinbefore defined, payable in foreign countries; but such bills of exchange must have not exceeding ninety days to run and must bear the signature of two or more responsible parties, of which the last shall be that of a member bank; (d) to establish each week, or as much oftener as required, subject to review and determination of the Federal Reserve Board, a rate of discount to be charged by such bank for each class of paper, which shall be fixed with a view of accommodating the commerce of the country: and (e) with the consent of the Federal Reserve Board, to open and maintain banking accounts in foreign countries and establish agencies in such countries wherever it may deem best for the purpose of purchasing, selling, and collecting foreign bills of

HITCHCOCK AMENDMENTS.

1 Fulfilled and interest is guaranteed by the United States, and
2 bonds or accounts of any State, county, or municipality, or
3 due to commercial obligations issued by foreign govern-
4 ments, with a maturity from date of purchase of not
5 exceeding one year, such purchases to be made in accordance
6 with rules and regulations prescribed by the Federal Reserve

Board; (c) to purchase from a member bank and to sell, with or
without its indorsement, bills of exchange arising out of com-
mercial transactions, as hereinbefore defined, payable in foreign
countries; but such bills of exchange must have not exceed-
ing ninety days to run and must bear the signature of two
or more responsible parties, of which the last shall be that of a
member bank; (d) to establish each week, or as much
frequently required, subject to review and determination of the
Federal Reserve Board, rates of discount to be charged by such
bank for each class of paper, which shall be fixed with a view
of accommodating the commerce of the country and
promoting stability in business; and (e) establish accounts
with other reserve banks and with the consent of the
Federal Reserve Board, to open and maintain banking accounts in
foreign countries, appoint correspondents, and establish agen-
HOUSE BILL.

1. exchange, and to buy and sell with or without its indorsement.
2. through such correspondents or agencies, prime foreign bills
3. of exchange arising out of commercial transactions which
4. have not exceeding ninety days to run and which bear the
5. signature of two or more responsible parties.

GOVERNMENT DEPOSITS.

SEC. 16. That all moneys now held in the general fund
11. of the Treasury except the five per centum fund for the
12. redemption of outstanding national-bank notes shall,
13. upon the direction of the Secretary of the Treasury,
14. within twelve months after the passage of this Act,
15. be deposited in Federal reserve banks, which banks shall
16. act as fiscal agents of the United States; and thereafter the
17. revenues of the Government shall be regularly deposited in
18. such banks, and disbursements shall be made by checks
19. drawn against such deposits.

HITCHCOCK AMENDMENTS.

1. currency whenever it may deem best for the purpose of
2. purchasing, selling, and collecting foreign bills of exchange,
3. letters of credit, and travelers' checks, and to buy and sell
4. with or without its indorsement, through such correspond-
5. ents or agencies, prime foreign bills of
6. exchange arising out of actual commercial transactions which
7. have not exceeding ninety days to run and which
8. bear the signature of two or more responsible parties.

ACCOUNTS.

SEC. 16. That all moneys now held in the general fund
11. of the Treasury except the five per centum fund for the
12. redemption of outstanding national-bank notes shall,
13. upon the direction of the Secretary of the Treasury,
14. within twelve months after the passage of this Act, be
15. deposited in Federal reserve banks, which banks shall
16. act as fiscal agents of the United States; and thereafter the
17. revenues of the Government shall be regularly deposited in
18. such banks, and disbursements shall be made by checks
19. drawn against such deposits.

HITCHCOCK AMENDMENTS.

1. currency whenever it may deem best for the purpose of
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4. with or without its indorsement, through such correspond-
5. ents or agencies, prime foreign bills of exchange arising out of
6. commercial transactions which have not exceeding ninety
7. days to run and which bear the signature of two or more
8. responsible parties.

GOVERNMENT DEPOSITS.

SEC. 16. That all moneys now held in the general fund
11. of the Treasury except the five per centum fund for the
12. redemption of outstanding national-bank notes and the
13. funds provided in this Act for the redemption of Federal
14. reserve notes shall, upon the direction of the Secretary
15. of the Treasury, within twelve months after the passage of
16. this Act, be deposited in Federal reserve banks, which banks
17. shall, when required by the Secretary of the Treasury, shall
18. act as fiscal agents of the United States; and thereafter the
19. revenues of the Government shall be regularly deposited in
20. such banks, and disbursements shall be made by checks
21. drawn against such deposits.

No public funds of the Philippine Islands, or of the
23. postal savings, or any Governmental funds, shall be deposited
24. in the continental United States in any bank not belonging
25. to the system established by this Act: Provided, however,
The Secretary of the Treasury shall, subject to the approval of the Federal Reserve Board, from time to time, apportion the funds of the Government among the said Federal reserve banks, distributing them, as far as practicable, equitably between different sections, and may, at their joint discretion, charge interest thereon and fix, from month to month, a rate which shall be regularly paid by the banks holding such deposits: Provided, That no Federal reserve bank shall pay interest upon any deposits except those of the United States.

Owen Amendment.

That nothing in this Act shall be construed to deny the right of the Secretary of the Treasury to use member banks as depositories.

Hitchcock Amendments.

The Secretary of the Treasury shall, subject to the approval of the Federal Reserve Board, from time to time, apportion the funds of the Government deposits among the said Federal reserve banks, distributing them, as far as practicable, equitably between different sections, and may, at their joint discretion, charge interest thereon and fix, from month to month, a rate which shall be regularly paid by the banks holding such deposits: Provided, That no Federal reserve bank shall pay interest upon any deposits except those of the United States.
HOUSE BILL.
NOTE ISSUES.

SEC. 17. That Federal reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal reserve banks as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable for all taxes, customs, and other public dues. They shall be redeemed in gold or lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal reserve bank.

Any Federal reserve bank may, upon vote of its directors, make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may deem best. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes and bills accepted for rediscount under the provisions of section 14 of this Act, and the Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited.

OWN AMENDMENT.
NOTE ISSUES.

SEC. 17. That Federal reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable for all taxes, customs, and other public dues except customs. They shall be redeemed in gold or lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or in gold or lawful money at any Federal reserve bank.

Any Federal reserve bank may, upon vote of its directors, make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may deem best. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes and bills accepted for rediscount under the provisions of section 14 of this Act, and the Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited.

HITCHCOCK AMENDMENTS.
NOTE ISSUES.

SEC. 17. That Federal reserve notes, to be issued at the discretion under authority of the Federal Reserve Board for the purpose of making advances to Federal reserve banks as hereinafter set forth and for no other purpose, are hereby authorized. The said notes shall be obligations of the United States and shall be receivable for all taxes, customs, and other public dues but shall not be held as reserves by member banks or by a reserve bank. They shall be redeemed in gold or lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal reserve bank.

Any Federal reserve bank may, upon vote of its directors, make application to the local Federal reserve agent for such amount of the Federal reserve notes hereinbefore provided for as it may deem best. Such application shall be accompanied with a tender to the local Federal reserve agent of collateral in amount equal to the sum of the Federal reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes and bills accepted for rediscount under the provisions of section 14 of this Act, and the Federal reserve agent shall each day notify the Federal Reserve Board of all issues and withdrawals of Federal reserve notes to and by the Federal reserve bank to which he is accredited.
The said Federal Reserve Board shall be authorized at any time to call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.

Whenever any Federal reserve bank shall pay out or disburse Federal reserve notes issued to it as hereinbefore provided, it shall segregate in its own vaults and shall carry to a special reserve account on its books gold or lawful money equal in amount to thirty-three and one-third per centum of the reserve notes so paid out by it, such reserve to be used for the redemption of said reserve notes as presented; but any Federal reserve bank so using any part of such reserve to redeem notes shall immediately carry to said reserve account an amount of gold or lawful money sufficient to make said reserve equal to thirty-three and one-third per centum of its outstanding Federal reserve notes.

Every Federal reserve bank shall maintain reserves in gold or lawful money of not less than thirty-five per centum against its deposits and its Federal reserve notes in actual circulation, but the amount of gold in the Federal reserve bank together with the amount deposited by it with the Treasury shall be at least equal to thirty-three and one-third per cent of the Federal reserve notes issued to said bank and in actual circulation and not offset by gold or lawful money.

The said Federal Reserve Board shall be authorized at any time to call upon a Federal reserve bank for additional security to protect the Federal reserve notes issued to it.

Whenever any Federal reserve bank shall pay out or disburse Federal reserve notes issued to it as hereinbefore provided, it shall segregate in its own vaults and shall carry to a special reserve account on its books gold or lawful money equal in amount to thirty-three and one-third per centum of the reserve notes so paid out by it, such reserve to be used for the redemption of said reserve notes as presented; but any Federal reserve bank so using any part of such reserve to redeem notes shall immediately carry to said reserve account an amount of gold or lawful money sufficient to make said reserve equal to thirty-three and one-third per centum of its outstanding Federal reserve notes.
HOUSE BILL.

1 to make said reserve equal to thirty-three and one-third per

OWEN AMENDMENT.

22 centum of its outstanding Federal reserve notes. Notes so
23 paid out shall bear upon their faces a distinctive letter and
24 serial number, which shall be assigned by the Federal Reserve
25 Board to each Federal reserve bank. Whenever Federal

66 deposited with the Federal reserve agent. Notes so paid out
22 shall bear upon their faces a distinctive letter and serial
24 number, which shall be assigned by the Federal Reserve
25 Board to each Federal reserve bank. Whenever Federal

HITCHCOCK AMENDMENTS.

1 thereto collaterals consisting of promissory notes and bills
2 accepted for rediscount under the provisions of this Act, or
3 refunding notes of the United States having afterward provided for,
4 or both such collaterals and refunding notes equal at their face
5 value to one hundred per centum of the face value of the notes
6 so outstanding. Such collaterals may be exchanged from
7 time to time for other collaterals of like quality and of equal
8 face value or refunding notes within the limitations aforesaid:
9 Provided, That whenever and so long as such reserve shall fall
10 and remain below forty-five per centum the reserve bank shall
11 pay a special tax upon the deficiency of reserve at a rate
12 increasing in proportion to such deficiency, as follows:
13 For each two and one-half per centum or fraction thereof
14 that the reserve falls below forty-five per centum a tax shall
15 be levied at the rate of one per centum per annum: Provided
16 further, That no additional circulating notes shall be issued
17 whenever and so long as the amount of such reserve falls
18 below thirty per centum of its outstanding notes: Provided,
19 That the amount of such tax paid by the bank during a
20 fiscal year shall be charged to the member banks in its district
21 in proportion to their average discounts during that year.
22 Notes so paid out shall bear upon their faces a distinctive
23 letter and serial number, which shall be assigned by the
24 Federal Reserve Board to each Federal reserve bank. When-
25 ever Federal reserve notes issued through one Federal re-
HOUSE BILL.

RESERVE NOTES
1. Reserve notes issued through one Federal reserve bank shall be received by another Federal reserve bank they shall be returned for redemption to the Federal reserve bank through which they were originally issued, or shall be charged off against Government deposits and returned to the Treasury of the United States, or shall be presented to the said Treasury for redemption. No Federal reserve bank shall pay out notes issued through another under penalty of a tax of ten per centum upon the face value of notes so paid out. Notes presented for redemption at the Treasury of the United States shall be paid and returned to the Federal reserve banks through which they were originally issued, and Federal reserve notes received by the Treasury otherwise than for redemption shall be exchanged for lawful money out of the five per centum redemption fund hereinafter provided and returned as hereinbefore provided to the reserve bank through which they were originally issued.

24 The Federal Reserve Board shall have power, in its discretion, to require Federal reserve banks to maintain on deposit in each such bank an adequate amount of funds to meet the demands of its system.

OWN AMENDMENT.

RESERVE NOTES
1. Reserve notes issued through one Federal reserve bank shall be received by another Federal reserve bank they shall be immediately promptly returned for credit or redemption to the Federal reserve bank through which they were originally issued, or shall be charged off against Government deposits and returned to the Treasury of the United States, or shall be presented to the said Treasury for redemption. No Federal reserve bank shall pay out notes issued through another under penalty of a tax of ten per centum upon the face value of notes so paid out. Notes presented for redemption at the Treasury of the United States shall be paid and returned to the Federal reserve banks through which they were originally issued, and Federal reserve notes received by the Treasury otherwise than for redemption shall be exchanged for lawful money out of the five per centum redemption fund hereinafter provided and returned as hereinbefore provided to the reserve bank through which they were originally issued.

24 The Federal Reserve Board shall have power, in its discretion, to require Federal reserve banks to maintain on deposit in each such bank an adequate amount of funds to meet the demands of its system.

HITCHCOCK AMENDMENTS.

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24 The Federal Reserve Board shall have power, in its discretion, to require Federal reserve banks to maintain on deposit in each such bank an adequate amount of funds to meet the demands of its system.
HOUSE BILL.

1. To place in the Treasury of the United States a sum in gold equal to five per centum of such amount of Federal reserve notes as may be issued to them under the provisions of this Act; but such five per centum shall be counted and included as part of the thirty-three and one-third per centum hereinbefore required.

2. The said board shall also have the right to grant in whole or in part or to reject entirely the application of any Federal reserve bank for Federal reserve notes; but to the extent and in the amount that such application may be granted the Federal Reserve Board shall, through its local Federal reserve agent, deposit Federal reserve notes with the bank so applying, and such bank shall be charged with the amount of such notes and shall pay such rate of interest on said amount as may be established by the Federal Reserve Board, which rate shall not be less than one-half of one per centum per annum, and the amount of such Federal reserve notes so issued to any such bank shall, upon delivery, become a first and paramount lien on all the assets of such bank.

OWN AMENDMENT.

1. To place in the Treasury of the United States a sum in gold equal to five per centum of such amount of Federal reserve notes as may be issued to them under the provisions of this Act; but such five per centum shall be counted and included as part of the thirty-three and one-third per centum hereinbefore required.

2. The said board shall have the right to grant in whole or in part or to reject entirely the application of any Federal reserve bank for Federal reserve notes; but to the extent and in the amount that such application may be granted the Federal Reserve Board shall, through its local Federal reserve agent, deposit Federal reserve notes with the bank so applying, and such bank shall be charged with the amount of such notes and shall pay such rate of interest on said amount as may be established by the Federal Reserve Board, which rate shall not be less than one-half of one per centum per annum, and the amount of such Federal reserve notes so issued to any such bank shall, upon delivery, become a first and paramount lien on all the assets of such bank.

HITCHCOCK AMENDMENTS.

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2. The said board shall have the right to grant in whole or in part or to reject entirely the application of any Federal reserve bank for Federal reserve notes; but to the extent and in the amount that such application may be granted the Federal Reserve Board shall, through its local Federal reserve agent, deposit Federal reserve notes with the bank so applying, and such bank shall be charged with the amount of such notes and shall pay such rate of interest on said amount as may be established by the Federal Reserve Board, which rate shall not be less than one-half of one per centum per annum, and the amount of such Federal reserve notes so issued to any such bank shall, upon delivery, become a first and paramount lien on all the assets of such bank.
Any Federal reserve bank may at any time reduce its liability for outstanding Federal reserve notes by the deposit of Federal reserve notes, whether issued to such bank or to some other reserve bank, or lawful money of the United States, or gold bullion, with any Federal reserve agent or with the Treasurer of the United States, and such reduction shall be accompanied by a corresponding reduction in the required reserve fund of lawful money set apart for the redemption of said notes and by the release of a corresponding amount of the collateral security deposited with the local Federal reserve agent.

Any Federal reserve bank may at its discretion withdraw collateral deposited with the local Federal reserve agent for the protection of Federal reserve notes deposited with it and shall at the same time substitute other collateral for the protection of Federal reserve notes deposited with it.

Any Federal reserve bank may at any time reduce its liability for outstanding Federal reserve notes by the deposit of Federal reserve notes, whether issued to such bank or to some other reserve bank, or lawful money of the United States, or gold bullion, with any Federal reserve agent or with the Treasurer of the United States, and such reduction shall be accompanied by a corresponding reduction in the required reserve fund of lawful money set apart for the redemption of said notes and by the release of a corresponding amount of the collateral security deposited with the local Federal reserve agent.

Any Federal reserve bank may at its discretion withdraw collateral deposited with the local Federal reserve agent for the protection of Federal reserve notes deposited with it and shall at the same time substitute other collateral for the protection of Federal reserve notes deposited with it.
of equal value approved by the Federal reserve agent under regulations to be prescribed by the Federal Reserve Board.

In order to furnish suitable notes for circulation as Federal reserve notes, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes in blank of the denominations of $1, $2, $5, $10, $20, $50, $100 as may be required to supply the Federal reserve banks. Such notes shall be in form and tenor as directed by the Secretary of the Treasury under the provisions of this Act and shall bear the distinctive numbers of the several Federal reserve banks through which they are issued.

When such notes have been prepared, they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each Federal reserve bank, and shall be held for the use of such bank subject to the order of the Comptroller of the Currency for their delivery, as provided by this Act.

The plates and dies to be procured by the Comptroller of the Treasury for the printing of such circulating notes shall remain under his control and direction, and the expenses

HITCHCOCK AMENDMENTS.

bank upon funds to the credit of said depository in said reserve bank, but mentioned, nothing herein contained to be construed as prohibiting member banks from making reasonable charges to cover actual expenses incurred in collecting and remitting funds for their patrons. In order to furnish suitable Federal reserve notes, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes in blank of the denominations of $5, $10, $20, $50, $100, $500, $1,000, as may be required to supply the reserve banks entitled to receive the same. Such notes shall be in form and tenor provided for in this Act.

When such notes have been prepared, they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each reserve bank, and shall be held for the use of such bank, subject to the order of the Federal Reserve Board for their delivery, as provided by this Act.

The plates and dies to be procured by the Comptroller of the Currency for the printing of such circulating notes shall remain under his control and direction, and the expenses
HOUSE BILL.

Ohio

1 necessarily incurred in executing the laws relating to the
2 procuring of such notes, and all other expenses incidental to
3 their issue and retirement, shall be paid by the Federal reserve
4 banks, and the Federal Reserve Board shall include in its
5 estimate of expenses levied against the Federal reserve banks
6 a sufficient amount to cover the expenses herein provided for.
7
8 The examination of plates, dies, bed pieces, and so forth,
9 and regulations relating to such examination of plates, dies,
10 and so forth, of national-bank notes provided for in section
11 fifty-one hundred and seventy-four, Revised Statutes, is
12 hereby extended to include Federal reserve notes herein
13 provided for.
14
15 Any appropriation heretofore made out of the general
16 funds of the Treasury for engraving plates and dies, the pur-
17 chase of distinctive paper, or to cover any other expense in con-
18 nection with the printing of national-bank notes or notes
19 provided for by the Act of May thirtieth, nineteen hundred
20 and eighty, and any distinctive paper that may be on hand at
21 the time of the passage of this Act may be used in the discre-
22 tion of the Secretary for the purposes of this Act, and should
23 the appropriations heretofore made be insufficient to meet the
24 requirements of this Act in addition to circulating notes pro-
25 vided for by existing law, the Secretary is hereby authorized
26 to use so much of any funds in the Treasury not otherwise
27 appropriated for the purpose of furnishing the notes afore-
28
HOUSE BILL.

It shall be the duty of every Federal reserve bank to receive on deposit, at par and without charge for exchange or collection, checks and drafts drawn upon any of its depositors or by any of its depositors upon any other depositor and checks and drafts drawn by any depositor in any other Federal reserve bank upon funds to the credit of said depositor in said reserve bank last mentioned, nothing herein contained to be construed as prohibiting member banks from making reasonable charges to cover actual expenses incurred in collecting and remitting funds for their patrons.

OWN AMENDMENT.

1. Provided, however, That nothing in this section contained shall be construed as exempting national banks or Federal reserve banks from their liability to reimburse the United States for any expenses incurred in printing and issuing circulating notes.

2. It shall be the duty of every Federal reserve bank to receive on deposit, at par and without charge for exchange or collection, checks and drafts drawn upon any of its depositors or by any of its depositors upon any other depositor and checks and drafts drawn by any depositor in any other Federal reserve bank upon funds to the credit of said depositor in said reserve bank last mentioned, nothing herein contained to be construed as prohibiting member banks from making reasonable charges to cover actual expenses incurred in collecting and remitting funds for their patrons.

3. Every Federal reserve bank shall receive on deposit from member banks or from Federal reserve banks checks and drafts drawn upon any of its depositors, and when remitted by a Federal reserve bank, checks and drafts drawn by any depositor in any other Federal reserve bank or member bank upon funds to the credit of said depositor in said reserve bank or member bank. Nothing herein contained shall be construed as prohibiting a member bank from making reasonable charges for checks and drafts so debited to its account, or for collecting and remitting funds, or for exchange sold to its patrons. The Federal Reserve Board

HITCHCOCK AMENDMENTS.

4. Provided, however, That nothing in this section contained shall be construed as exempting national banks or Federal reserve banks from their liability to reimburse the United States for any expenses incurred in printing and issuing circulating notes.
HOUSE BILL.

1 patrons. The Federal Reserve Board shall make and promulgate from time to time regulations governing the transfer of funds at par among Federal reserve banks, and may at its discretion exercise the functions of a clearing house for such Federal reserve banks, or may designate a Federal reserve bank to exercise such functions, and may also require such bank to exercise the functions of a clearing house for its member banks.

Sec. 18. That so much of the provisions of section fifty-one hundred and fifty-nine of the Revised Statutes of the United States, and section four of the Act of June twentieth, eighteen hundred and seventy-four, and section eight of the Act of July twelfth, eighteen hundred and eighty-two, and of any other provisions of existing statutes, as require that before any national banking association shall be authorized to commence banking business it shall transfer and deliver to the Treasurer of the United States a stated amount of United States registered bonds be, and the same is hereby, repealed.

OWN AMENDMENT.

1 patrons. The Federal Reserve Board may, by rule, fix the charges to be collected by the member banks from its patrons whose checks are cleared through the Federal reserve bank and the charge which may be imposed for the service of clearing or collection rendered by the Federal reserve bank.

The Federal Reserve Board may exercise the functions of a clearing house for such Federal reserve banks, or may designate a Federal reserve bank to exercise such functions, and may also require each such bank to exercise the functions of a clearing house for its member banks.

HITCHCOCK AMENDMENTS.

1 may, by rule, fix reasonable charges to be collected by the member banks from patrons whose checks are cleared through the reserve bank and the charge which may be imposed for the service of clearing or collection rendered by the Federal reserve bank. The Federal Reserve Board shall make and promulgate from time to time regulations governing the transfer of funds at par among Federal reserve banks, and may at its discretion exercise the functions of a clearing house for such Federal reserve banks, or may designate a Federal reserve bank to exercise such functions, and may also require each such bank to exercise the functions of a clearing house for its member banks and their branches.

Sec. 18. That so much of the provisions of section fifty-one hundred and fifty-nine of the Revised Statutes of the United States, and section four of the Act of June twentieth, eighteen hundred and seventy-four, and section eight of the Act of July twelfth, eighteen hundred and eighty-two, and of any other provisions of existing statutes, as require that before any national banking association shall be authorized to commence banking business it shall transfer and deliver to the Treasurer of the United States a stated amount of United States registered bonds be, and the same is hereby, repealed.
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HOUSIE BILL.

OWN AMENDMENT.

SEC. 19. That upon application the Secretary of the Treasury shall exchange the two per centum bonds of the United States bearing the circulation privilege deposited by any national banking association with the Treasurer of the United States as security for circulating notes for three per centum bonds of the United States without the circulation privilege, payable after twenty years from date of issue, and

OWEN AMENDMENT.

Speaker of the House of Representatives, April 25, 1870.

OrcG v. Amertmenm.

1. After twenty years from the date of the passage of this Act all national bank notes still remaining outstanding shall be recalled and re-deemed by the national banking associations issuing the same within a period and under regulations to be prescribed by the Federal Reserve Board, and notes still remaining in circulation at the end of such period shall be recalled by an equal amount of lawful money to be deposited in the Treasury of the United States by the banking associations originally issuing such notes. Meanwhile every national bank may continue to apply for and receive circulating notes from the Comptroller of the Currency based upon the deposit of two per centum bonds or of any other bonds bearing the circulation privilege, but no national bank shall be permitted to issue other circulating notes except such as are secured as in this section provided or to issue or to make use of any substitute for such circulating notes in the form of clearing house loan certificates, cashier’s checks, or other obligation.

OWEN AMENDMENT.

SEC. 19. Upon application by a Federal reserve bank, the Secretary of the Treasury shall, for the account of such bank, assume the redemption of circulating notes of any national bank requesting the same and surrendering in trust the two per centum bonds hold in trust by the Treasurer of the United States as security for its circulation. Such two per centum bonds shall, at the option of such Federal reserve bank, be exchanged for circulating notes of the United States, the two per centum bonds to be held in trust by the Treasurer of the United States as security for its circulation.

HITCHCOCK AMENDMENTS.

SEC. 19. That as soon after the organization of the reserve banks as practicable and under authority from the Federal Reserve Board each Federal reserve bank shall purchase at par and accrued interest two per centum bonds of the United States. The amount purchased by such reserve bank shall not be more than fifty per centum of its capital in any one year. The bonds so purchased may be held by such reserve
HOUSE BILL.

1. except from Federal, State, and municipal taxation both as to
1. income and principal. No national bank shall, in any one
2. year, present two per centum bonds for exchange in the manner
3. hereinbefore provided to an amount exceeding five per centum
4. of the total amount of bonds on deposit with the Treasurer by
5. said bank for circulation purposes. Should any national bank
6. fail in any one year to so exchange its full quota of two per-
7. centum bonds under the terms of this Act, the Secretary of the
8. Treasury may permit any other national bank or banks to ex-
9. change bonds in excess of the five per centum aforesaid in an
10. amount equal to the deficiency caused by the failure of any one
11. or more banks to make exchange in any one year, allotment to be
12. made to applying banks in proportion to their holdings of bonds.
13. At the expiration of twenty years from the date of the passage of this Act
14. every holder of United States two per centum bonds then out-
15. standing shall receive payment at par and accrued interest.
16. After twenty years from the date of the passage of this Act
17. national-bank notes still remaining outstanding shall be re-
18. called and redeemed by the national banking associations
19. issuing the same within a period and under regulations to be
20. prescribed by the Federal Reserve Board, and notes still
21. remaining in circulation at the end of such period shall be
22. secured by an equal amount of lawful money to be deposited
23. in the Treasury of the United States by the banking associa-
24. tions originally issuing such notes. Meanwhile every na-
25. tional bank may continue to apply for and receive circulating

OWN AMENDMENT.

1. be renewed by the Secretary of the Treasury as bonds bearing:
2. three per centum interest, due July first, nineteen hundred
3. and thirty-three, as as one-year notes renewable from year
4. to year until July first, nineteen hundred and thirty-three,
5. and bearing interest at the rate of three per centum per annum.
6. The amount of the redemption of such notes shall not exceed
7. $36,000,000 per annum and shall be apportioned pro rata
8. among the national banks applying for such redemption at
9. the end of each quarterly period of any fiscal year. The
10. circulating notes of any national bank, the redemption of
11. which is so assumed, shall, when delivered to the Treasury
12. for redemption, be cancelled and redeemed out of funds to be
13. furnished to the Secretary of the Treasury by the Federal
14. reserve bank making the application; and the
15. Federal Reserve Board shall thereupon deliver to the
16. Federal reserve bank the full amount of Federal reserve notes
17. without interest or penalty of any kind, and the two per cent-
18. um bonds aforesaid, or the three per centum notes or notes
19. issued in lieu thereof, shall be held in trust for such Federal
20. reserve bank by the Secretary of the Treasury as se-
21. curity for the redemption of such notes.

HITCHCOCK AMENDMENTS.

1. bank and used for deposit with its reserve agent as security
2. for the Federal reserve notes issued, or may be exchanged
3. at the Treasury for one-year Treasury gold notes bearing
4. three per centum interest. In case of such exchange the
5. reserve bank shall be located at the option of the United States
6. to renew year by year for twenty years the three per centum
7. gold notes so issued. Added one-year three per centum United
8. States gold notes may be used to deposit with the reserve
9. agent as security for the United States reserve notes, or be
10. freely purchased by reserve banks from time to time to employ
11. title funds, or sold to protect the gold supply.
12. National banks which sell two per centum bonds to a
13. reserve bank under this provision shall retire such portion
14. of their outstanding national-bank notes as we secured by
15. the bonds so sold. The Secretary of the Treasury is hereby
16. directed to issue three per centum one-year gold Treasury
17. notes year by year to exchange for two per centum bonds
18. as herein prescribed or to take the same of three per centum
19. one-year gold notes that have been redeemed. During the
20. period between the first and last purchases of bonds any
21. national bank may continue to apply for and receive circulating
22. notes based upon the deposit of two per centum bonds as
23. provided for by law. The one-year three per centum gold
24. Treasury notes issued pursuant to this shall be exempt from
25. Federal, State, and municipal taxation both as to income and
26. principal.
HOUSE BILL.

notes from the Comptroller of the Currency based upon the
deposit of two per centum bonds or of any other bonds bearing
the circulation privilege: but no national bank shall be per-
mitted to issue other circulating notes except such as are
secured as in this section provided or to issue or to make
use of any substitute for such circulating notes in the form of
clearing-house loan certificates, cashier's checks or other
obligation.

BANK RESERVES.

OWN AMENDMENT.

BANK RESERVES.

SENO. 20. That from and after the date when the Sec-
retary of the Treasury shall have officially announced the
such manner as he may elect, the fact that a Federal reserve
bank has been established in any designated district, every
banking association within said district which shall have
subscribed for stock in such Federal reserve bank shall be
required to establish and maintain reserves as follows:
(a) If a country bank as defined by existing law it shall
hold and maintain a reserve equal to twenty per centum of the
aggregate amount of its deposits and indebtedness to deposits
hereinafter provided for—five-tenths of such reserve shall
consist of money which national banks have on deposit existing
low-sound or legal reserve, held actually in the bank's own
vany, and for a period of at least one-half year from the date
announced at least three-twelfths thereof or at least five-
tenths of such reserve shall consist of a credit balance with
the Federal reserve bank of the district. The remainder of
the twelve per centum reserve, hereinafter required may,
HOUSE BILL.

Owen Amendment.

1. for a period of thirty-six months from and after the date fixed
2. by the Secretary of the Treasury as hereinafter provided;
3. consist of balances due from national banks in reserve or
4. central reserve cities as now defined by law, from and after
5. the date thirty-six months subsequent to the date fixed by the
6. Secretary of the Treasury as hereinafter provided; the said
7. remainder of the twelve per centum reserve required of each
8. currency bank shall consist either in whole or in part of
9. reserve money in the bank's own vaults or of credit balances
10. with the Federal Reserve Bank of its district,
11. (b) if a reserve city bank as defined by existing law;
12. shall hold and maintain, for a period of sixty days from
13. the date fixed by the Secretary of the Treasury as hereinafter
14. before provided, a reserve equal to twenty per centum of the
15. aggregate amount of its deposits, not including savings
16. deposits hereinafter provided for and permanently otherwise
17. eighteen per centum; and the said reserve shall
18. consist of money which National banks may under existing
19. laws, count as legal reserves, held entirely in the bank's own
20. vaults—first sixty days from the date specified and for a
21. period of one year, at least three-eighths in addition to
22. thereby at least three-eighths of such reserve shall con
23. stist of credit balances with the Federal Reserve Bank of
24. its district. The remainder of the reserve as hereinafter
25. required may be a period of thirty-six months from and after
26. the date fixed by the Secretary of the Treasury as hereinafter
27. before provided, consist of balances due from national banks

HITROCK AMENDMENTS.

1. required may, for a period of thirty-six months from and
2. after the date fixed by the Secretary of the Treasury as here
3. before provided, consist of balances due from national
4. banks in reserve or central reserve cities as now defined by
5. law, from and after the date thirty-six months subsequent
6. to the date fixed by the Secretary of the Treasury as hereinafter
7. before provided the said remainder of the twelve per centum
8. reserve required of each currency bank shall consist either in
9. whole or in part of reserve money in the bank's own vaults or
10. of credit balances with the Federal Reserve Bank of its district,
11. (d) if a reserve city bank as defined by existing law,
12. shall hold and maintain, for a period of sixty days from
13. the date fixed by the Secretary of the Treasury as hereinafter
14. before provided, a reserve equal to twenty per centum of the
15. aggregate amount of its deposits, not including savings
16. deposits hereinafter provided for and permanently otherwise
17. eighteen per centum; and the said reserve shall
18. consist of money which National banks may under existing
19. laws, count as legal reserves, held entirely in the bank's own
20. vaults—first sixty days from the date specified and for a
21. period of one year, at least three-eighths in addition to
22. thereby at least three-eighths of such reserve shall con
23. stist of credit balances with the Federal Reserve Bank of
24. its district. The remainder of the reserve as hereinafter
25. required may be a period of thirty-six months from and after
26. the date fixed by the Secretary of the Treasury as hereinafter
27. before provided, consist of balances due from national banks
HOUSE BILL.

OWN AMENDMENT.

1 in central reserve cities as now defined by law—From and
2 after a date thirty-six months subsequent to the date fixed by
3 the Secretary of the Treasury as hereinbefore provided, the
4 said remainder of the eighteen per centum reserve required
5 of each reserve city bank shall consist either in whole or in
6 part of reserve money in the bank's own hands or of credit
7 balance with the Federal reserve bank of its district.
8
9 (c) If a central reserve city bank as defined by exist-
10 ing law, shall hold and maintain for a period of sixty-
11 days from the date fixed by the Secretary of the Treasury as
12 hereinbefore provided a reserve equal to twenty per cent
13 of the aggregate amount of its deposits not including savings
14 deposits, hereinafter provided for and permanently after
15 eighteen per centum—At least half of such reserve shall
16 consist of money which national-banks may under existing
17 laws keep on legal reserve, held entirely in the bank's own
18 hands, other sixty days from the date aforesaid, and there-
19 after for a period of one year, at least thirty-eight per cent
20 and permanently thereafter, at least five and thirty-
21 one per cent of such reserve shall consist of a credit balance with the Federal
22 reserve bank of the district in the manner of description
23 hereinbefore provided for central reserve city banks.
24 Such reserve shall consist entirely of such federal reserve money
25 not being held in the bank's own hands or with the Federal
26 reserve bank of its district.

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HITCHCOCK AMENDMENTS.

1 in central reserve cities as now defined by law—From and
2 after a date thirty-six months subsequent to the date fixed by
3 the Secretary of the Treasury as hereinbefore provided, the
4 said remainder of the eighteen per centum reserve required
5 of each reserve city bank shall consist either in whole or in
6 part of reserve money in the bank's own hands or of credit
7 balance with the Federal reserve bank of its district.
8
9 (d) If a central reserve city bank as defined by exist-
10 ing law, shall hold and maintain for a period of sixty-
11 days from the date fixed by the Secretary of the Treasury as
12 hereinbefore provided a reserve equal to twenty per cent
13 of the aggregate amount of its deposits not including savings
14 deposits, hereinafter provided for and permanently after
15 eighteen per centum—At least half of such reserve shall
16 consist of money which national-banks may under existing
17 laws keep on legal reserve, held entirely in the bank's own
18 hands, other sixty days from the date aforesaid, and there-
19 after for a period of one year, at least thirty-eight per cent
20 and permanently thereafter, at least thirty-eight per cent
21 and one per cent of such reserve shall consist of a credit balance with the
22 Federal reserve bank of the district in the manner of description
23 hereinbefore provided for central reserve city banks.
24 Such reserve shall consist entirely of such federal reserve money
25 not being held in the bank's own hands or with the Federal
26 reserve bank of its district.
HOUSE BILL.

SEC. 20. That from and after the date when the Secretary of the Treasury shall have officially announced, in such manner as he may elect, the fact that a Federal reserve bank has been established in any designated district, every banking association within said district which shall have subscribed for stock in such Federal reserve bank shall be required to establish and maintain reserves as follows:

(a) If a country bank as defined by existing law, it shall hold and maintain a reserve equal to twelve per centum of the aggregate amount of its deposits, not including savings deposits hereinafter provided for. Five-twelfths of such reserve shall consist of money which national banks may under existing law count as legal reserve, held actually in the bank's own vaults; and for a period of fourteen months from the date aforesaid at least three-twelfths and thereafter at least five-twelfths of such reserve shall consist of a credit balance with the Federal reserve bank of its district. The remainder of the twelve per centum reserve hereinbefore required may, for a period of thirty-six months from and after the date fixed by the Secretary of the Treasury as hereinbefore required may, for a period of thirty-six months from and after the date fixed by the Secretary of the Treasury as hereinbefore provided, consist of balances due from national banks in reserve or central reserve cities as now defined by law. From and after a date thirty-six months subsequent to the date fixed by the Secretary of the Treasury as hereinbefore provided, the said remainder of the twelve per centum reserve required of each country bank shall consist either in

OWEN AMENDMENT.

SEC. 20. Demand liabilities within the meaning of this Act shall comprise all liabilities maturing within thirty days; and time deposits shall comprise all deposits payable after thirty days.

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 bank shall establish and maintain reserves as follows:

(a) A bank not in a reserve or central reserve city as now or hereafter defined shall hold and maintain reserves equal to twelve per centum of the aggregate amount of its demand liabilities and five per centum of its time deposits, as follows:

In its vaults, a period of thirty-six months after said date four-twelfths thereof.

In the Federal reserve bank for a period of fourteen months after said date two-twelfths, and permanently thereafter five-twelfths.

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 banks in reserve or central reserve cities as now defined by law. After said thirty-six months' period said reserve, other than that hereinbefore required to be held in the reserve bank, shall be held in the vaults of the member bank or in the Federal reserve bank, or in both, at its option.

HITCHCOCK AMENDMENTS.

SEC. 20. That when a Federal reserve bank has been duly organized and established as provided in this Act in any Federal reserve district, every member bank of that district shall establish and maintain reserves as follows:

(a) A bank not in a reserve or central reserve city as now or hereafter defined shall hold and maintain reserves equal to twelve per centum of the aggregate amount of its net deposits, as follows:

In its vaults, four-twelfths thereof.

In the Federal reserve bank for a period of fourteen months after said date two-twelfths, and permanently thereafter five-twelfths.

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 banks in reserve or central reserve cities as now defined by law. After said thirty-six months' period said reserve, other than that hereinbefore required to be held in the reserve bank, may 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.
HOUSE BILL.

1. whole or in part of reserve money in the bank's own vaults or
2. of credit balance with the Federal reserve bank of its district.

(b) If a reserve city bank as defined by existing law,
3. it shall hold and maintain, for a period of sixty days from the
4. date fixed by the Secretary of the Treasury as hereinbefore
5. provided, a reserve equal to twenty per centum of the
6. aggregate amount of its deposits, not including savings
7. deposits hereinafter provided for, and permanently thereafter
8. eighteen per centum. At least one-half of such reserve shall
9. consist of money which national banks may under existing
10. law count as legal reserve, held actually in the bank's own
11. vaults. After sixty days from the date aforesaid, and for a
12. period of one year, at least three-eighths and perma-
13. nently thereafter at least five-eighths of such reserve shall
14. consist of a credit balance with the Federal reserve bank of
15. its district. The remainder of the reserve in this paragraph
16. required may, for a period of thirty-six months from and after
17. the date fixed by the Secretary of the Treasury as herein-
18. before provided, consist of balances due from national banks
19. in central reserve cities as now defined by law. From and
20. after a date thirty-six months subsequent to the date
21. fixed by the Secretary of the Treasury as hereinbefore pro-
22. vided, the said remainder of the eighteen per centum
23. required of each reserve city bank shall consist either in
24. whole or in part of reserve money in the bank's own vaults
25. or of credit balance with the Federal reserve bank of its
district.

OWN AMENDMENT.

3. (b) A bank in a reserve city, as now or hereafter def-
4. ined, shall hold and maintain reserves equal to eighteen per
5. centum of the aggregate amount of its deposits liabilities and
6. five per centum of its time deposits, as follows:
7. In its vaults six-eighteenths thereof,
8. in the Federal reserve bank for a period of fourteen
9. months after the date aforesaid at least three-eighteenths and
10. permanently thereafter five-eighteenths of said reserve.
11. For a period of thirty-six months after said period
12. the balance of said reserve shall be held in its vaults, in the
13. Federal reserve bank, or in central reserve city banks as now
14. defined by law.
15. After said thirty-six months' period all of said reserve,
16. except those hereinafter required to be held permanently in
17. the Federal reserve bank, shall be held in its vaults or in the
18. Federal reserve bank, or in both, at its option.

HITCHCOCK AMENDMENTS.

3. (b) A bank in a reserve or a central reserve city, as now
4. or hereafter defined, shall hold and maintain reserves equal to
5. fifteen per centum of the aggregate amount of its net deposits,
6. as follows:
7. In its vaults, five-eighteenths thereof,
8. in the Federal reserve bank of its district for a period of
9. six months after the date aforesaid at least one-fifteenth, and
10. for each succeeding six months an additional one-fifteenth,
11. until six-fifteenths have been so deposited, which shall be the
12. amount permanently required.
13. After said period all of said reserves, except those herein-
14. before required to be held permanently in the Federal reserve
15. bank, may be held in its own vaults or in the Federal reserve
16. bank, or in both, at the option of the member bank.
HOUSE BILL.

(c) If a central reserve city bank as defined by existing law, it shall hold and maintain for a period of sixty days from the date fixed by the Secretary of the Treasury as hereinbefore provided a reserve equal to twenty per centum of the aggregate amount of its deposits, not including savings deposits hereinafter provided for, and permanently thereafter eighteen per centum. At least one-half of such reserve shall consist of money which national banks may under existing law count as legal reserve, held actually in the bank's own vaults. After sixty days from the date aforesaid, and thereafter for a period of one year, at least three-eighths and permanently thereafter five-eighteenths of such reserve shall consist of a credit balance with the Federal reserve bank of its district. The remainder of the eighteen per centum reserve required of each central reserve city bank shall consist either in whole or in part of reserve money actually held in its own vaults or of credit balance with the Federal reserve bank of its district.

HITCHCOCK AMENDMENTS.

(c) A bank in a central reserve city bank as defined shall hold and maintain a reserve equal to twenty per centum of the aggregate amount of its deposits, not including savings deposits hereinafter provided for, and permanently thereafter eighteen per centum. At least one-half of such reserve shall consist of money which national banks may count as legal reserve, held actually in the bank's own vaults. After sixty days from the date aforesaid, and thereafter for a period of one year, at least three-eighths and permanently thereafter five-eighteenths of such reserve shall consist of a credit balance with the Federal reserve bank of its district. The remainder of the eighteen per centum reserve required of each central reserve city bank shall consist either in whole or in part of reserve money actually held in its own vaults or of credit balance with the Federal reserve bank of its district.
HOUSE BILL.

SEC. 21. That so much of sections two and three of the Act of June twentieth, eighteen hundred and seventy-four, entitled "An Act fixing the amount of United States notes, providing for a redistribution of the national bank currency, and for other purposes," as provides that the fund deposited by any national banking association with the Treasurer of the United States for the redemption of its notes shall be counted as a part of its lawful reserve as provided in the Act aforesaid, be, and the same is hereby, repealed. And from and after the passage of this Act such fund of five per centum

Owen Amendment.

SEC. 21. That so much of sections two and three of the Act of June twentieth, eighteen hundred and seventy-four, entitled "An Act fixing the amount of United States notes, providing for a redistribution of the national bank currency, and for other purposes," as provides that the fund deposited by any national banking association with the Treasurer of the United States for the redemption of its notes shall be counted as a part of its lawful reserve as provided in the Act aforesaid, be, and the same is hereby, repealed. And from and after the passage of this Act such fund of five per centum

Hitchcock Amendment.

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HOUSE BILL.

1. shall in no case be counted by any national banking association as a part of its lawful reserve.
2. Sec. 22. That every Federal reserve bank shall at all times have on hand in its own vaults, in gold or lawful money, a sum equal to not less than thirty-three and one-third per centum of its outstanding demand liabilities.

13. The Federal Reserve Board may notify any Federal reserve bank whose lawful reserve shall be below the amount required to be kept on hand, to make good such reserve; and if such bank shall fail for thirty days thereafter so to make good its lawful reserve, the Federal Reserve Board may appoint a receiver to wind up the business of said bank.

OWN AMENDMENT.

1. shall in no case be counted by any national banking association as a part of its lawful reserve.
2. Sec. 22. That every Federal reserve bank shall at all times have on hand in its own vaults, in gold or lawful money, a sum equal to not less than thirty-three and one-third per centum of its outstanding demand liabilities.

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OWEN AMENDMENT.

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HITCHCOCK AMENDMENTS.

1. shall in no case be counted by any national banking association as a part of its lawful reserve.
2. Sec. 22. That every Federal reserve bank shall at all times have on hand in its own vaults, in gold certificates, or lawful money, a sum equal to not less than thirty-three and one-third per centum of its outstanding demand liabilities.

13. The Federal Reserve Board may notify any Federal reserve bank whose lawful reserve shall be below the amount required to be kept on hand, to make good such reserve; and if such bank shall fail for thirty days thereafter so to make good its lawful reserve, the Federal Reserve Board may appoint a receiver to wind up the business of said bank. The Federal Reserve Board may prohibit such Federal reserve bank from making additional loans or discounts: Provided, however, that the Federal Reserve Board may in case of emergency permit the reserve against deposits to be reduced below the said limit, but the reserve bank shall in such case pay a tax at the rate of one per centum per annum for every two and one-half per centum or fraction thereof that the reserve falls below said thirty-five per centum, but in no case shall it be allowed to fall below twenty-five per centum of its net
HOUSE BILL.

SEC. 23. That the examination of the affairs of every national banking association authorized by existing law shall take place at least twice in each calendar year and as much oftener as the Federal Reserve Board shall consider necessary in order to furnish a full and complete knowledge of its condition. The Secretary of the Treasury may, however, at any time direct the holding of a special examination. The person assigned to the making of such examination of the affairs of any national banking association shall have power to call together a quorum of the directors of such association, who shall, under oath, state to such examiner the character and circumstances of such of its loans or discounts as he may designate; and from and after the passage of this Act all bank examiners shall receive fixed salaries, the amount whereof shall be determined by the Federal Reserve Board and annually reported to Congress. But the expense of the examinations herein provided for shall be assessed by the Federal Reserve Board upon the associations examined in proportion to assets or resources held by such associations upon a date during the year in which such examinations are held to be established by the Federal Reserve Board. The Comptroller of the Currency shall so arrange for the expense of the examinations herein provided for to be met.

OWNEN AMENDMENT.

SEC. 23. That the examination of the affairs of every national banking association authorized by existing law shall take place at least twice in each calendar year and as much oftener as the Federal Reserve Board shall consider necessary in order to furnish a full and complete knowledge of its condition. The Secretary of the Treasury may, however, at any time direct the holding of a special examination. The person assigned to the making of such examination of the affairs of any national banking association shall have power to call together a quorum of the directors of such association, who shall, under oath, state to such examiner the character and circumstances of such of its loans or discounts as he may designate; and from and after the passage of this Act all bank examiners shall receive fixed salaries, the amount whereof shall be determined by the Federal Reserve Board and annually reported to Congress. But the expense of the examinations herein provided for shall be assessed by the Federal Reserve Board upon the associations examined.
the duties of national-bank examiners that no two successive
examinations of any association shall be made by the same
examiner.

In addition to the examinations made and conducted by
the Comptroller of the Currency, every Federal reserve bank
may, with the approval of the Federal Reserve Board, arrange
for special or periodical examination of the member banks
within its district. Such examination shall be so conducted
as to inform the Federal reserve bank under whose auspices
it is carried on of the condition of its member banks and of
the lines of credit which are being extended by them.

Every Federal reserve bank shall at all times furnish to
the Federal Reserve Board such information as may be de-
manded by the latter concerning the condition of any national
banking association located within the district of the said
Federal reserve bank.

shall be assessed by authority of the Federal Reserve Board
upon the associations member banks examined in proportion to assets
or resources held by such associations member banks upon a date during the
year in which such examinations are held to be established by the Federal Reserve Board. The Comptroller of the
Currency shall so arrange the duties of national-bank
examiners that no two successive examinations of any assocation shall be made by the same examiner the dates when
the various banks are examined.

In addition to the examinations made and conducted by
the Comptroller of the Currency, every Federal reserve bank
may, with the approval of the Federal reserve agent or of
the Federal Reserve Board, arrange for special or periodical examination of the member banks within its district. Such examination shall be so conducted as to inform the Federal reserve bank under whose auspices it is carried on of the condition of its member banks and of
the lines of credit which are being extended by them.

Every Federal reserve bank shall at all times furnish to
the Federal Reserve Board such information as may be de-
manded by the latter concerning the condition of any national
member bank within the district of the said
Federal reserve bank.

No association shall be subject to any civil suit or process
other than as are authorized by law, or vested in the
courts of justice, or such as shall be as or shall have been ever.
HOUSE BILL.

The Federal Reserve Board shall, as often as it deems best, and in any case not less frequently than four times each year, order an examination of national banking associations in reserve cities. Such examinations shall show in detail the total amount of loans made by each bank on demand, on time, and the different classes of collateral held to protect the various loans, and the lines of credit which are being extended by them. The Federal Reserve Board shall, at least once each year, order an examination of each Federal reserve bank, and upon joint application of ten member banks the Federal Reserve Board shall order a special examination and report of the condition of any Federal reserve bank.

SEC. 24. That no national bank shall hereafter make any loan or grant any gratuity to any examiner of such bank. Any bank offending against this provision shall be deemed guilty of a misdemeanor and shall be fined not more than $5,000 and a further sum equal to the money so loaned or gratuity given; and the officer or officers of a bank making such loan or granting such gratuity shall be likewise deemed guilty of a misdemeanor and shall be fined not less than $5,000 and a further sum equal to the money so loaned or gratuity given; and shall forever thereafter be disqualified from holding office as a

OWN AMENDMENT.

The Federal Reserve Board shall, as often as it deems best, and in any case not less frequently than four times each year, order an examination of national banking associations in reserve cities. Such examinations shall show in detail the total amount of loans made by each bank on demand, on time, and the different classes of collateral held to protect the various loans, and the lines of credit which are being extended by them. The Federal Reserve Board shall, at least once each year, order an examination of each Federal reserve bank, and upon joint application of ten member banks the Federal Reserve Board shall order a special examination and report of the condition of any Federal reserve bank.

SEC. 24. That no national bank shall hereafter make any loan or grant any gratuity to any examiner of such bank. Any bank offending against this provision shall be deemed guilty of a misdemeanor and shall be fined not exceeding one year or

HITCHCOCK AMENDMENTS.

The Federal Reserve Board shall, as often as it deems best, and in any case not less frequently than four times each year, order an examination of national banking associations in reserve cities. Such examinations shall show in detail the total amount of loans made by each bank on demand, on time, and the different classes of collateral held to protect the various loans, and the lines of credit which are being extended by them. The Federal Reserve Board shall, at least once each year, order an examination of each Federal reserve bank, and upon joint application of ten member banks the Federal Reserve Board shall order a special examination and report of the condition of any Federal reserve bank.

SEC. 24. That no national bank shall hereafter make any loan or grant any gratuity to any examiner of such bank. Any bank offending against this provision shall be deemed guilty of a misdemeanor and shall be fined not exceeding one year or
HOUSE BILL.

1. No national-bank examiner shall perform any other service for compensation while holding such office.

2. No officer or director of a national bank shall receive or be beneficiary, either directly or indirectly, of any fee (other than a legitimate fee paid to an attorney at law for legal services), commission, gift, or other consideration for or on account of any loan, purchase, sale, payment, exchange, or transaction with respect to stocks, bonds, or other investment securities, notes, bills of exchange, acceptances, bankers' bills, cable transfers, or mortgages made by or on behalf of a national bank, to which he is such officer or director.

3. No officer or director of a national bank shall receive or be beneficiary, either directly or indirectly, of any fee (other than the usual salary or director's fee paid to any officer, director, or employee of a member bank and other than a reasonable fee paid to such officer, director, or employee acting as an attorney at law for legal services rendered to such bank, no officer, director, or employee of such bank shall be deemed guilty of a misdemeanor and

4.shall be imprisoned not exceeding one year or fined not more than $5,000, or both; and if a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as a national-bank examiner. No national-bank examiner shall perform any other service for compensation while holding such office for any bank or officer, director, or employee thereof.

5. No officer or director of a national bank shall receive or be beneficiary, either directly or indirectly, of any fee (other than the usual salary or director's fee paid to any officer, director, or employee of a member bank and other than a reasonable fee paid to such officer, director, or employee acting as an attorney at law for legal services rendered to such bank, no officer, director, or employee of a national bank shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both; and if a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as a national-bank examiner or both. No national-bank examiner shall perform any other service for compensation while holding such office.

6. No officer or director of a national bank shall receive or be beneficiary, either directly or indirectly, of any fee (other than a legitimate fee paid to an attorney at law for legal services), commission, gift, or other consideration for or on account of any loan, purchase, sale, payment, exchange, or transaction with respect to stocks, bonds, or other investment securities, notes, bills of exchange, acceptances, bankers' bills, cable transfers, or mortgages made by or on behalf of a national bank, to which he is such officer or director.

7. Other than the usual salary or director's fee paid to any officer, director, or employee of a member bank and other than a reasonable fee paid to such officer, director, or employee acting as an attorney at law for legal services rendered to such bank, no officer, director, or employee of such bank shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both; and if a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as a national-bank examiner or both. No national-bank examiner shall perform any other service for compensation while holding such office.

8. No officer or director of a national bank shall receive or be beneficiary, either directly or indirectly, of any fee (other than the usual salary or director's fee paid to any officer, director, or employee of a member bank and other than a reasonable fee paid to such officer, director, or employee acting as an attorney at law for legal services rendered to such bank, no officer, director, or employee of such bank shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than $5,000, or both; and if a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as a national-bank examiner or both. No national-bank examiner shall perform any other service for compensation while holding such office.
HOUSE BILL.

1. Any national bank of which he is such officer or director. Any person violating any provision of this section shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both such fine and imprisonment, in the discretion of the court having jurisdiction.

2. Except so far as already provided in existing laws this provision shall not take effect until six months after the passage of this Act.

3. Sec. 25. That from and after the passage of this Act, the stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have transferred their

OWN AMENDMENT.

1. Any person violating any provision of this section shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both such fine and imprisonment, in the discretion of the court having jurisdiction.

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HITCHCOCK AMENDMENTS.

1. Any person violating any provision of this section shall be deemed guilty of a misdemeanor and punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or both.

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3. Sec. 25. That from and after the passage of this Act, the stockholders of every national banking association shall be held individually responsible for all contracts, debts, and engagements of such association, each to the amount of his stock therein, at the par value thereof in addition to the amount invested in such stock. The stockholders in any national banking association who shall have transferred their
House bill.

If shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations shall be liable to the same extent as if they had made no such transfer; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure. Section fifty-one hundred and fifty-one, Revised Statutes of the United States, is hereby reenacted except in so far as modified by this section.

Owen amendment.

Bank who shall have transferred their shares or registered the transfer thereof within sixty days next before the date of the failure of such association to meet its obligations, or with knowledge of such impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability; but this provision shall not be construed to affect in any way any recourse which such shareholders might otherwise have against those in whose names such shares are registered at the time of such failure. Section fifty-one hundred and fifty-one, Revised Statutes of the United States, is hereby reenacted except in so far as modified by this section.

Hitchcock amendments.

Sect. 26. That any national banking association not situated in a reserve city or central reserve city may make loans secured by improved and unencumbered farm lands, but no such loan shall be made for a longer time than twelve months, nor for an amount exceeding fifty per centum of the actual value of the property offered as security; and such property shall be situated within the Federal reserve districts in which the bank is located. Any such bank may make such loans in an aggregate sum equal to twenty-five per cent of its capital and surplus.
HOUSE BILL.

Owen Amendment.

SEC. 26. That any national banking association not situated in a reserve city or central reserve city may make loans secured by improved and unencumbered farm land, but no such loan shall be made for a longer time than twelve months, nor for an amount exceeding fifty per centum of the actual value of the property offered as security, and such property shall be situated within the Federal reserve district in which the bank is located. Any such bank may make such loans in an aggregate sum equal to twenty-five per centum of its capital and surplus.

The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.

Savings Department.

SEC. 27. That any national banking association may, subsequent to a date one year after the organization of the Federal Reserve Board, make application to the Comptroller of the Currency for permission to open a savings department. Such application shall set forth that the deposits in national banks, payable more than thirty days after they are made, shall be known as time deposits, and such banks may continue hereafter to receive time deposits and to pay interest on the same. All national banks, not located in central reserve cities, may make loans, secured by improved, occupied, and unencumbered farm land situated within the Federal reserve district where the loaning bank is located to the extent of one-half of its value, but no loan shall be made for a longer period than five years, nor shall the aggregate of such loans by any bank exceed one-third of its time deposits.

After becoming member banks of any reserve bank, national banks are hereby authorized to act as administrators, executors, or trustees.

Hitchcock Amendments.

SEC. 26. That any national banking association not situated in a reserve city or central reserve city may make loans secured by improved and unencumbered farm land, situated within its Federal reserve district, but no such loan shall be made for a longer time than two years, nor for an amount exceeding fifty per centum of the actual value of the property offered as security, and such property shall be situated within the Federal reserve district in which the bank is located. Any such bank may make such loans in an aggregate sum equal to twenty-five per centum of its capital and surplus.

The Federal Reserve Board shall have power from time to time to add to the list of cities in which national banks shall not be permitted to make loans secured upon real estate in the manner described in this section.

Savings Department.

SEC. 27. That any national banking association may, subsequent to a date one year after the organization of the Federal Reserve Board, make application to the Comptroller of the Currency for permission to open a savings department. Such application shall set forth that the directors of said national banks are hereby authorized to act as administrators, executors, or trustees.
directors of said national bank have by a majority vote appropri-
ted a specified percentage of their paid-in capital and sur-
plus to said savings department and to that end have segre-
gated specified assets for the uses of said department, or that
cash capital for the said savings department has been obtained
by subscription to additional issues of the capital stock of
said national bank. Provided, That the capital thus set
apart for the uses of the proposed savings department
aforesaid shall in no case be less than $15,000, or than
a sum equal to twenty per centum of the paid-up capital and
surplus of the said national bank.

In making the application aforesaid any national bank-
ing association may further apply for power to act as trustee
for mortgage loans subject to the conditions and limitations
herein prescribed or to be established as hereinafter provided.
Whenever the Comptroller of the Currency shall have
approved any such application as hereinafter provided, he
shall so inform the applying bank, and thereafter it shall be
authorized to receive savings deposits as so defined, and the
organization and business conducted or prosecuted by said
bank at the time of making said application, except such as
has been specifically segregated for the savings department,
and subsequent expansions thereof shall be known as the
commercial department of the said bank. The said depart-
ments shall, to all intents and purposes, be separate and
distinct institutions save and except as hereinafter expressly
provided. The capital, surplus, deposits, securities, invest-
ments, and other property, effects, and assets of each of said
departments shall, in no event, be mingled with those of
the other department, or used, either in whole or in part,
to pay any of the deposits of the other department until all
of the deposits of its own department have been fully
paid and satisfied. National banks may increase or
diminish their capital stock in the manner now provided
by law, but whenever such general increase or reduction of
the capital stock of any national bank operating under the
provisions of this section shall be made such increase or reduc-
tion shall be apportioned between the commercial and sav-
ings departments of the said bank as its board of directors
shall prescribe, notice of such increase or reduction, and of the
apportionment thereof, being forthwith given to the Com-
troller of the Currency; and any such national bank may
increase or diminish the capital already apportioned to either
its savings or commercial department to an extent not incon-
sistent with the provisions of this section, notifying the
Comptroller of the Currency as hereinafore provided. The
savings department for which authority has been solicited
and granted shall have control of the cash and assets appor-
tioned to it as hereinafore provided, and shall be organized
under rules and regulations to be prescribed by the Com-
troller of the Currency.
HOUSE BILL.

Both the savings and commercial departments so created shall, however, be under the control and direction of a single board of directors and of the general officers of said bank.

All business transacted by the commercial department of any such national bank shall be in every respect subject to the limitations and requirements provided in the national banking Act as modified by this Act, and such business shall henceforward be known as commercial business.

The savings department of each such national bank shall be authorized to accumulate and loan the funds of its depositors, to receive deposits of current funds, to purchase securities authorized by the Federal Reserve Board, to loan any funds in its possession upon real estate or other authorized security, and to collect the same with interest, and to declare and pay dividends or interest upon its deposits. The Federal Reserve Board is hereby authorized to exempt the savings departments of national banking associations from any and every restriction upon classes or kinds of business laid down in the national banking Act, and it shall be the duty of the said board within one year after the organization of the said associations to prepare and publish rules and regulations for the conduct of business by such savings departments. The said regulations shall require every national bank which shall conduct a savings department and a commercial department to segregate

OWN AMENDMENT.

1. Both the savings and commercial departments so created shall, however, be under the control and direction of a single board of directors and of the general officers of said bank.

2. All business transacted by the commercial department of any such national bank shall be in every respect subject to the limitations and requirements provided in the national banking Act as modified by this Act, and such business shall henceforward be known as commercial business.

3. The savings department of each such national bank shall be authorized to accumulate and loan the funds of its depositors, to receive deposits of current funds, to purchase securities authorized by the Federal Reserve Board, to loan any funds in its possession upon real estate or other authorized security, and to collect the same with interest, and to declare and pay dividends or interest upon its deposits. The Federal Reserve Board is hereby authorized to exempt the savings departments of national banking associations from any and every restriction upon classes or kinds of business laid down in the national banking Act, and it shall be the duty of the said board within one year after the organization of the said associations to prepare and publish rules and regulations for the conduct of business by such savings departments. The said regulations shall require every national bank which shall conduct a savings department and a commercial department to segregate

FUTURE AMENDMENTS.
commercial department to segregate in its own vaults the cash and assets belonging to such departments respectively, and shall prescribe the general forms of separate books of account to be used by each such department for its exclusive and individual use. The regulations aforesaid shall further specify the period of notice for the withdrawal of deposits made in the said savings department and shall forbid the acceptance of deposits by one department of such national bank from the other department of such bank. The Federal Reserve Board shall make and publish at its discretion lists of securities, paper, bonds, and other forms of investment, which the savings departments of national banks shall be authorized to buy or loan upon; and said lists need not be uniform throughout the United States, but shall be adapted to the conditions of business in different sections of the country. It shall be the duty of every national bank to maintain, with respect to all deposit liabilities of its savings department, a reserve in money which may under existing law be counted as reserve, equal to not less than five per centum of the total deposit liabilities of such department, and every national bank authorized to maintain a savings department is hereby exempted from the reserve requirements of the national banking Act and of this Act in respect to the said deposit liabilities of its savings department, except as in this section provided. Every regulation made in pursuance of this
provided. Every regulation made in pursuance of this
section shall be duly published, and also posted in every
member bank having a savings department.

Every officer, director, or employee of any member
bank who shall knowingly or willfully violate any of the
provisions of this section, or any of the regulations of the
Federal Reserve Board, or of the Comptroller of the Cur-
rency, made under and by virtue of the provisions of this
section shall be guilty of a felony, and on conviction thereof
shall be punished by a fine not exceeding $5,000 or by
imprisonment not exceeding two years, or both, in the dis-
cretion of the court.

FOREIGN BRANCHES.

SEC. 28. That any national banking association possess-
ing a capital of $1,000,000 or more may file application with
the Federal Reserve Board, upon such conditions and under
such circumstances as may be prescribed by the said board,
for the purpose of securing authority to establish branches
in foreign countries for the furtherance of the foreign com-
merce of the United States and to act, if required to do so,
as fiscal agents of the United States. Such application shall
specify, in addition to the name and capital of the banking
association filing it, the foreign country or countries or the
dependencies of the United States where the banking op-
tions proposed are to be carried on and the amount of capital

OWN AMENDMENT.

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Such application shall specify, in addition to the name and capital of the banking association filing it, the foreign country or countries or the dependencies of the United States where the banking operations proposed are to be carried on and the amount of capital.
set aside by the said banking association filing such applica-
tion for the conduct of its foreign business at the branches
proposed by it to be established in foreign countries. The
Federal Reserve Board shall have power to approve or to
reject such application if, in its judgment, the amount of
capital proposed to be set aside for the conduct of foreign
business is inadequate or if for other reasons the granting
of such application is deemed inexpedient.

Every national banking association which shall receive
authority to establish branches in foreign countries
shall be required at all times to furnish information con-
cerning the condition of such branches to the Comptroller
of the Currency upon demand, and the Federal Reserve
Board may order special examinations of the said for-

dign branches at such time or times as it may deem
best. Every such national banking association shall
conduct the accounts of each foreign branch independently
of the accounts of other foreign branches established by it
and of its home office, and shall at the end of each fiscal period
transfer to its general ledger the profit or loss accruing at
each such branch as a separate item.

SEC. 29. That all provisions of law inconsistent with or
superseded by any of the provisions of this Act be, and the
operations proposed are to be carried on and the amount of capi-
tal set aside by the said banking association filing such applica-
tion for the conduct of its foreign business at the branches
proposed by it to be established in foreign countries such
place or places. The Federal Reserve Board shall have
power to approve or to reject such application if, in its judg-
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home office, and shall at the end of each fiscal period
transfer to its general ledger the profit or loss accruing at
each such branch as a separate item.

SEC. 29. That all provisions of law inconsistent with or
superseded by any of the provisions of this Act be, and the
HOUSE BILL.

1. The same are hereby repealed: Provided, That nothing in this Act contained shall be construed to repeal the parity provision or provisions contained in an Act approved March fourteenth, nineteen hundred, entitled "An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes."

OWN SUBSTITUTE.

1. The same are hereby repealed: Provided, That nothing in this Act contained shall be construed to repeal the parity provision or provisions contained in an Act approved March fourteenth, nineteen hundred, entitled "An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes."

HITCHCOCK AMENDMENTS.

1. The same are hereby repealed: Provided, That nothing in this Act contained shall be construed to repeal the parity provision or provisions contained in an Act approved March fourteenth, nineteen hundred, entitled "An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes."
6 SEC. 30. That the right to amend, alter, or repeal this
Act is hereby expressly reserved.
Passed the House of Representatives September 18, 1918.
Attest: SOUTH TRIMBLE,
Clerk.

OWEN SUBSTITUTE.

1 The section 1 of the Act of May twentieth, nineteen hundred and eight,
2 is hereby reenacted to read as such sections read prior to
3 May twentieth, nineteen hundred and eight, subject to such
4 amendments or modifications as are prescribed in this Act.
5
6 SEC. 30. That the right to amend, alter, or repeal this
7 Act is hereby expressly reserved.
Passed the House of Representatives September 18, 1913.
Attest: SOUTH TRIMBLE,
Clerk.

HITCHCOCK AMENDMENTS.

6 SEC. 30. That the right to amend, alter, or repeal this
7 Act is hereby expressly reserved.
Passed the House of Representatives September 18, 1913.
Attest: SOUTH TRIMBLE,
Clerk.