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43	7	n.d.	Report	Description of Governmental Units by Functional Area. Fiscal section Part II. 27 pages

EXPORT-IMPORT BANK OF THE UNITED STATES

811 Vermont Avenue NW., Washington, D.C. 20571: Phone, REpublic 7-7890

PURPOSE.—The purpose of the Bank is to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. The Export-Import Bank Act of 1945, as amended, expresses the policy of the Congress that the Bank should supplement and encourage and not compete with private capital; that loans should generally be for specific purposes and offer reasonable assurance of repayment; and that in authorizing loans account should be taken of the possible adverse effects upon the United States economy.

LEVEL III President

ORGANIZATION.—The Export-Import Bank Act, as amended, provides for a five-man Board of Directors consisting of the President of the Export-Import Bank who serves as Chairman, the First Vice President who serves as Vice Chairman, and three additional Directors appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the Board not more than three may be members of any one political party.

The Bank is authorized to have outstanding at any one time dollar loans, guarantees, and insurance in an aggregate amount not in excess of \$13.5 billion. The Bank is also authorized to have a capital stock of \$1 billion and to borrow from the United States Treasury on its own obligations up to not more than \$6 billion outstanding at any one time.

LEVEL IV

First Vice President

LEVEL IV

Members, Board of
Directors of the
Export-Import Bank
of Washington

FARM CREDIT ADMINISTRATION

South Agriculture Building, Washington, D.C., 20578.
Phone, DUdley 8-2432

The Farm Credit Administration was established as an independent agency in 1933 by Executive Order 6084. Under Reorganization Plan I, dated April 25, 1939, the Farm Credit Administration became a part of the Department of Agriculture. However, the Farm Credit Act of 1953 again made the Farm Credit Administration an independent agency of the executive branch of the Government.

PURPOSE.—The Farm Credit Administration supervises and coordinates a cooperative credit system for agriculture. This system provides long- and short-term credit to farmers and their cooperative marketing, purchasing, and business service organizations.

MANAGEMENT.—A 13-member Federal Farm Credit Board, created by the Farm Credit Act of 1953, is a part-time policy-making body for the Farm Credit Administration. Twelve members of the Board, one from each farm credit district, are appointed by the President of the United States after giving consideration to nominations made by Federal land bank associations, production credit associations, and cooperatives borrowing from the banks for cooperatives. The thirteenth member is appointed by the Secretary of Agriculture as his representative. The Board selects the Governor of the Farm Credit Administration who is the chief executive officer under the Board. The President of the United States approves the appointment of the Governor as long as there is any Government capital in banks and associations supervised by the Farm Credit Administration.

Each of the three credit services—land bank, short-term credit, and co-

operative bank—is headed by a Director appointed by the Governor. Each of these Directors is also designated as a Deputy Governor.

All the expenses of the Farm Credit Administration, including examination expense, are paid from assessments against the banks and associations it supervises.

DISTRICT ORGANIZATION.—The United States is divided into 12 farm credit districts. In one city in each district are a Federal land bank, a Federal intermediate credit bank, and a bank for cooperatives. Each district also has a part-time policy-making farm credit board of seven members which members are ex-officio directors of each of the three banks in that district. Each bank has its own officers.

The Federal land bank associations, production credit associations, and the cooperatives borrowing from the banks for cooperatives are entitled in each district to elect two members. The other member of a district board is appointed by the Governor of the Farm Credit Administration with the advice and consent of the Federal Farm Credit Board.

Activities of the three banks in a district are coordinated through the district farm credit board and a president's committee.

The Examination Division of the Farm Credit Administration examines these banks and the local associations.

LEVEL IV

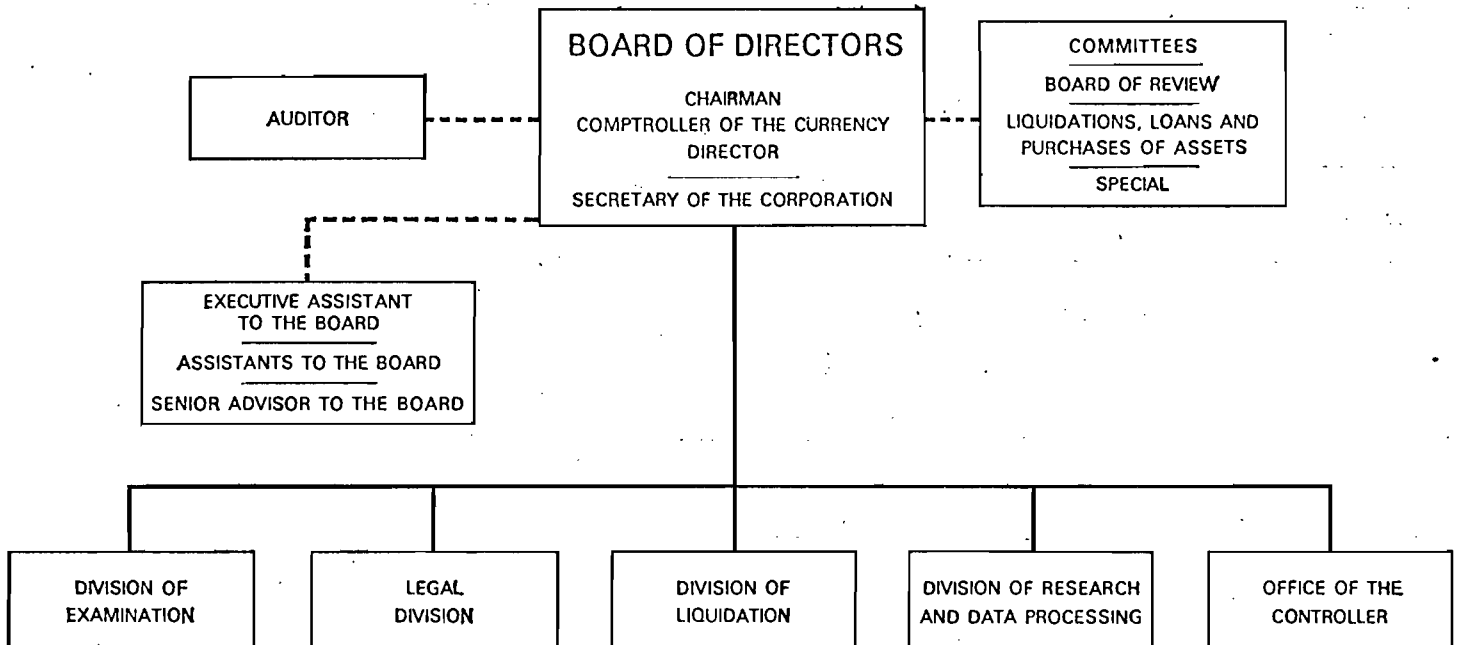
GOVERNOR OF THE FARM
CREDIT ADM.

12 MEMBERS OF FARM
CREDIT BOARD (PART-
TIME)

FEDERAL DEPOSIT INSURANCE CORPORATION ¹

550 Seventeenth Street NW., Washington, D.C., 20429. Phone, 393-8400

FEDERAL DEPOSIT INSURANCE CORPORATION



PURPOSE.—The chief purpose of the Corporation is to insure the deposits of all banks which are eligible to become insured under the law. The major functions of the Corporation are to prevent loss to depositors of insured banks, up to the insured limit, and to prevent the development or continuance of unsafe and unsound banking practices or violations of law. In protecting depositors the Corporation may pay off depositors of closed banks up to the insured limit, or make loans to or purchase assets from insured banks when such loans or purchases will facilitate a merger or consolidation and will reduce the probable loss to the

Corporation. The Corporation is also authorized to make such loans or purchase of assets in order to prevent the closing of an insured bank or to reopen a closed insured bank when the Corporation considers the continued operation of such bank is essential to provide adequate banking service in the community.

LEVEL III
CHAIRMAN OF THE BOARD
OF DIRECTORS OF FDIC

ORGANIZATION.—Management of the Corporation is vested in a board of directors of three members. The President appoints two members, one of whom is elected chairman, for terms of 6 years, by and with the advice and consent of the Senate. The Comptroller of the Currency serves ex officio as the third member. The law requires that not more than two members of the board shall belong to the same political party.

The Corporation is authorized to borrow from the U.S. Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, not to exceed \$3,000,000,000 outstanding at any one time, when in the judgment of the Board of Directors of the Corporation such funds are required for insurance purposes. No borrowings have been made under this authorization.

LEVEL IV
MEMBERS OF THE BOARD
OF DIRECTORS OF FDIC

FEDERAL HOME LOAN BANK BOARD

101 Indiana Avenue NW., Washington, D.C., 20552. Phone, STerling 3-7210

Federal Home Loan Bank System

CREATION.—The Federal Home Loan Bank System was created by authority of the Federal Home Loan Bank Act, approved July 22, 1932 (see citations under Federal Home Loan Bank Board), to provide credit reserve for savings and home-financing institutions.

ORGANIZATION.—In operation during 1967 were 12 regional Federal Home Loan Banks of this System, located in Boston, New York, Pittsburgh, Greensboro (N.C.), Cincinnati, Indianapolis, Chicago, Des Moines, Little Rock, Topeka, San Francisco, and Spokane. The management of 6 of the 12 banks (Boston, Pittsburgh, Greensboro, Topeka, San Francisco, and Spokane) is vested in a board of 12 directors, 4 appointed by the Federal Home Loan Bank Board to represent the public interest and 8 elected by the member institutions. Three banks (Indianapolis, Des Moines, and Little Rock) have restore it to normal operation, the Corporation may make loans to, purchase assets of, or make a financial contribution to such an institution. In the event of a default by any insured institution, payment of each insured account in such insured institution, which is surrendered and transferred to the Corporation, shall be made by the Corporation as soon as possible, either (1) by cash or (2) by making available to each insured member a transferred account in a new insured institution in the same community or in another insured institution in an amount equal to the insured account of such insured member.

FUNDS.—Income of the Corporation consists principally of premiums paid by insured institutions and interest earned on investments. All income above expenses is transferred to reserves. Reserves and unallocated income, as of December 31, 1967, totaled \$2,049,000,000. The Corporation is authorized to obtain additional funds for insurance purposes from the United States Treasury not exceeding \$750,000,000 outstanding at any one time. In addition, insured associations may be required to deposit up to 1 percent of their savings capital with the Corporation. These borrowing and deposit authorities have never been exercised.

RETIREMENT OF CAPITAL STOCK.—

The capital stock of the Corporation, originally issued in the amount of \$100,000,000 and formerly held by the United States Treasury, has now been completely retired. As provided by law, effective June 27, 1950, the Corporation retired at the end of each fiscal year an amount of its capital stock equal to 50 percent of its net income for the year.

Federal Savings and Loan Advisory Council

The Federal Savings and Loan Advisory Council is an independent statutory advisory body empowered to consult with the Federal Home Loan Bank Board in its administration of the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Federal Savings and Loan System. Establishment of the Council emphasized the public interest which is inherent in operations of the Board and of the supervised savings and home financing institutions which serve many millions of savers, investors, and homeowners throughout the Nation. Meeting in Washington at least twice a year, the Council may initiate recommendations to the Board and request information from the Board with respect to matters within the jurisdiction of the Board.

The Council consists of 18 members—one elected from each of the 12 Federal Home Loan Bank Districts, and six appointed annually by the Federal Home Loan Bank Board. The elected members are generally chosen from the ranks of active savings and loan managers. The appointed members are chosen on the basis of leadership in business or the professions.

LEVEL III
CHAIRMAN OF THE FEDERAL
HOME LOAN BANK BOARD

ORGANIZATION.—The Board consists of three members, appointed by the President by and with the advice and consent of the Senate. Not more than two members may be members of the same political party. Members are appointed for a term of 4 years each.

LEVEL IV
MEMBERS OF THE FEDERAL
HOME LOAN BANK BOARD

FEDERAL MEDIATION AND CONCILIATION SERVICE

Department of Labor Building, Washington, D.C., 20427.
Phone, EXecutive 3-7350

The Service possesses no law enforcement authority. Its mediators, who are located in seven regional offices and other major industrial cities throughout the Nation, rely wholly on persuasive techniques of mediation and conciliation to perform their duties.

PURPOSE.—It is the duty of the Service, in order to prevent or minimize interruptions of the free flow of commerce growing out of labor-management disputes, to assist the disputant parties in industries affecting interstate commerce to settle such disputes through conciliation and mediation.

ACTIVITIES.—The mediator's efforts are directed toward the establishment of sound and stable labor-management relations on a continuing basis. Mediators of the Service assist representatives of labor and management in settling disputes about wages, hours, and other aspects of the employment relationship that arise in the course of negotiations. But in this work the mediator has a more basic function: that of encouraging and promoting better day-to-day relations between labor and management. He thereby helps to reduce the incidence of work stoppages resulting from disputes about the terms of collective bargaining agreements and disputes arising from grievances under existing contracts. Issues arising in subsequent negotiations of the parties may then be faced as problems to be settled through mutual effort rather than issues in dispute.

The Service offers its facilities in labor-management disputes in any industry affecting interstate commerce, either upon its own motion or at the request of one or more of the parties to the dispute, whenever in its judgment such dispute threatens to cause a substantial interruption of commerce. Under section 8 (d) of the act, employers and unions are required to file with the Service a notice of every dispute affecting commerce not settled within 30 days after prior service of a notice to terminate or modify an existing contract. The Service is required to avoid the mediation of disputes

which would have only a minor effect on interstate commerce if State or other conciliation services are available to the parties. The Service is directed to make its mediation and conciliation facilities available only as a last resort and in exceptional cases in the settlement of grievance disputes arising over the application or interpretation of existing collective bargaining agreements.

If the mediator is not able to bring the parties to agreement by mediation, he seeks to induce the parties voluntarily to seek other means of settling the dispute without resort to strike, lock-out, or other coercion.

The Service, on the joint request of employers and unions, will also assist in the selection of arbitrators.

The work of the Service—to continually improve labor-management relations and to ameliorate the effects of disputes when they occur—is designed to strengthen the national labor-management relations policy favoring collective bargaining and responsible labor-management relations resulting from it.

The National Labor-Management Panel—composed of 12 members appointed by the President, 6 representing management and 6 representing labor—advises the Director on the avoidance of industrial controversies, particularly those affecting the general welfare.

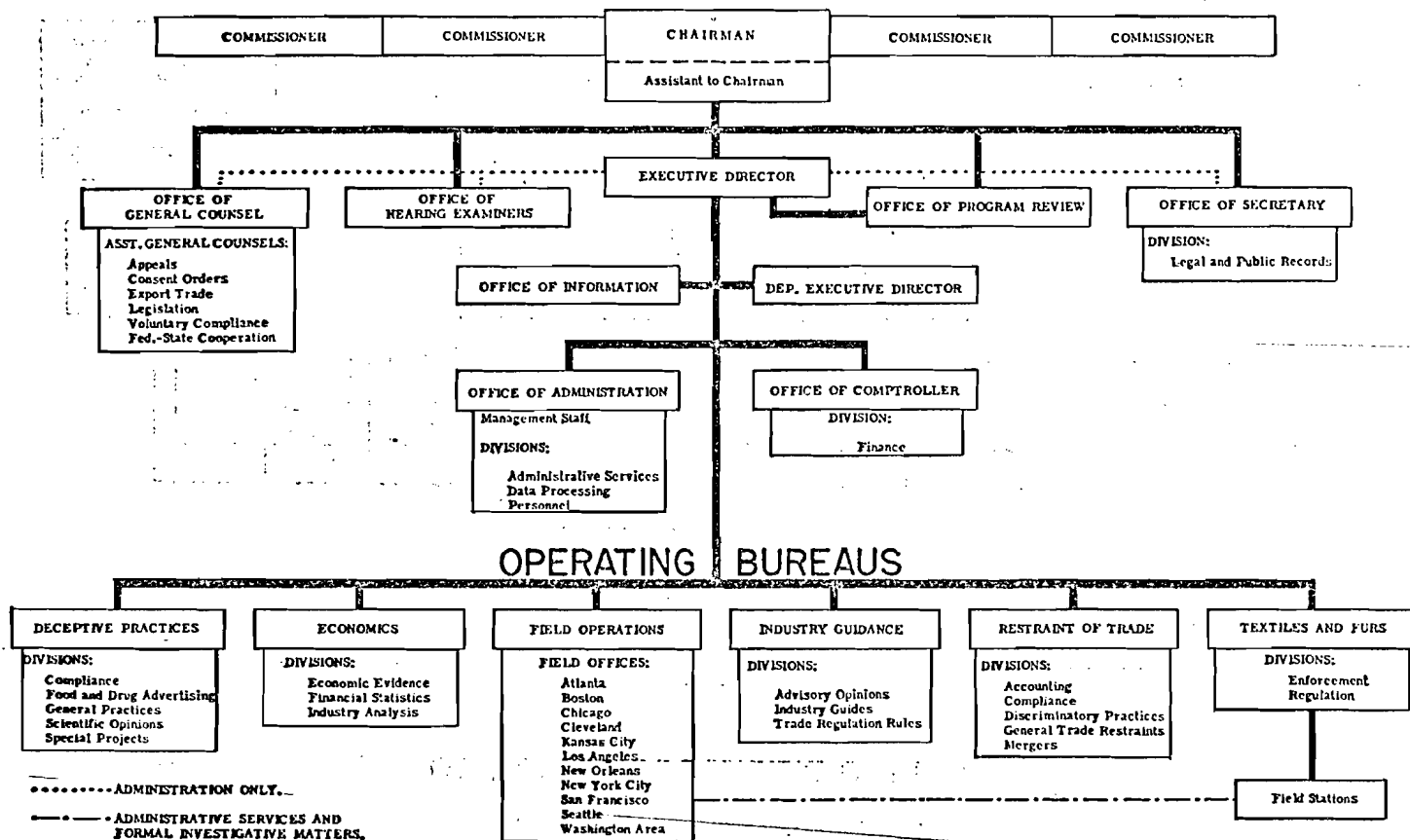
LEVEL III
DIRECTOR OF FEDERAL
MEDIATION AND CONCILIA-
TION SERVICE

LEVEL V
ASSOCIATE DIRECTOR
(not listed in manual)

FEDERAL TRADE COMMISSION ¹

Pennsylvania Avenue at Sixth Street NW., Washington, D.C., 20580
Phone, EXecutive 3-6800

FEDERAL TRADE COMMISSION



PURPOSE.—The basic objective of the Commission is the maintenance of free competitive enterprise as the keystone of the American economic system. Although the duties of the Commission are many and varied under the statutes, the foundation of public policy underlying all these duties is essentially the same: to prevent the free enterprise system from being stifled or fettered by monopoly or corrupted by unfair or deceptive trade practices.

In brief, the Commission is charged with keeping competition both free and fair.

This basic purpose finds its primary expression in the Federal Trade Com-

mission Act, cited above, and the Clayton Act (38 Stat. 730; 15 U. S. C. 12), both passed in 1914 and both successively amended in the years that have followed. The Federal Trade Commission Act lays down a general prohibition against the use in commerce of "unfair methods of competition" and "unfair or deceptive acts or practices." The Clayton Act outlaws specific practices recognized as instruments of monopoly. As an administrative agency, acting quasi-judicially and quasi-legislatively, the Commission was established to deal with trade practices on a continuing and corrective basis. It has no authority to punish; its function is to "prevent," through cease-and-desist orders and other means, those practices condemned by the law of Federal trade regulation.

LEVEL III
CHAIRMAN

ORGANIZATION.—The Commission is composed of five members. Each member is appointed by the President, by and with the advice and consent of the Senate, for a term of 7 years. Not more than three of the Commissioners may be members of the same political party. One Commissioner is designated by the President as Chairman of the Commission and is responsible for its administrative management.

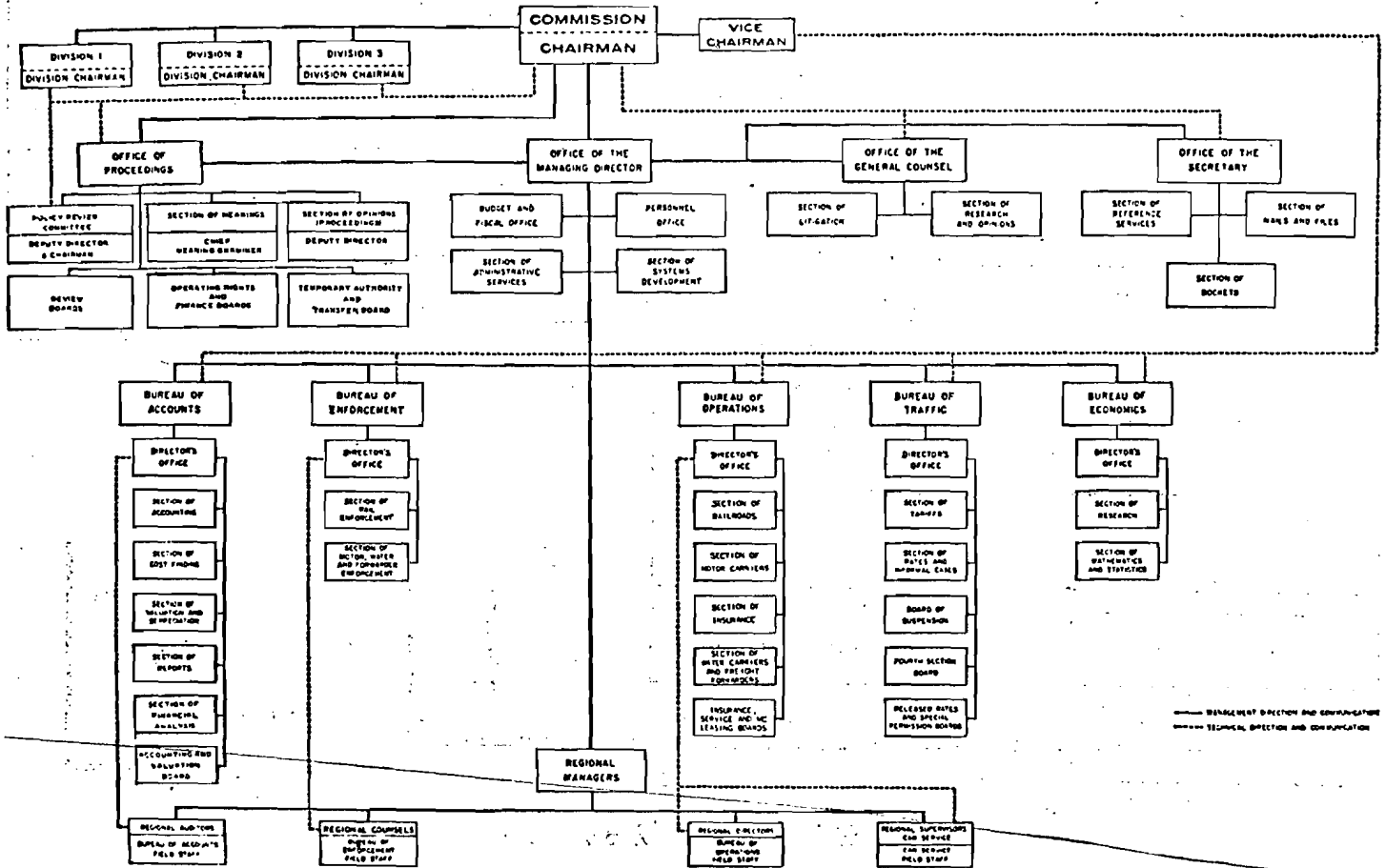
An Executive Director, appointed by the Chairman with the consent of the Commission, exercises general supervision over the staff of the agency. The Secretary of the Commission is the legal custodian of its seal, papers, and records; handles its mail; signs its orders, as well as other official documents; keeps its minutes and its calendar of pending matters; and arranges for oral arguments.

LEVEL V
MEMBERS (5). ONE IS
SELECTED BY PRESI-
DENT AS CHAIRMAN

INTERSTATE COMMERCE COMMISSION ¹

Twelfth Street and Constitution Avenue NW., Washington, D.C., 20423.
Phone, 737-9765

INTERSTATE COMMERCE COMMISSION



PURPOSE.—The Commission was created for the general purpose of regulation, in the public interest, of common carriers subject to the act engaged in transportation in interstate commerce, and in foreign commerce to the extent that it takes place within the United States. As recently amended, all provisions of the act are to be administered by the Commission in the light of a transportation policy added by the 1940 act, that all modes of transportation subject to its provisions are to be regulated so as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster

sound economic conditions in transportation and among the several carriers; to encourage establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and their duly authorized officials; and to encourage fair wages and equitable working conditions—all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as by other means, adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense.

LEVEL III

CHAIRMAN

ORGANIZATION.—The Commission consists of 11 members appointed by the President and confirmed by the Senate. From its membership the Commission annually elects a chairman and a vice chairman. The act authorizes the Commission to create and delegate certain of its duties and functions to appellate divisions or to divisions, each to consist of not less than three members. The Commission also may delegate certain duties and functions to individual commissioners or to boards consisting of not less than three eligible employees. Under certain circumstances, decisions of divisions, individual commissioners, and boards of employees are subject to reconsideration by an appellate division or by the entire Commission. Pursuant to this authority, the Commission has created and assigned duties to three regular divisions whose duties are primarily as follows: Division 1, operating rights; Division 2, rates, tariffs, and valuation; and Division 3, finance and service. These same three divisions function as appellate divisions for action on petitions for reconsideration or rehearing of decisions of divisions or boards of employees. The staff of the Commission is organized into 5 bureaus and 4 offices.

LEVEL IV

MEMBERS

NATIONAL LABOR RELATIONS BOARD

1717 Pennsylvania Avenue NW., Washington, D.C., 20570. Phone, EXecutive 3-3111

PURPOSE.—The act affirms the right of employees to self-organization and to bargain collectively through representatives of their own choosing or to refrain from any or all such activities. To effectuate this policy, the act prohibits certain unfair labor practices and authorizes the Board to designate appropriate units for collective bargaining and to conduct secret ballots to determine the exclusive representative of employees.

LEVEL II CHAIRMAN

ORGANIZATION.—The President appoints, with the consent of the Senate, the five members of the Board for terms of 5 years each and the General Counsel for a term of 4 years. The first National Labor Relations Board was created under authority of public resolution of June 19, 1934 (48 Stat. 1183; 15 U. S. C. 702a-02f), which was superseded by the Board created by act of 1935 and enlarged by the act of 1947.

LEVEL IV

GENERAL COUNSEL

The General Counsel has final authority, on behalf of the Board, in respect to the investigation and issuance of complaints and in respect to the prosecution of such complaints before the Board. Whenever the General Counsel has investigated any charge filed against a labor organization alleging a violation of sections 8 (b) (4) (a), or (b), or (c) [see page 500, col. 2, par. 4 (a), (b), (c)] and has reasonable grounds to believe the charges are true, he is required to petition the United States district court for appropriate temporary relief.

LEVEL IV

MEMBERS OF NAT. LABOR RELATIONS BD.

NATIONAL MEDIATION BOARD

1230 Sixteenth Street NW., Washington, D.C., 20572. Phone, 343-1100

PURPOSE.—The general purposes of the Railway Labor Act, establishing the National Mediation Board, are as follows:

1. To avoid any interruption to commerce or to the operation of any carrier engaged therein.
2. To forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the

right of employees to join a labor organization.

3. To provide for the complete independence of carriers and of employees in the matter of self-organization.

4. To provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions.

5. To provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

LEVEL III CHAIRMAN

ORGANIZATION.—The National Mediation Board consists of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members may be of the same political party. The Board is assisted by an executive secretary, an office staff, and a staff of mediators. The Board annually designates a member to act as Chairman.

LEVEL IV - MEMBERS OF MEDIATION BOARD

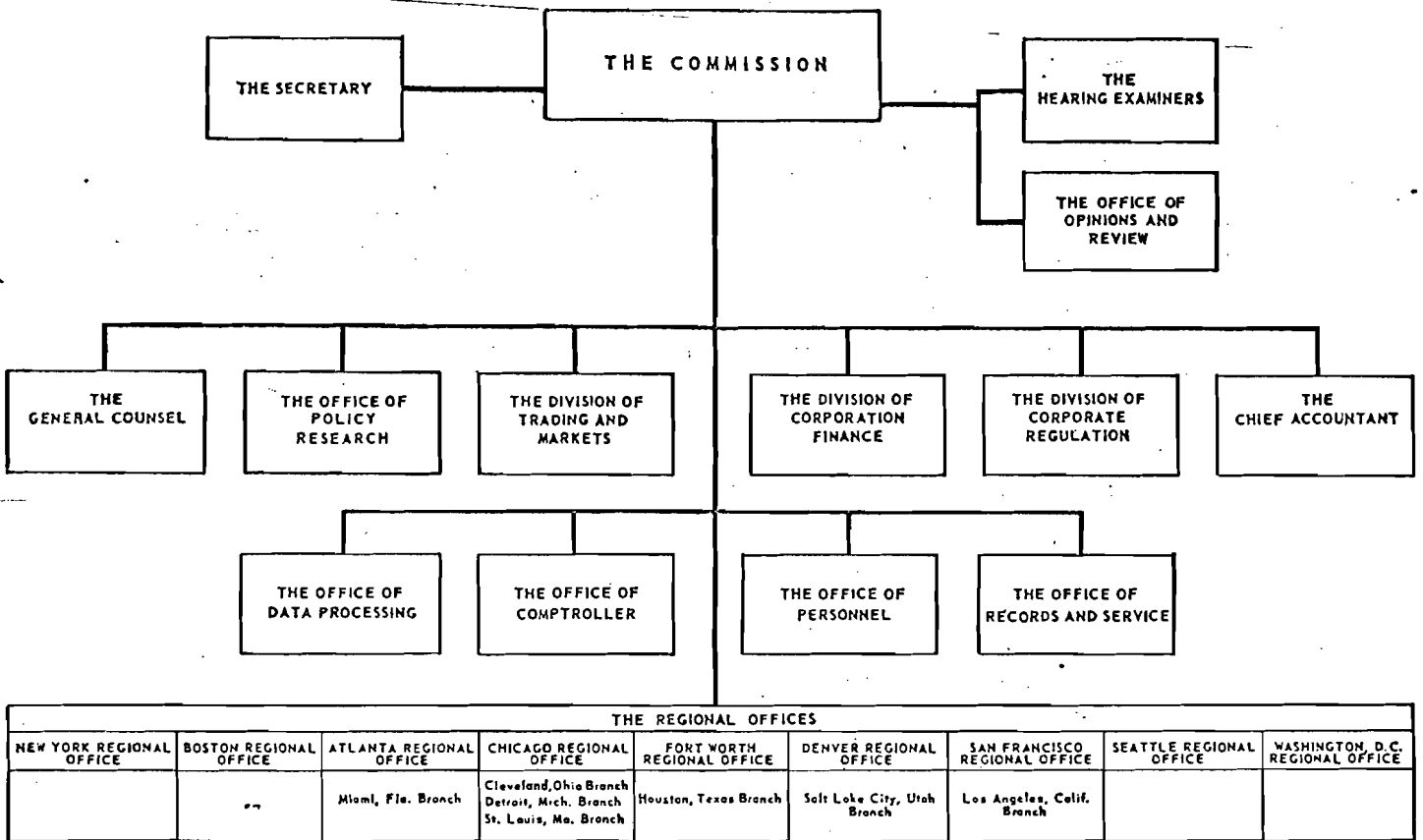
ACTIVITIES.—The principal duty of the National Mediation Board is to mediate differences between the railroads, the express and Pullman companies, and the airlines on the one hand and their employees on the other, growing out of their attempts to make and maintain agreements establishing the rates of pay, rules, and working conditions of the employees as directed by the Railway Labor Act.

In addition to mediating disputes between carriers and their employees, the Board is also charged with the responsibility of determining representation disputes among the employees. When a dispute arises among a rail or airline carrier's employees as to who are the representatives of such employees for the purposes of the Railway Labor Act, the Board is authorized to investigate such dispute and to determine by an election or other appropriate method who is the duly designated and authorized representative of the employees and to certify such representative to the parties and to the carrier.

SECURITIES AND EXCHANGE COMMISSION

500 N. Capitol Street NW., Washington, D.C., 20549. Phone, WOrth 3-5526

SECURITIES AND EXCHANGE COMMISSION



The Commission is vested, inter alia, with quasi-judicial functions. Persons aggrieved by its decisions in the exercise of those functions have a right of review by United States courts of appeals.

PURPOSE.—The general objective of the statutes administered by the Commission is to protect the interests of the public and investors against malpractices in the securities and financial markets.

SECURITIES ACT OF 1933.—Issuers of securities making public offerings of securities in interstate commerce or through the mails, directly or by others on their behalf, are required to file with the Commission registration statements containing financial and other pertinent data about the issuer and the securities being offered. A similar requirement applies to such offerings on behalf of a controlling person of the issuer. Unless a registration statement is in effect with respect to such securi-

ties, it is unlawful to sell the securities in interstate commerce or through the mails. (There are certain limited exemptions, such as Government securities, nonpublic offerings, and intrastate offerings, as well as offerings not exceeding \$300,000 in amount which comply with the Commission's Regulation A.) The effectiveness of a registration statement may be refused or suspended after a hearing if the statement contains material misstatements or omissions, thus barring sale of the securities until it is appropriately amended. Registration is not a finding by the Commission as to the accuracy of the facts disclosed; and it is unlawful so to represent. Moreover, registration of securities does not imply approval of the issue by the Commission or insure investors against loss in their purchase, but serves rather to provide information upon which investors may make an informed and realistic evaluation of the worth of the securities.

LEVEL III

CHAIRMAN

ORGANIZATION.—The Commission is composed of five members, not more than three of whom may be members of the same political party. The members are appointed by the President, with the advice and consent of the Senate, for 5-year terms, one term ending each year. The Chairman is designated by the President of the United States pursuant to the provisions of section 3 of Reorganization Plan 10 of 1950.

LEVEL IV

MEMBERS

SMALL BUSINESS ADMINISTRATION

1441 L Street NW., Washington, D.C., 20416. Phone, EXecutive 3-3111

PURPOSE.—The purposes of the Administration are to aid, counsel, assist, and protect the interests of small business concerns; to insure that a fair proportion of the total Government purchases and contracts for supplies, services, research, and development be placed with small business enterprises; to make loans to small business concerns, victims of floods or other catastrophes, small business investment companies, and State and local development companies; to guarantee the payment of rent under leases to small business concerns to enable them to obtain prime commercial or

industrial facilities; to license and regulate small business investment companies; to certify small business concerns for priority of payment out of the War Claims Fund; to improve the management skills of the owners of small business concerns with direct action programs and through established channels of business relations; and to provide for the development of management skills of qualified persons seeking to establish a small business concern.

LEVEL III ADMINISTRATOR

ORGANIZATION.—The management of the Administration is vested in an Administrator, who is appointed by the President, by and with the advice and consent of the Senate, a Deputy Administrator, and three Associate Administrators, who are appointed by the Administrator to assist him in the execution of the functions of the Administration.

FUNCTIONS AND ACTIVITIES.—In connection with the Small Business Administration's principal program activities listed below, the Administrator has the following powers:

Financial Assistance.—(1) To provide financial counseling and make direct or bank participation loans to small business concerns to finance plant construction, conversion, expansion, or to finance the acquisition of equipment, facilities, machinery, supplies, or materials, and to furnish such concerns with working capital if necessary; (2) to make loans to corporations formed and capitalized by a group of small business concerns with resources provided by them for the purpose of obtaining for the use of such concerns raw materials, equipment, inventories, supplies, or the benefits of research and development, or for establishing facilities for such purpose; (3) to make loans to aid victims of floods or other natural catastrophes to repair, rebuild, or replace their homes, businesses, or other property; (4) to make loans to assist small businesses which have sustained substantial economic injury resulting from a natural disaster

LEVEL IV

ASSOCIATE ADMINISTRATOR FOR PROCUREMENT AND MANAGEMENT ASSISTANCE

LEVEL V

ASSOCIATE ADMINISTRATOR FOR INVESTMENTS

UNITED STATES TARIFF COMMISSION

E Street between Seventh and Eighth Streets NW., Washington, D.C., 20436.
Phone, NAational 8-3947

PURPOSE.—It is the primary duty of the Commission to investigate and report upon tariff and foreign trade matters as required by statute. It undertakes such investigations either on its own motion, or at the request of the President, either branch of the Congress, the House Committee on Ways and Means, or the Senate Committee on Finance. The Commission also conducts certain types of investigations at the request of interested parties.

LEVEL IV

CHAIRMAN

ORGANIZATION.—The Commission consists of six members, appointed by the President and confirmed by the Senate for terms of 6 years, one term expiring each year. Not more than three commissioners may be of the same political party. The President is authorized to designate the Chairman and Vice Chairman annually from membership of the Commission. The Staff Coordinating Committee, composed of senior officers of the Commission's staff and chaired by the Director of Investigation, plans and supervises the substantive work of the Commission under the active direction of the Commission. The operating divisions of the staff consist of the Office of the General Counsel, the Director of Investigation, the Economics Division, and Technical Services. The Office of the Secretary acts as the secretariat for the Commission, and is responsible for the conduct of relations with the public and other Government agencies.

FEDERAL RESERVE SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Twentieth Street and Constitution Avenue NW., Washington, D.C., 20551.
Phone, REpublic 7-1100

CREATION AND AUTHORITY.—The Federal Reserve System was established pursuant to authority contained in the act of December 23, 1913, known as the Federal Reserve Act (38 Stat. 251; 12 U. S. C. 221).

PURPOSE.—As stated in the preamble, the purposes of the act are "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."

ORGANIZATION.—The System comprises the Board of Governors; the Federal Open Market Committee; the 12 Federal Reserve Banks and their 24

branches situated in different sections of the United States; the Federal Advisory Council; and the member banks, which include all national banks in the 50 States of the United States and such State banks and trust companies as have voluntarily applied to the Board of Governors for membership and have been admitted to the System.

ARTICLE II CHAIRMAN OF THE BOARD OF GOVERNORS OF FRS

Board of Governors

Broad supervisory powers are vested in the Board of Governors, which has its offices in Washington. The Board is composed of seven members appointed by the President by and with the advice and consent of the Senate. In selecting these seven members the President is required to have due regard to a fair representation of financial, agricultural, industrial, and commercial interests, and the geographical divisions of the country. No two members may be from the same Federal Reserve district. The Chairman of the Board of Governors is by Executive order a member of the National Advisory Council on International Monetary and Financial Policies.

The Board determines general monetary, credit, and operating policies for the System as a whole and formulates the rules and regulations necessary to carry out the purposes of the Federal Reserve Act. The Board's principal duties consist of exerting an influence over credit conditions and supervising the Federal Reserve Banks and member banks.

