

SENATE No. 17

To accompany the petition of the Massachusetts Social Security Assn., Inc., by Richard H. Long and another, that provision be made for the establishment of the bank of the Commonwealth of Massachusetts. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-One.

AN ACT ESTABLISHING THE BANK OF THE COMMONWEALTH OF MASSACHUSETTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. There is hereby established the Bank
2 of the Commonwealth of Massachusetts, with such
3 capitalization not less than ten million dollars as may
4 be determined by the general court of the common-
5 wealth, to be governed and conducted by an authority
6 created by the general court, with power to engage in
7 all forms of banking that obtain in this commonwealth,
8 including commercial, savings and fiduciary depart-
9 ments, and to provide adequate banking facilities for
10 all of the people of the commonwealth.

1 SECTION 2. The Bank of the Commonwealth of
2 Massachusetts shall have in its possession at all times,
3 in legal tender money of the United States, a sum

4 equal to twenty-five per cent of the total of its demand
5 deposits. In all other respects the Bank of the Com-
6 monwealth of Massachusetts shall conform to the
7 rules and regulations established by the department
8 of banking and insurance relating to the conduct of
9 banks.

1 SECTION 3. The Bank of the Commonwealth of
2 Massachusetts shall have authority to issue notes that
3 will be legal tender money for all debts, private or
4 public, as the Federal Reserve Bank of Boston now or
5 as may in future be authorized. Application for such
6 authority and ways and means shall be made to the
7 government of the United States of America. Appli-
8 cation shall be made for authority and ways and
9 means to acquire any or all property of the Federal
10 Reserve Bank of Boston as the government of the
11 commonwealth may undertake to do.

1 SECTION 4. Action shall be authorized to carry out
2 any or all of the above-described undertakings. Au-
3 thority to incur obligations and issue bonds or other
4 means shall be authorized by the legislature of this
5 commonwealth to carry out the provision of this act.