

CHAP. 252.—An Act Proposing an amendment to section nineteen of the Federal reserve Act relating to reserves, and for other purposes.

August 15, 1914.
[S. 4966.]

[Public, No. 171.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section nineteen, subsections (b) and (c) of the Act approved December twenty-third, nineteen hundred and thirteen, known as the Federal reserve Act, be amended and reenacted so as to read as follows:

Federal Reserve Act.
Ante, p. 270,
amended.
Reserves required
for deposits.

“(b) A bank in a reserve city, as now or hereafter defined, shall hold and maintain reserves equal to fifteen per centum of the aggregate amount of its demand deposits and five per centum of its time deposits, as follows:

In reserve cities.

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

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

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

Limited to central
reserve cities.

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

“(c) A bank in a central reserve city, as now or hereafter defined, shall hold and maintain a reserve equal to eighteen per centum of the aggregate amount of its demand deposits and five per centum of its time deposits, as follows:

In central reserve
cities.

“In its vaults, six-eighteenths thereof.

“In the Federal reserve bank, seven-eighteenths.

“The balance of said reserves shall be held in its own vaults or in the Federal reserve bank, at its option.

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

Acceptance of elig-
ible paper as part of
reserve.

Reference corrected.

“If a State bank or trust company is required or permitted by the law of its State to keep its reserves either in its own vaults or with another State bank or trust company or with a national bank, such reserve deposits so kept in such State bank, trust company, or national bank shall be construed within the meaning of this section as if they were reserve deposits in a national bank in a reserve or central reserve city for a period of three years after the Secretary of the Treasury shall have officially announced the establishment of a Federal reserve bank in the district in which such State bank or trust company is situate. Except as thus provided, no member bank shall keep on deposit with any nonmember bank a sum in excess of ten per centum of its own paid-up capital and surplus. No member bank shall act as the medium or agent of a nonmember bank in applying for or receiving discounts from a Federal reserve bank under the provisions of this Act except by permission of the Federal Reserve Board.

Reserves by State
banks or trust com-
panies.

Deposits in national
banks added.

Restriction on de-
posits, etc., by mem-
ber banks.

“The reserve carried by a member bank with a Federal reserve bank may, under the regulations and subject to such penalties as may be prescribed by the Federal Reserve Board, be checked against and withdrawn by such member bank for the purpose of meeting

Use of reserves.

<i>Proviso.</i> Restriction.	existing liabilities: <i>Provided, however,</i> That no bank shall at any time make new loans or shall pay any dividends unless and until the total reserve required by law is fully restored.
Basis of reserves.	"In estimating the reserves required by this Act, the net balance of amounts due to and from other banks shall be taken as the basis for ascertaining the bank deposits against which reserves shall be determined. Balances in reserve banks due to member banks shall, to the extent herein provided, be counted as reserves.
Alaskan and insular banks.	"National banks located in Alaska or outside the continental United States may remain nonmember banks, and shall in that event maintain reserves and comply with all the conditions now provided by law regulating them; or said banks, except in the Philippine Islands, may, with the consent of the Reserve Board, become member banks of any one of the reserve districts, and shall, in that event, take stock, maintain reserves, and be subject to all the other provisions of this Act."
Banks in Philippine Islands excepted.	

Approved, August 15, 1914.

August 15, 1914. [S. 5313.] [Public, No. 172.]	CHAP. 253. —An Act To regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same; and for other purposes.
Sponges. Taking, in Gulf of Mexico, etc., under restricted size unlawful.	<i>Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,</i> That on and after the approval of this Act it shall be unlawful for any citizen of the United States, or person owing duty of obedience to the laws of the United States, or any boat or vessel of the United States, or person belonging to or on any such boat or vessel, to take or catch, by any means or method, in the waters of the Gulf of Mexico or the Straits of Florida outside of State territorial limits, any commercial sponges measuring when wet less than five inches in their maximum diameter, or for any person or vessel to land, deliver, cure, offer for sale, or have in possession at any port or place in the United States, or on any boat or vessel of the United States, any such commercial sponges.
Landing, etc., unlawful.	SEC. 2. That the presence of sponges of a diameter of less than five inches on any vessel or boat of the United States engaged in sponging in the waters of the Gulf of Mexico or the Straits of Florida outside of State territorial limits, or the possession of any sponges of less than the said diameter sold or delivered by such vessels, shall be prima facie evidence of a violation of this Act.
Prima facie evidence of violation.	SEC. 3. That every person, partnership, or association guilty of a violation of this Act shall be liable to a fine of not more than \$500, and in addition such fine shall be a lien against the vessel or boat on which the offense is committed, and said vessel or boat shall be seized and proceeded against by process of libel in any court having jurisdiction of the offense.
Penalty.	SEC. 4. That any violation of this Act shall be prosecuted in the district court of the United States of the district wherein the offender is found or into which he is first brought.
Jurisdiction.	SEC. 5. That it shall be the duty of the Secretary of Commerce to enforce the provisions of this Act, and he is authorized to empower such officers and employees of the Department of Commerce as he may designate, or such officers and employees of other departments as may be detailed for the purpose, to make arrests and seize vessels and sponges, and upon his request the Secretary of the Treasury may employ the vessels of the Revenue Cutter Service or the employees of the Customs Service to that end.
Enforcement.	