

## ISSUE OF BONDS.

APRIL 23, 1917.—Ordered to be printed.

Mr. KITCHIN, from the committee of conference, submitted the following

### CONFERENCE REPORT.

[To accompany H. R. 2762.]

Mr. KITCHIN, from the committee of conference, submitted the following report, which was agreed to:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2762) to authorize an issue of bonds to meet expenditures for the national security and defense, and to extend credit to foreign governments, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, and 7, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

*Sec. 7. That the Secretary of the Treasury, in his discretion, is hereby authorized to deposit in such banks and trust companies as he may designate the proceeds, or any part thereof, arising from the sale of the bonds and certificates of indebtedness authorized by this act, or the bonds previously authorized as described in section four of this act, and such deposits may bear such rate of interest and be subject to such terms and conditions as the Secretary of the Treasury may prescribe; Provided, That the amount so deposited shall not in any case exceed the amount withdrawn from any such bank or trust company and invested in such bonds or certificates of indebtedness plus the amount so invested by such bank or trust company, and such deposits shall be secured in the manner required for other deposits by section fifty-one hundred and fifty-three, Revised Statutes, and amendments thereto; Provided further, That the provisions of section fifty-one hundred and ninety-one of the Revised Statutes, as amended by the Federal reserve act and the amendments thereof, with*

*reference to the reserves required to be kept by national banking associations and other member banks of the Federal Reserve System, shall not apply to deposits of public moneys by the United States in designated depositories.*

And the Senate agree to the same.

Amendment of the title: That the House recede from its disagreement to the amendment of the title, and agree to the same with an amendment as follows: In lieu of the title inserted by said amendment insert the following:

*An act to authorize an issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend credit to foreign governments, and for other purposes.*

And the Senate agree to the same.

CLAUDE KITCHIN,  
HENRY T. RAINEY,  
LINCOLN DIXON,  
J. W. FORDNEY,  
A. P. GARDNER,

*Managers on the part of the House.*

F. M. SIMMONS,  
W. J. STONE,  
JOHN SHARP WILLIAMS,  
BOIES PENROSE,  
H. C. LODGE.

*Managers on the part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2762) to authorize an issue of bonds to meet expenditures for the national security and defense, and to extend credit to foreign Governments, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendments Nos. 1 and 2: These amendments make no material change in the bill and are in the interest of clearness; and the House recedes.

On amendment No. 3: The bill as it passed the House limited the conversion privilege granted by this bill to December 31, 1918. The Senate changed the limitation to "the termination of the war between the United States and the Imperial German Government, the date of such termination to be fixed by a proclamation of the President of the United States"; and the House recedes.

On amendment No. 4: The Senate amendment provides that the certificates of indebtedness authorized in this bill shall be exempt from all taxation, except estate or inheritance taxes. While this amendment is probably not necessary, it is thought advisable to take this precaution; and the House recedes.

On amendment No. 5: The purpose of this amendment is to encourage a great many financial institutions and trust companies to join in assisting in floating this large bond issue. The Senate amendment authorized the Secretary of the Treasury, in his discretion, to deposit in such banks and trust companies as he may designate an amount not to exceed the amount withdrawn from such bank or trust company for investment in United States bonds or certificates of indebtedness authorized and issued under the provisions of this bill. For fear that the Senate amendment might be construed to limit the amount that could be deposited in banks or trust companies to the amount withdrawn by depositors the amendment agreed to specifically states that the Secretary of the Treasury, in his discretion, may deposit in such banks and trust companies as he may designate an amount of money equivalent to the amount withdrawn from such banks and trust companies and invested in bonds or certificates of indebtedness plus the amount so invested by such bank or trust company.

The amendment agreed to further provides "that the provisions of section 5191 of the Revised Statutes, as amended by the Federal Reserve Act and the amendments thereof, with reference to the reserves required to be kept by national banking associations and other member banks of the Federal Reserve System, shall not apply to deposits of public moneys by the United States in designated depositories."

On amendment No. 6: This amendment changes the section number; and the House recedes.

On amendment No. 7: The Senate amendment requires the Secretary of the Treasury, in addition to the reports now required by law, to make, on the first Monday in December, 1917, and annually thereafter, a report to Congress giving a detailed statement of all expenditures under this act; and the House recedes.

The House recedes from its disagreement to the amendment of the title, and agrees to the same with an amendment which merely inserts a comma after the word "and" in the third line of the Senate amendment. This amendment is merely in the interest of clearness.

CLAUDE KITCHIN,  
HENRY T. RAINEY,  
LINCOLN DIXON,  
J. W. FORDNEY,  
A. P. GARDNER,

*Managers on the part of the House.*

