

on the date of enactment of this Act. Upon the expiration of such period, each provision of law amended by [this Act] said section 4 is further amended to read as it did immediately prior to the enactment of this Act."

PROPOSED AMENDMENT NO. 2

Section 1. Subsection (k) of Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended to read:

"(k) No insured bank shall obligate itself to pay interest on any time or savings deposit for a period longer than one year."

Section 2. Section 5(b) of the Home Owners Loan Act of 1933 (12 U.S.C. 1464 (b)) is amended by adding at the end thereof the following: "Any provision in this section to the contrary notwithstanding, such associations may accept deposits for fixed periods of time, may guarantee a definite return thereon, and may issue certificates of deposit therefor, all as prescribed from time to time by the Board by regulation; provided, however, no such association shall obligate itself to pay any such return for a period longer than one year."

PROPOSED AMENDMENT NO. 3

The Act of September 21, 1966 (80 Stat. 823) is hereby amended as follows:
Section 6 is hereby amended by striking the words "in the open market."

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., March 29, 1968.

HON. WILLIAM H. PROXMIRE,
Chairman, Subcommittee on Financial Institutions,
Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Independent Bankers Association submits this statement in support of S. 3133, introduced by Senator John Sparkman on March 11, 1968, to extend for two years "authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues."

Our Association supported the legislation, then termed as temporary or emergency, in the climate of the 1966 money crisis, to provide flexible controls of rates of interest or dividends, payable by banks or the thrift institutions, on deposits or share accounts, in order to establish such controls for thrift institutions, as well as commercial banks.

Our Association supported the 1966 legislation by statement filed with your Committee on August 8, 1966, relative to S. 3637, then before you, and stated: "We believe most of all that whether your Committee, in its wisdom, decides to fix interest rate ceilings temporarily, or grant new and emergency discretionary authority to supervisory agencies, the provisions established must be applicable both to banks and thrift institutions, and not to either one with omission of the other, in the best interest of the entire financial community and in the public interest."

The following spring, at our annual convention in New Orleans, March 1 to 4, 1967, our Federal Legislative Committee reviewed the financial community's brief experience under the 1966 emergency legislation, passed for one year only, and due to expire last September 21, unless renewed, and voted "that the so-called emergency legislation be made permanent."

As is known, the Congress last fall, with the actual expiration date for the 1966 legislation at hand, accepted an amendment to the proposals as introduced, and first offered in the floor debate in the House, to extend the legislation for one year only.

Subsequently, our Federal Legislative Committee again recorded itself in favor of making the flexible controls permanent, and urged further that the Congress address itself to the legislation to permit thoughtful, rather than belated, hectic and hurried consideration of the matter, well in advance of the fall expiration date.

We are therefore glad that the Senate Banking and Currency Committee is considering S. 3133, to extend the legislation for two years, in the early spring.