

Public Law 86-114

AN ACT

July 28, 1959
[S. 1120]

To amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the provisos in the fourth and fifth paragraphs of such section, lettered (b) and (c), respectively (U.S.C., title 12, sec. 462), by changing the colon in each such paragraph to a period, and by adding after such fifth paragraph the following:

Federal Reserve,
Member banks,
reserves.

40 Stat. 970.

"Notwithstanding the other provisions of this section—

"(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

"(2) a member bank in a reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a), and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b), if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank."

SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word "thirteen" in such paragraph and substituting in lieu thereof the word "ten".

40 Stat. 970.

(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended by striking out the words "on the date of enactment of the Banking Act of 1935", and by inserting before the period at the end thereof the following: "except that in the case of member banks in reserve cities and central reserve cities the maximum amount of reserves which may be required to be maintained against demand deposits shall be 22 per centum".

49 Stat. 706.

SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective on the date of the enactment of this Act.

Effective dates.

(b) Effective three years after the date of the enactment of this Act—

(1) New York and Chicago are reclassified as reserve cities under the Federal Reserve Act;

38 Stat. 251.
12 USC 226.

(2) the classification "central reserve city" under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as "central reserve cities" under such Act, are terminated;

(3) section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out "central reserve or";

66 Stat. 314.

(4) section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

Repeal.

38 Stat. 251. (5) the last paragraph of section 2 of the Federal Reserve Act (12 U.S.C., sec. 224) is amended by striking out "and central reserve cities";

38 Stat. 262. (6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out "and central reserve" each place it appears;

38 Stat. 270. (7) the third paragraph (lettered (a)) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out "or central reserve";

38 Stat. 270. (8) the fifth paragraph (lettered (c)) of such section 19 is repealed;

(9) subparagraph (2) of the sixth paragraph of such section 19 (as added by the first section of this Act) is amended by striking out "and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b),";

56 Stat. 648.
12 USC 462b. (10) the seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: "(1) by member banks in reserve cities, (2) by member banks not in reserve cities, or (3) by all member banks"; and

(11) the seventh paragraph of such section is further amended by striking out "and central reserve cities".

Holding Com-
pany affiliates.
48 Stat. 186.

SEC. 4. Paragraph (c) of section 5144 of the Revised Statutes (12 U.S.C. 61(c)) is amended by inserting before the semicolon at the end thereof a period and the following: "In any case in which there is more than one holding company affiliate with respect to the same bank or group of banks the establishment and maintenance of the reserve of readily marketable assets required by this paragraph by only one of such holding company affiliates, designated by the Board under such conditions as the Board may prescribe, shall constitute compliance with such reserve requirement: *Provided*, That all of the stock of the banks affiliated with such holding company affiliates which is directly or indirectly owned or controlled by them shall be owned or controlled, directly or indirectly, by the one so designated by the Board. This proviso shall not be interpreted as authorizing the Board to require any such designated company to own such stock directly".

Approved July 28, 1959.

Public Law 86-115

AN ACT

July 28, 1959
[H. R. 6054]

To continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes.

Metal scrap.

72 Stat. 184.
19 USC 1001,
par. 301 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2 of the Act of September 30, 1950 (Public Law 869, Eighty-first Congress), is hereby amended by striking out "June 30, 1959" and inserting in lieu thereof "June 30, 1960": *Provided*, That this Act shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

Non applica-
bility.
68A Stat. 541.
26 USC 4541.

SEC. 2. This Act shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954.

Approved July 28, 1959.