

63^D CONGRESS : : 1ST SESSION

APRIL 7 - DECEMBER 1, 1913

SENATE DOCUMENTS

VOL. 14

WASHINGTON : : GOVERNMENT PRINTING OFFICE : : 1913

THE
NATIONAL-BANK ACT

AS AMENDED

AND OTHER LAWS RELATING TO
NATIONAL BANKS

COMPILED UNDER THE DIRECTION OF
THE COMPTROLLER OF THE CURRENCY

1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1913

IN THE SENATE OF THE UNITED STATES,

October 1, 1913.

Ordered, That 1,000 copies of the "National-Bank Act as amended, and other laws relating to National Banks, 1911," be printed for the use of the Senate document room.

Attest:

JAMES M. BAKER, *Secretary.*

CONTENTS.

	Page
National-bank act and acts amendatory thereof and supplementary thereto . . .	9
Bureau of Comptroller of the Currency.....	9
Organization and powers.....	13
Obtaining and issuing circulating notes.....	28
Regulation of banking business.....	51
Dissolution and receivership.....	68
Acts of a general nature and sections of the Revised Statutes not included in national-bank act affecting national banks.....	81
Special acts relating to national banks.....	110
Opinions of Attorney General.....	115
Acts relating to savings banks, building associations, and trust companies in the District of Columbia.....	118
Index to national-bank act and general and special acts.....	137
Index to acts relating to savings banks, building associations, and trust companies in the District of Columbia.....	171
Index to sections of Revised Statutes.....	173
Index to sections of code of District of Columbia.....	174

DATES OF ACTS RELATING TO NATIONAL BANKS.

THE NATIONAL BANK ACT AND ACTS AMENDATORY THEREOF AND SUPPLEMENTARY
THERE TO.

	Page.
Feb. 25, 1863. An act to provide a national currency secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof.....	81
June 3, 1864. Act of February 25, 1863, repealed and reenacted with certain amendments.....	9-80, 81
Mar. 3, 1865. Tax on bank circulation. State banks converted may retain and keep in operation branches.....	26
Feb. 5, 1867. Penalty for imitating bank circulation.....	42
Mar. 2, 1867. Refunding excess tax.....	66
Feb. 10, 1868. Taxation of shares of national-bank stock.....	67
Feb. 19, 1869. Prohibiting loans on United States or national-bank notes, or withholding such notes from use.....	61
Mar. 3, 1869. Reports of condition, and earnings and dividends.....	64
Mar. 3, 1869. False certification of checks.....	62
Apr. 6, 1869. Penalty for embezzlement, abstraction, etc.....	62
July 8, 1870. Penalty for embezzlement, abstraction, etc.....	62
July 12, 1870. Issue of circulation redeemable in gold.....	40, 41, 58
July 14, 1870. Liquidating banks to retire circulation.....	69
Mar. 1, 1872. Leavenworth struck out as reserve city.....	52, 53
June 8, 1872. Certificates of deposit for United States notes (repealed March 14, 1900).....	56
Feb. 19, 1873. Reports of State banks.....	11
Mar. 3, 1873. Examination of plates and dies.....	38
Mar. 3, 1873. Assessment for impairment of capital.....	60
Mar. 3, 1873. Use of the word national.....	80
June 20, 1874. Fixing the amount of United States notes, providing for a redistribution of national-bank currency, etc.....	13, 33, 38, 53, 57, 70
June 23, 1874. Maceration of United States and national-bank notes.....	40
June 23, 1874. Stamps on bank checks. Repealed March 3, 1883.....	
Jan. 14, 1875. Aggregate amount of circulation not limited.....	39
Jan. 19, 1875. Circulating notes of national gold banks.....	40
Feb. 18, 1875. Correcting errors and omissions in the Revised Statutes.....	11,
	40, 58, 69, 71, 81, 91
Feb. 19, 1875. Appointment and compensation of bank examiners.....	79
Mar. 3, 1875. Distinctive paper for printing notes.....	38
Mar. 3, 1875. Clerical force for redemption of circulating notes.....	55
June 30, 1876. Receivers, appointment of.....	60, 74, 75
Feb. 27, 1877. Examination of plates and dies.....	38
Feb. 27, 1877. Reports to Comptroller.....	64
Feb. 27, 1877. Destruction of redeemed notes.....	70
Mar. 1, 1879. Semiannual duty, abatement of.....	67
Feb. 14, 1880. Conversion of gold banks.....	41
Feb. 26, 1881. Verification of returns of national banks.....	64
July 12, 1882. Corporate existence, extension of.....	16, 17, 18, 19, 33, 34
July 12, 1882. Issue of gold certificates.....	61
July 12, 1882. Punishment for falsely certifying check.....	62
Mar. 3, 1883. Capital and deposits, repealing tax on.....	65
Mar. 29, 1886. Insolvent banks, protection of assets by use of trust funds.....	77, 78
May 1, 1886. Increase of capital stock, change of name or location.....	15, 16, 22
Mar. 3, 1887. Courts, jurisdiction of.....	18
Mar. 3, 1887. Reserve and central reserve cities, providing for additional, etc.....	55, 57
Aug. 13, 1888. Courts, jurisdiction of.....	16

	Page.
July 14, 1890. Disposition of redemption account.....	55
July 28, 1892. Stolen or lost national-bank notes, redemption of.....	56
Aug. 3, 1892. Agent of shareholders of national bank, appointment of; amends act of June 30, 1876.....	75
Jan. 12, 1895. Annual report of Comptroller of the Currency, printing of....	12
Mar. 2, 1897. Appointment and qualification of shareholders' agent; amends acts June 30, 1876, and August 3, 1892.....	75
Mar. 14, 1900. Authorizing banks with minimum capital \$25,000; bonds, cir- culation, taxation, etc.....	20, 36, 65, 94-100
Mar. 3, 1901. National bank depositaries.....	25
Apr. 12, 1902. Authorization of reextension of charter.....	20
Apr. 28, 1902. Annual Report of Comptroller to contain information regarding failed banks, list of employees, etc.....	12
Mar. 3, 1903. Additional reserve cities; minimum population, 25,000.....	55
Feb. 28, 1905. Qualification of directors, banks with capital of \$25,000.....	23
Dec. 21, 1905. Taxation of circulation based on Panama Canal bonds.....	30
June 22, 1906. Amendment section 5200, loan limitation.....	59
Jan. 26, 1907. Political contributions prohibited.....	63
Mar. 4, 1907. Additional copies of Report of Comptroller.....	12
Mar. 4, 1907. Public depositaries.....	25
Gold certificates and United States notes, issue of.....	97, 100
May 22, 1908. Additional Deputy Comptroller.....	10
May 30, 1908. Authorizing National Currency Associations, the issue of addi- tional bank circulation, and creating a National Monetary Commission.....	25, 34, 37, 42, 43, 44, 45, 46, 47, 48, 49, 50, 53, 65

ACTS OF A GENERAL NATURE AFFECTING NATIONAL BANKS.

July 7, 1838. Issuing circulation of expired association.....	93
June 30, 1864. Taxation of State banks.....	82, 84
Mar. 3, 1865. Taxation of State banks.....	83, 84
July 13, 1866. Taxation of State banks.....	82, 83, 84
Mar. 26, 1867. Taxation of State banks.....	84
June 5, 1872. Taxation of State banks.....	82, 84
Dec. 24, 1872. Taxation of State banks.....	84
Feb. 8, 1875. Taxation of State banks.....	83
Mar. 1, 1879. Taxation of State banks.....	85
Feb. 25, 1862. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
Mar. 3, 1863. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
Mar. 3, 1864. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
June 30, 1864. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
Jan. 28, 1865. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
Mar. 3, 1865. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
July 14, 1870. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85
Aug. 13, 1894. Taxation of national-bank notes and notes and certificates of United States circulating as currency.....	85, 86
July 17, 1862. Restriction on notes less than one dollar.....	86
Feb. 21, 1857. Foreign coins not legal tender.....	86
July 17, 1861. Demand Treasury notes legal tender same as United States notes.....	87
Feb. 12, 1862. Demand Treasury notes legal tender same as United States notes.....	87
Feb. 25, 1862. Demand Treasury notes legal tender same as United States notes.....	87
Feb. 25, 1862. United States notes legal tender except for duties on imports and interest on public debt.....	87
Mar. 17, 1862. Demand Treasury notes legal tender same as United States notes.....	87

	Page.
July 11, 1862. United States notes legal tender except for duties on imports and interest on public debt.....	87
Jan. 17, 1863. United States notes legal tender except for duties on imports and interest on public debt.....	87
Mar. 3, 1863. United States notes legal tender except for duties on imports and interest on public debt.....	87
Mar. 3, 1863. Interest-bearing notes legal tender to same extent as United States notes.....	87
June 30, 1864. Interest-bearing notes legal tender to same extent as United States notes.....	87
Feb. 12, 1873. Gold coins of United States legal tender.....	86
Feb. 12, 1873. Minor coins of United States legal tender to amount of twenty-five cents.....	87
Feb. 28, 1878. Standard silver dollars legal tender.....	86
June 9, 1879. Subsidiary silver coins legal tender to amount not exceeding ten dollars.....	87
July 12, 1882. Gold certificates, for what receivable.....	61, 87
Mar. 14, 1900. Currency act.....	94-100
Mar. 4, 1907. Amending national-bank act.....	97, 100
June 14, 1866. Government depositories.....	88, 90
June 8, 1872. Government depositories.....	89
Mar. 3, 1873. Government depositories.....	88, 89
Feb. 27, 1877. Government depositories.....	88
Feb. 3, 1879. Government depositories.....	90
Feb. 25, 1863. Counterfeiting national-bank notes.....	91
June 3, 1864. Counterfeiting national-bank notes.....	91
June 30, 1864. Forging or counterfeiting United States securities.....	91, 92
June 30, 1864. Using plates to print without authority.....	91
Feb. 5, 1867. Penalty for taking unauthorized impression of tools having such impression or dealing in counterfeit circulation.....	93
June 30, 1876. Fraudulent notes to be so marked by United States officers and officers of national banks.....	94
Aug. 5, 1909. Excise tax on corporations.....	101
Aug. 5, 1909. Panama Canal bonds, issue of, authorized at 3 per cent.....	107
Mar. 2, 1911. Panama Canal bonds under act of Aug. 5, 1909, not available as security for circulation.....	108
Mar. 2, 1911. Issue of gold certificates on deposit of foreign coin or bullion.....	98
Mar. 2, 1911. Certified checks drawn on national and State banks, receivable for duties on imports and internal taxes.....	109

SPECIAL ACTS RELATING TO NATIONAL BANKS.

Apr. 12, 1900. National banking laws extended to Porto Rico.....	110
Apr. 30, 1900. National banking laws extended to Hawaii.....	111
May 2, 1900. National banking laws extended to Indian Territory.....	110
May 2, 1900. Qualification of directors in Oklahoma.....	110
Fifty-seven acts changing the location or name, or both, of various national banks.....	111

ACTS RELATING TO SAVINGS BANKS, BUILDING ASSOCIATIONS, AND TRUST COMPANIES IN THE DISTRICT OF COLUMBIA.

May 5, 1870. Organization of savings banks and other corporations.....	119-124
June 17, 1870. Organization of savings banks and other corporations.....	118
June 20, 1873. Examination of savings banks.....	127
June 30, 1876. Savings banks organized under acts of Congress to make reports to Comptroller.....	126
Oct. 1, 1890. Organization of trust, loan, and mortgage companies in the District of Columbia.....	127-136
Mar. 3, 1901. Organization of savings banks.....	118-124
Organization of building associations.....	124
Reports of savings banks.....	126
Examination of savings banks.....	127
Organization of trust companies, etc.....	127
June 30, 1902. Amends act of March 3, 1901.....	118
June 25, 1906. All savings banks, trust companies, or other banking institutions organized under act of Congress or by virtue of laws of any State required to report to the Comptroller, etc.....	126
Mar. 4, 1909. Building associations in District of Columbia, placed under supervision of Comptroller of Currency.....	124, 125

THE NATIONAL BANK ACT AND ACTS AMENDATORY THEREOF AND SUPPLEMENTARY THERETO.

CHAPTER I.

BUREAU OF THE COMPTROLLER OF THE CURRENCY.

- | | |
|--|--|
| <p>1. 324. Bureau of the Comptroller of the Currency.</p> <p>2. 325. Comptroller of the Currency.</p> <p>3. 326. Qualification of Comptroller of the Currency. Amount of bond.</p> <p>4. 327. Deputy Comptroller of the Currency.</p> <p>5. Act May 22, 1908. Additional Deputy Comptroller of the Currency.</p> <p>6. 328. Clerks.</p> <p>7. 329. Interest in national banks prohibited.</p> <p>8. 330. Seal of Comptroller of the Currency.</p> <p>9. 331. Rooms, vaults, and furniture for Currency Bureau.</p> | <p>10. 332. Banks other than national in District of Columbia. (See sec. 714, Code District of Columbia.)</p> <p>11. 333. Report of Comptroller.</p> <p>12. Act April 28, 1902. Report of Comptroller to give complete list of all employees of the office, information about failed banks, employees under receivers, etc.</p> <p>13. Act January 12, 1895. Number of copies of report to be printed.</p> <p>14. Joint resolution March 4, 1907. Three thousand additional copies authorized to be printed.</p> |
|--|--|

BUREAU OF THE COMPTROLLER OF THE CURRENCY.

1. **Sec. 324.**—There shall be in the Department of the Treasury a Bureau charged with the execution of all laws passed by Congress relating to the issue and regulation of a national currency secured by United States bonds, the chief officer of which Bureau shall be called the Comptroller of the Currency, and shall perform his duties under the general direction of the Secretary of the Treasury.

Act June 3, 1864, c. 106, sec. 1; 13 Stat. L., 99.

COMPTROLLER OF THE CURRENCY.

2. **Sec. 325.**—The Comptroller of the Currency shall be appointed by the President, on the recommendation of the Secretary of the Treasury, by and with the advice and consent of the Senate, and shall hold his office for the term of five years, unless sooner removed by the President, upon reasons to be communicated by him to the Senate; and he shall be entitled to a salary of five thousand dollars a year.

Act June 3, 1864, c. 106, sec. 1; 13 Stat. L., 99. Act March 3, 1875, c. 130, sec. 2; 18 Stat. L., 398.

QUALIFICATION OF COMPTROLLER OF THE CURRENCY. AMOUNT OF BOND.

3. **Sec. 326.**—The Comptroller of the Currency shall, within fifteen days from the time of notice of his appointment, take and subscribe the oath of office; and he

Act June 3, 1864, c. 106, sec. 1; 13 Stat. L., 99.

shall give to the United States a bond in the penalty of one hundred thousand dollars, with not less than two responsible sureties, to be approved by the Secretary of the Treasury, conditioned for the faithful discharge of the duties of his office.

DEPUTY COMPTROLLER OF THE CURRENCY.

Act June 3,
1864, c. 106,
sec. 1; 13
Stat. L., 99.

4. Sec. 327.—There shall be in the Bureau of the Comptroller of the Currency a Deputy Comptroller of the Currency, to be appointed by the Secretary, who shall be entitled to a salary of two thousand five hundred dollars a year and who shall possess the power and perform the duties attached by law to the office of Comptroller during a vacancy in the office or during the absence or inability of the Comptroller. The Deputy Comptroller shall also take the oath of office prescribed by the Constitution and laws of the United States, and shall give a like bond in the penalty of fifty thousand dollars.

NOTE.—The salary of the Deputy Comptroller has been fixed at various amounts by different appropriation bills, as follows: Act March 3, 1875 (sundry civil bill), 18 Stat. L., 396, \$3,000; act March 3, 1901, 31 Stat. L., 978, \$2,800; act March 18, 1904, 33 Stat. L., 103, \$3,000; act February 3, 1905, 33 Stat. L., 649, and all subsequent acts, \$3,500.

ADDITIONAL DEPUTY COMPTROLLER OF THE CURRENCY.

ACT MAY 22, 1908.

Legislative,
executive and
judicial ap-
propriation act,
approved May
22, 1908.

5. * * * Deputy Comptroller, three thousand five hundred dollars; Deputy Comptroller, three thousand dollars.

NOTE.—The Attorney General of the United States, in an opinion rendered June 19, 1908, said: "Generally speaking, a deputy has power to do every act which his principal may do and is not restricted to some particulars of his office. (Throop on Public Officers, sec. 583; Mechem's Public Officers, sec. 570; Erwin v. U. S., 37 Fed. Rep. 470.) Doubtless it was on account of this general rule, and with the intention that there should be no restriction, that Congress did not deem it necessary to prescribe specifically the duties of the additional Deputy Comptroller. There being no limitation or restriction upon the power of that officer, my opinion is that he would have the same authority as that conferred by statute upon the first deputy.

CLERKS.

Act June 3,
1864, c. 106,
sec. 1; 13
Stat. L., 100.

6. Sec. 328.—The Comptroller of the Currency shall employ, from time to time, the necessary clerks, to be appointed and classified by the Secretary of the Treasury, to discharge such duties as the Comptroller shall direct.

INTEREST IN NATIONAL BANKS PROHIBITED.

Act June 3,
1864, c. 106,
sec. 1; 13
Stat. L., 99.

7. Sec. 329.—It shall not be lawful for the Comptroller or the Deputy Comptroller of the Currency, either directly or indirectly, to be interested in any association issuing national currency under the laws of the United States.

SEAL OF COMPTROLLER OF THE CURRENCY.

8. Sec. 330 [as amended 1875].—The seal devised by the Comptroller of the Currency for his office, and approved by the Secretary of the Treasury, shall continue to be the seal of office of the Comptroller, and may be renewed when necessary. A description of the seal, with an impression thereof, and a certificate of approval by the Secretary of the Treasury, shall be filed in the office of the Secretary of State.

Act June 3,
1864, c. 106,
sec. 2; 13
Stat. L., 100.
Act. Feb. 18,
1875, c. 80; 18
Stat. L., 317.

ROOMS, VAULTS, AND FURNITURE FOR CURRENCY BUREAU.

9. Sec. 331.—There shall be assigned, from time to time, to the Comptroller of the Currency, by the Secretary of the Treasury, suitable rooms in the Treasury building for conducting the business of the Currency Bureau, containing safe and secure fireproof vaults, in which the Comptroller shall deposit and safely keep all the plates not necessarily in the possession of engravers or printers, and other valuable things belonging to his department; and the Comptroller shall from time to time furnish the necessary furniture, stationery, fuel, lights, and other proper conveniences for the transaction of the business of his office.

Act June 3,
1864, c. 106,
sec. 3; 13
Stat. L., 100.

10. Sec. 332.—

Refers entirely to banks other than national in the District of Columbia and is incorporated in section 714 of the Code of the District of Columbia and has been repeatedly amended. See said section 714, page 113, post.

REPORT OF COMPTROLLER.

11. Sec. 333 [as amended 1875].—The Comptroller of the Currency shall make an annual report to Congress, at the commencement of its session, exhibiting—

First. A summary of the state and condition of every association from which reports have been received the preceding year, at the several dates to which such reports refer, with an abstract of the whole amount of banking capital returned by them, of the whole amount of their debts and liabilities, the amount of circulating notes outstanding, and the total amount of means and resources, specifying the amount of lawful money held by them at the times of their several returns, and such other information in relation to such associations as in his judgment may be useful.

Act June 3,
1864, sec. 61;
13 Stat. L.,
117.
Act Feb. 19,
1873, sec. 1;
17 Stat. L.,
466.
Act Feb. 18,
1875, c. 80;
18 Stat. L.,
317.

Second. A statement of the associations whose business has been closed during the year, with the amount of their circulation redeemed and the amount outstanding.

Third. Any amendment to the laws relative to banking by which the system may be improved and the security of the holders of its notes and other creditors may be increased.

Fourth. A statement exhibiting under appropriate heads the resources and liabilities and condition of the

banks, banking companies, and savings banks organized under the laws of the several States and Territories; such information to be obtained by the Comptroller from the reports made by such banks, banking companies, and savings banks to the legislatures or officers of the different States and Territories, and, where such reports can not be obtained, the deficiency to be supplied from such other authentic sources as may be available.

Fifth. The names and compensation of the clerks employed by him, and the whole amount of the expenses of the banking department during the year.

COMPTROLLER TO GIVE COMPLETE LIST OF ALL EMPLOYEES OF THE OFFICE, INFORMATION ABOUT FAILED BANKS, EMPLOYEES, UNDER RECEIVERS, ETC. ACT APRIL 28, 1902.

Act April 28, 1902, legislative, executive, and judicial appropriation act; 32 Stat. L., 138.

12.—*Provided*, That for the fiscal year of nineteen hundred and two and thereafter, a full and complete list of all officers, agents, clerks, and other employees of the office of the Comptroller of the Currency, including bank examiners, receivers and attorneys for receivers, and clerks employed by such examiners and receivers, or any other person connected with the work of said office in Washington or elsewhere, whose salary or compensation is paid from the Treasury of the United States or assessed against or collected from existing or failed banks under their supervision or control, shall be transmitted to the Secretary of the Interior in accordance with the provisions of an Act of Congress approved January twelfth, eighteen hundred and eighty-five, relating to the Official Register: *And provided further*, That the Comptroller of the Currency is hereby directed to include in his Annual Report to the Speaker of the House of Representatives, expenses incurred during each year, in liquidation of each failed national bank separately.

NUMBER OF COPIES OF REPORT TO BE PRINTED. ACT OF JANUARY 12, 1895.

Act Jan. 12, 1895, sec. 73; 28 Stat. L., 616.

13. Sec. 73.—* * * There shall be printed of the annual report of the Comptroller of the Currency, ten thousand copies; one thousand for the Senate, two thousand for the House, and seven thousand for distribution by the Comptroller of the Currency.

THREE THOUSAND ADDITIONAL COPIES AUTHORIZED TO BE PRINTED. JOINT RESOLUTION NO. 25, MARCH 4, 1907.

H. J. Res. 219, Mar. 4, 1907; 34 Stat. L., 1245.

14.—That section 73 of an act "Providing for the public printing and binding, and the distribution of public documents," approved January 12, 1895, be, and the same is hereby, so amended as to authorize the printing annually hereafter of ten thousand copies of the annual report of the Comptroller of the Currency, for distribution by the Comptroller of the Currency, instead of seven thousand copies as heretofore.

CHAPTER II.

ORGANIZATION AND POWERS.

15. Act June 20, 1874. The national-bank act.
16. 5133. Formation of national banking associations.
17. 5134. Requisites of organization certificate.
18. 5135. How certificate shall be acknowledged and filed.
19. 5136. Corporate powers of association.
20. Act May 1, 1886. Section 1 relates to increase of capital stock and is inserted after section 5142.
21. Act May 1, 1886. May change name and location.
22. Act May 1, 1886. Debts not affected by change.
23. Act May 1, 1886. No release from liabilities.
24. Act August 13, 1888. National banks deemed citizens of states in which located.
25. Act July 12, 1882. Extension of corporate existence.
26. Act of July 12, 1882. Consent of two-thirds necessary.
27. Act July 12, 1882. Special examination of bank and issue of certificate of approval by Comptroller.
28. Act of July 12, 1882. Status not changed by extension. Jurisdiction of suits by or against national banks.
29. Act July 12, 1882. Dissenting shareholders may withdraw.
30. Act July 12, 1882. Redemption of circulating notes issued prior to extension.
31. Act July 12, 1882. Dissolution of banks not extending period of succession.
32. Act April 12, 1902. Re-extension of corporate existence.
33. 5137. Power to hold real property.
34. 5138. Requisite amount of capital.
35. 5139. Shares of stock and transfers.
36. 5140. How payment of capital stock must be made and certified.
37. 5141. Proceedings if shareholder fails to pay installments.
38. 5142. National banks may increase capital stock.
39. Act May 1, 1886. Increase of capital stock.
40. 5143. Reduction of capital stock.
41. 5144. Right of shareholders to vote. Proxies authorized.
42. 5145. Election of directors.
43. 5146. Requisite qualification of directors.
44. 5147. Oath required from directors.
45. 5148. Filling vacancies.
46. 5149. Proceedings where no election is held on the proper day.
47. 5150. Election of president of the board.
48. 5151. Individual liability of shareholders.
49. 5152. Executors, trustees, etc., not personally liable.
50. 5153. National banking associations to be depositaries of public moneys.
51. Act May 30, 1908. Interest on public deposits.
52. 5154. Conversion of state banks into national banking associations.
53. 5155. State banks having branches.
54. 5156. Reservation of rights of associations organized under act of 1863.

THE NATIONAL BANK ACT. ACT JUNE 20, 1874.

15. Sec. 1.—An act entitled “An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof,” approved June 3, 1864, shall hereafter be known as “the national-bank act.”

Act June 20,
1874, c. 343,
sec. 1; 18
Stat. L., 123.

FORMATION OF NATIONAL BANKING ASSOCIATIONS.

Act June 3,
1864, c. 106,
sec. 5; 13
Stat. L., 100.

16. Sec. 5133.—Associations for carrying on the business of banking under this Title may be formed by any number of natural persons, not less in any case than five. They shall enter into articles of association, which shall specify in general terms the object for which the association is formed, and may contain any other provisions, not inconsistent with law, which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. These articles shall be signed by the persons uniting to form the association, and a copy of them shall be forwarded to the Comptroller of the Currency, to be filed and preserved in his office.

REQUISITES OF ORGANIZATION CERTIFICATE.

Act June 3,
1864, c. 106,
sec. 6; 13
Stat. L., 101.

17. Sec. 5134.—The persons uniting to form such an association shall, under their hands, make an organization certificate, which shall specifically state:

First. The name assumed by such association; which name shall be subject to the approval of the Comptroller of the Currency.

Second. The place where its operations of discount and deposit are to be carried on, designating the State, Territory, or district, and the particular county and city, town, or village.

Third. The amount of capital stock and the number of shares into which the same is to be divided.

Fourth. The names and places of residence of the shareholders and the number of shares held by each of them.

Fifth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this Title.

NOTE.—For authority to change names or locations see act May 1, 1886, following section 5136.

HOW CERTIFICATE SHALL BE ACKNOWLEDGED AND FILED.

Act June 3,
1864, c. 106,
sec. 6; 13
Stat. L., 101.

18. Sec. 5135.—The organization certificate shall be acknowledged before a judge of some court of record, or notary public; and shall be, together with the acknowledgment thereof, authenticated by the seal of such court, or notary, transmitted to the Comptroller of the Currency, who shall record and carefully preserve the same in his office.

CORPORATE POWERS OF ASSOCIATION.

Act June 3,
1864, c. 106,
sec. 8; 13
Stat. L., 101.

19. Sec. 5136.—Upon duly making and filing articles of association and an organization certificate, the association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

First. To adopt and use a corporate seal.

Second. To have succession for the period of twenty years from its organization, unless it is sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law.

Third. To make contracts.

Fourth. To sue and be sued, complain and defend, in any court of law and equity, as fully as natural persons.

Fifth. To elect or appoint directors, and by its board of directors to appoint a president, vice-president, cashier, and other officers, define their duties, require bonds of them and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places.

Sixth. To prescribe, by its board of directors, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes according to the provisions of this Title.

But no association shall transact any business except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Comptroller of the Currency to commence the business of banking.

NOTE.—See secs. 5168, 5169 and 5170, pages 35, 36, post, relating to issuing and publishing of certificate authorizing association to begin business.

INCREASE OF CAPITAL STOCK. ACT MAY 1, 1886.

20. Sec. 1.—

Relates to increase of capital stock and is inserted after section 5142, Revised Statutes.

MAY CHANGE NAME AND LOCATION; HOW. ACT MAY 1, 1886.

21. Sec. 2.—Any national banking association may change its name or the place where its operations of discount and deposit are to be carried on, to any other place within the same State, not more than thirty miles distant, with the approval of the Comptroller of the Currency, by the vote of shareholders owning two-thirds of the stock of such association. A duly authenticated notice of the vote and of the new name or location selected shall be sent to the office of the Comptroller of the

Act May 1,
1886, c. 73,
sec. 2; 24
Stat. L., 18.

Currency; but no change of name or location shall be valid until the Comptroller shall have issued his certificate of approval of the same.

DEBTS NOT AFFECTED BY CHANGE. ACT MAY 1, 1886.

22. Sec. 3.—All debts, liabilities, rights, provisions, and powers of the association under its old name shall devolve upon and inure to the association under its new name.

Act May 1,
1886, c. 73,
sec. 3; 24
Stat. L., 19.

NO RELEASE FROM LIABILITIES. ACT MAY 1, 1886.

23. Sec. 4.—Nothing in this act contained shall be so construed as in any manner to release any national banking association under its old name or at its old location from any liability, or affect any action or proceeding in law in which said association may be or become a party or interested.

Act May 1,
1886, c. 73,
sec. 4; 24
Stat. L., 19.

NATIONAL BANKS DEEMED CITIZENS OF STATES IN WHICH LOCATED. ACT AUGUST 13, 1888.

24. Sec. 4.—All national banking associations established under the laws of the United States shall, for the purposes of all actions by or against them, real, personal, or mixed, and all suits in equity, be deemed citizens of the States in which they are respectively located; and in such cases the circuit and district courts shall not have jurisdiction other than such as they would have in cases between individual citizens of the same State. The provisions of this section shall not be held to affect the jurisdiction of the courts of the United States in cases commenced by the United States or by direction of any officer thereof, or cases for winding up the affairs of any such bank.

Act Mar. 3,
1887, sec. 4;
24 Stat. L.,
554.
Act Aug. 13,
1888, c. 866,
sec. 4; 25
Stat. L., 436.

EXTENSION OF CORPORATE EXISTENCE. ACT JULY 12, 1882.

25. Sec. 1.—That any national banking association organized under the acts of February twenty-fifth, eighteen hundred and sixty-three, June third, eighteen hundred and sixty-four, and February fourteenth, eighteen hundred and eighty, or under sections fifty-one hundred and thirty-three, fifty-one hundred and thirty-four, fifty-one hundred and thirty-five, fifty-one hundred and thirty-six, and fifty-one hundred and fifty-four of the Revised Statutes of the United States, may, at any time within the two years next previous to the date of the expiration of its corporate existence under present law, and with the approval of the Comptroller of the Currency, to be granted, as hereinafter provided, extend its period of succession by amending its articles of association for a term of not more than twenty years from the expiration of the period of succession named in said articles of association, and shall have succession for such extended period, unless sooner dissolved by the act of shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law, or unless hereafter modified or repealed.

Act July 12,
1882, c. 290,
sec. 1; 22
Stat. L., 162.

NOTE.—Act of Feb. 14, 1880, relates to the conversion of gold banks into currency banks, and is inserted after Revised Statutes 5186.

CONSENT OF TWO-THIRDS NECESSARY. ACT JULY 12, 1882.

26. Sec. 2.—That such amendment of said articles of association shall be authorized by the consent in writing of shareholders owning not less than two-thirds of the capital stock of the association; and the board of directors shall cause such consent to be certified under the seal of the association, by the president or cashier, to the Comptroller of the Currency, accompanied by an application made by the president or cashier for the approval of the amended articles of association by the Comptroller; and such amended articles of association shall not be valid until the Comptroller shall give to such association a certificate under his hand and seal that the association has complied with all the provisions required to be complied with, and is authorized to have succession for the extended period named in the amended articles of association.

Act July 12, 1882, c. 290, sec. 2; 22 Stat. L., 162.

SPECIAL EXAMINATION OF BANK AND ISSUE OF CERTIFICATE OF APPROVAL BY COMPTROLLER. ACT JULY 12, 1882.

27. Sec. 3.—That upon the receipt of the application and certificate of the association provided for in the preceding section, the Comptroller of the Currency shall cause a special examination to be made, at the expense of the association, to determine its condition; and if after such examination or otherwise, it appears to him that said association is in a satisfactory condition, he shall grant his certificate of approval provided for in the preceding section, or if it appears that the condition of said association is not satisfactory, he shall withhold such certificate of approval.

Act July 12, 1882, c. 290, sec. 3; 22 Stat. L., 163.

STATUS NOT CHANGED BY EXTENSION, JURISDICTION OF SUITS BY OR AGAINST NATIONAL BANKS. ACT JULY 12, 1882.

28. Sec. 4.—That any association so extending the period of its succession shall continue to enjoy all the rights and privileges and immunities granted and shall continue to be subject to all the duties, liabilities, and restrictions imposed by the Revised Statutes of the United States and other acts having reference to national banking associations, and it shall continue to be in all respects the identical association it was before the extension of its period of succession: *Provided, however,* That the jurisdiction for suits hereafter brought by or against any association established under any law providing for national banking associations, except suits between them and the United States or its officers and agents, shall be the same as, and not other than, the jurisdiction for suits

Act July 12, 1882, c. 290, sec. 4; 22 Stat. L., 163.

by or against banks not organized under any law of the United States which do or might do banking business where such national banking association may be doing business when such suits may be begun: And all laws and parts of laws of the United States inconsistent with this proviso be, and the same are hereby, repealed.

NOTE.—See also act of August 13, 1888, relating to citizenship of national banks and jurisdiction of the circuit and district courts, which follows sec. 5136, page 16, ante.

**DISSENTING SHAREHOLDERS MAY WITHDRAW. ACT
JULY 12, 1882.**

Act July 12,
1882, c. 290,
sec. 5; 22
Stat. L., 163.

29. Sec. 5.—That when any national banking association has amended its articles of association as provided in this act, and the Comptroller has granted his certificate of approval, any shareholder not assenting to such amendment may give notice in writing to the directors, within thirty days from the date of the certificate of approval, of his desire to withdraw from said association, in which case he shall be entitled to receive from said banking association the value of the shares so held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by such shareholder, one by the directors, and the third by the first two; and in case the value so fixed shall not be satisfactory to any such shareholder, he may appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding; and if said reappraisal shall exceed the value fixed by said committee, the bank shall pay the expenses of said reappraisal, and otherwise the appellant shall pay said expenses; and the value so ascertained and determined shall be deemed to be a debt due, and be forthwith paid, to said shareholder, from said bank; and the shares so surrendered and appraised shall, after due notice, be sold at public sale, within thirty days after the final appraisal provided in this section: *Provided*, That in the organization of any banking association intended to replace any existing banking association, and retaining the name thereof, the holders of stock in the expiring association shall be entitled to preference in the allotment of the shares of the new association in proportion to the number of shares held by them respectively in the expiring association.

**REDEMPTION OF CIRCULATING NOTES ISSUED PRIOR TO
EXTENSION. ACT JULY 12, 1882.**

Act July 12,
1882, c. 290,
sec. 6; 22
Stat. L., 163.

30. Sec. 6.—That the circulating notes of any association so extending the period of its succession which shall have been issued to it prior to such extension shall be redeemed at the Treasury of the United States, as provided in section three of the act of June twentieth, eighteen hundred and seventy-four, entitled "An act fixing the amount of United States notes, providing for redistribution of national bank currency, and for other purposes,"

and such notes when redeemed shall be forwarded to the Comptroller of the Currency, and destroyed, as now provided by law; and at the end of three years from the date of the extension of the corporate existence of each bank the association so extended shall deposit lawful money with the Treasurer of the United States sufficient to redeem the remainder of the circulation which was outstanding at the date of its extension, as provided in sections fifty-two hundred and twenty-two, fifty-two hundred and twenty-four, and fifty-two hundred and twenty-five of the Revised Statutes; and any gain that may arise from the failure to present such circulating notes for redemption shall inure to the benefit of the United States; and from time to time, as such notes are redeemed or lawful money deposited therefor as provided herein, new circulating notes shall be issued as provided by this act, bearing such devices, to be approved by the Secretary of the Treasury, as shall make them readily distinguishable from the circulating notes heretofore issued: *Provided, however,* That each banking association which shall obtain the benefit of this act shall reimburse to the Treasury the cost of preparing the plate or plates for such new circulating notes as shall be issued to it.

NOTE.—Act of June 20, 1874, section 3, mentioned above, is inserted after Revised Statutes 5192. The destruction of bank notes by burning, as provided in sections 5184, 5225, Revised Statutes, is superseded by act of June 23, 1874, which requires bank notes to be macerated.

DISSOLUTION OF BANKS NOT EXTENDING PERIOD OF SUCCESSION. ACT JULY 12, 1882.

31. Sec. 7.—That national banking associations whose corporate existence has expired or shall hereafter expire, and which do not avail themselves of the provisions of this act, shall be required to comply with the provisions of sections fifty-two hundred and twenty-one and fifty-two hundred and twenty-two of the Revised Statutes in the same manner as if the shareholders had voted to go into liquidation, as provided in section fifty-two hundred and twenty of the Revised Statutes; and the provisions of sections fifty-two hundred and twenty-four and fifty-two hundred and twenty-five of the Revised Statutes shall also be applicable to such associations, except as modified by this act; and the franchise of such associations is hereby extended for the sole purpose of liquidating their affairs until such affairs are finally closed.

Act July 12,
1882, c. 290,
sec. 7; 22
of Stat. L., 164.

NOTE.—Other sections of act of July 12, 1882.

SEC. 8.—[Relates to bond deposits and circulating notes.] Follows Revised Statutes, section 5167.

SEC. 9.—[Relates to withdrawal of circulating notes.] Follows Revised Statutes, section 5167.

SEC. 10.—Repealed sections 5171–5176, Revised Statutes, and was superseded by act of March 14, 1900. (See section 5171, Revised Statutes.)

Sec. 11.—Authorizes the exchange of three per cent bonds for outstanding three and one-half per cent bonds.

Sec. 12.—Authorizes the issue of gold certificates upon the deposit of gold coin. Inserted after section 5207.

Sec. 13.—[Relates to false certification of checks.] Follows Revised Statutes, section 5208.

REEXTENSION OF CORPORATE EXISTENCE. ACT OF APRIL 12, 1902.

Act April 12,
1902, c. 503;
32 Stat. L.,
102.

32. That the Comptroller of the Currency is hereby authorized, in the manner provided by, and under the conditions and limitations of, the act of July 12, 1882, to extend for a further period of twenty years the charter of any national banking association extended under said act which shall desire to continue its existence after the expiration of its charter.

POWER TO HOLD REAL PROPERTY.

Act June 3,
1864, c. 106,
sec. 28, 13
Stat. L., 107.

33. Sec. 5137.—A national banking association may purchase, hold, and convey real estate for the following purposes, and for no others:

First. Such as shall be necessary for its immediate accommodation in the transaction of its business.

Second. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.

Third. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

Fourth. Such as it shall purchase at sales under judgments, decrees, or mortgages held by the association, or shall purchase to secure debts due to it.

But no such association shall hold the possession of any real estate under mortgage, or the title and possession of any real estate purchased to secure any debts due to it, for a longer period than five years.

REQUISITE AMOUNT OF CAPITAL.

Act June 3,
1864, c. 106,
sec. 7; 13
Stat. L., 101.

34. Sec. 5138 [as amended 1900].—No association shall be organized with a less capital than one hundred thousand dollars, except that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than twenty-five thousand dollars may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than two hundred thousand dollars.

SHARES OF STOCK AND TRANSFERS.

Act June 3,
1864, c. 106,
sec. 12; 13
Stat. L., 102.

35. Sec. 5139.—The capital stock of each association shall be divided into shares of one hundred dollars each, and be deemed personal property, and transferable on the books of the association in such manner as may be pre-

scribed in the by-laws or articles of association. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares; and no change shall be made in the articles of association by which the rights, remedies, or security of the existing creditors of the association shall be impaired.

HOW PAYMENT OF THE CAPITAL STOCK MUST BE MADE AND CERTIFIED.

36. Sec. 5140.—At least fifty per centum of the capital stock of every association shall be paid in before it shall be authorized to commence business; and the remainder of the capital stock of such association shall be paid in installments of at least ten per centum each, on the whole amount of the capital, as frequently as one installment at the end of each succeeding month from the time it shall be authorized by the Comptroller of the Currency to commence business; and the payment of each installment shall be certified to the Comptroller, under oath, by the president or cashier of the association.

Act June 3,
1864, c. 106,
sec. 14; 13
Stat. L., 103.

PROCEEDINGS IF SHAREHOLDER FAILS TO PAY INSTALLMENTS.

37. Sec. 5141.—Whenever any shareholder, or his assignee, fails to pay any installment on the stock when the same is required by the preceding section to be paid, the directors of such association may sell the stock of such delinquent shareholder at public auction, having given three weeks' previous notice thereof in a newspaper published and of general circulation in the city or county where the association is located, or if no newspaper is published in said city or county, then in a newspaper published nearest thereto, to any person who will pay the highest price therefor, to be not less than the amount then due thereon, with the expenses of advertisement and sale; and the excess, if any, shall be paid to the delinquent shareholder. If no bidder can be found who will pay for such stock the amount due thereon to the association, and the cost of advertisement and sale, the amount previously paid shall be forfeited to the association, and such stock shall be sold as the directors may order, within six months from the time of such forfeiture, and if not sold it shall be canceled and deducted from the capital stock of the association. If any such cancellation and reduction shall reduce the capital of the association below the minimum of capital required by law, the capital stock shall, within thirty days from the date of such cancellation, be increased to the required amount; in default of which a receiver may be appointed, according to the provisions of section fifty-two hundred and thirty-four, to close up the business of the association.

Act June 3,
1864, c. 106,
sec. 15; 13
Stat. L., 103.

NATIONAL BANKS MAY INCREASE CAPITAL STOCK.

Act June 3,
1864, c. 106,
sec. 13; 13
Stat. L., 103.

38. Sec. 5142.—Any association formed under this Title may, by its articles of association, provide for an increase of its capital from time to time, as may be deemed expedient, subject to the limitations of this Title. But the maximum of such increase to be provided in the articles of association shall be determined by the Comptroller of the Currency; and no increase of capital shall be valid until the whole amount of such increase is paid in, and notice thereof has been transmitted to the Comptroller of the Currency, and his certificate obtained specifying the amount of such increase of capital stock, with his approval thereof, and that it has been duly paid in as part of the capital of such association.

INCREASE OF CAPITAL STOCK. ACT MAY 1, 1886.

Act May 1,
1886, c. 73,
sec. 1; 24
Stat. L., 18.

39. Sec. 1.—That any national banking association may, with the approval of the Comptroller of the Currency, by the vote of shareholders owning two-thirds of the stock of such association, increase its capital stock, in accordance with existing laws, to any sum approved by the said Comptroller, notwithstanding the limit fixed in its original articles of association and determined by said Comptroller; and no increase of the capital stock of any national banking association either within or beyond the limit fixed in its original articles of association shall be made except in the manner herein provided.

NOTE.—Other sections of this act follow Revised Statutes 5136.

REDUCTION OF CAPITAL STOCK.

Act June 3,
1864, c. 106,
sec. 13; 13
Stat. L., 103.

40. Sec. 5143.—Any association formed under this Title may, by the vote of shareholders owning two-thirds of its capital stock, reduce its capital to any sum not below the amount required by this Title to authorize the formation of associations; but no such reduction shall be allowable which will reduce the capital of the association below the amount required for its outstanding circulation, nor shall any such reduction be made until the amount of the proposed reduction has been reported to the Comptroller of the Currency and his approval thereof obtained.

RIGHT OF SHAREHOLDERS TO VOTE; PROXIES AUTHORIZED.

Act June 3,
1864, c. 106,
sec. 11; 13
Stat. L., 102.

41. Sec. 5144.—In all elections of directors, and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or book-keeper of such association shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote.

NOTE.—The Circuit Court of the United States, in *United States v. Barry*, 36 F. R., 246, held that the words "liability past due and unpaid" referred only to unpaid subscriptions for stock.

ELECTION OF DIRECTORS.

42. Sec. 5145.—The affairs of each association shall be managed by not less than five directors, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence the business of banking; and afterward at meetings to be held on such day in January of each year as is specified therefor in the articles of association. The directors shall hold office for one year, and until their successors are elected and have qualified.

Act June 3,
1864, c. 106,
secs. 9, 10; 13
Stat. L., 102.

REQUISITE QUALIFICATION OF DIRECTORS.

43. Sec. 5146 [as amended 1905].—Every director must, during his whole term of service, be a citizen of the United States, and at least three fourths of the directors must have resided in the State, Territory, or District in which the association is located for at least one year immediately preceding their election and must be residents therein during their continuance in office. Every director must own in his own right at least ten shares of the capital stock of the association of which he is a director, unless the capital of the bank shall not exceed twenty-five thousand dollars, in which case he must own in his own right at least five shares of such capital stock. Any director who ceases to be the owner of the required number of shares of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place.

Act June 3,
1864, c. 106,
secs. 9, 10; 13
Stat. L., 102.
Act Feb. 28,
1905; 33 Stat.
L., 818, c. 1163.

OATH REQUIRED FROM DIRECTORS.

44. Sec. 5147.—Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this Title, and that he is the owner in good faith, and in his own right, of the number of shares of stock required by this Title, subscribed by him, or standing in his name on the books of the association, and that the same is not hypothecated, or in any way pledged, as security for any loan or debt. Such oath, subscribed by the director making it, and certified by the officer before whom it is taken, shall be immediately transmitted to the Comptroller of the Currency, and shall be filed and preserved in his office.

Act June 3,
1864, c. 106,
sec. 9; 13
Stat. L., 102.

FILLING VACANCIES.

45. Sec. 5148.—Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

Act June 3,
1864, c. 106,
sec. 10; 13
Stat. L., 102.

PROCEEDINGS WHERE NO ELECTION IS HELD ON THE PROPER DAY.

46. Sec. 5149.—If, from any cause, an election of directors is not made at the time appointed, the association shall not for that cause be dissolved, but an election may

Act June 3,
1864, c. 106,
sec. 10; 13
Stat. L., 102.

be held on any subsequent day, thirty days' notice thereof in all cases having been given in a newspaper published in the city, town, or county in which the association is located; and if no newspaper is published in such city, town, or county, such notice shall be published in a newspaper published nearest thereto. If the articles of association do not fix the day on which the election shall be held, or if no election is held on the day fixed, the day for the election shall be designated by the board of directors in their by-laws, or otherwise; or if the directors fail to fix the day, shareholders representing two-thirds of the shares may do so.

ELECTION OF PRESIDENT OF THE BOARD.

Act June 3,
1864, c. 106,
sec. 9; 13
Stat. L., 102

47. Sec. 5150.—One of the directors, to be chosen by the board, shall be the president of the board.

INDIVIDUAL LIABILITY OF SHAREHOLDERS.

Act June 3,
1864, c. 106,
sec. 12; 13
Stat. L., 102

48. Sec. 5151.—The shareholders of every national banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares; except that shareholders of any banking association now existing under State laws, having not less than five millions of dollars of capital actually paid in, and a surplus of twenty per centum on hand, both to be determined by the Comptroller of the Currency, shall be liable only to the amount invested in their shares; and such surplus of twenty per centum shall be kept undiminished, and be in addition to the surplus provided for in this Title; and if at any time there is a deficiency in such surplus of twenty per centum, such association shall not pay any dividends to its shareholders until the deficiency is made good; and in case of such deficiency, the Comptroller of the Currency may compel the association to close its business and wind up its affairs under the provisions of chapter four^a of this Title.

NOTE.—See act of June 30, 1876, following section 5238, Revised Statutes, for enforcement of liability prescribed by this section in cases of voluntary liquidation.

EXECUTORS, TRUSTEES, ETC., NOT PERSONALLY LIABLE.

Act June 3,
1864, c. 106,
sec. 63; 13
Stat. L., 118.

49. Sec. 5152.—Persons holding stock as executors, administrators, guardians, or trustees shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust-funds would be, if living and competent to act and hold the stock in his own name.

^a Chapter 5 of this compilation.

NATIONAL BANKING ASSOCIATIONS TO BE DEPOSITARIES OF PUBLIC MONEYS.

50. Sec. 5153 [as amended 1907].—All national banking associations, designated for that purpose by the Secretary of the Treasury, shall be depositaries of public money, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government, as may be required of them. The Secretary of the Treasury shall require the associations thus designated to give satisfactory security, by the deposit of United States bonds and otherwise, for the safe-keeping and prompt payment of the public money deposited with them, and for the faithful performance of their duties as financial agents of the Government: *Provided*, That the Secretary shall, on or before the first of January of each year, make a public statement of the securities required during that year for such deposits. And every association so designated as receiver or depositary of the public money shall take and receive at par all of the national currency bills, by whatever association issued, which have been paid into the Government for internal revenue, or for loans or stocks: *Provided*, That the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different States and sections.

Act June 3, 1864, c. 106; sec. 45; 13 Stat. L., 113. Act Mar. 3, 1901, c. 871, sec. 1; 31 Stat. L., 1448. Act Mar. 4, 1907, 34 Stat. L., 1290.

NOTE.—For other provisions relating to duties and liabilities of depositaries see following sections of the Revised Statutes of the United States:

- Sec. 3640. Transfer of moneys from depositaries to Treasury authorized.
 - Sec. 3641. Transfer of postal deposits.
 - Sec. 3642. Accounts of postal deposits.
 - Sec. 3643. Entry of each deposit, transfer, and payment.
 - Sec. 3644. Public moneys in Treasury and depositories subject to draft of Treasurer.
 - Sec. 3645. Regulations for presentment of drafts.
 - Sec. 3646. Duplicates for lost or stolen checks authorized.
 - Sec. 3647. Duplicate check when officer who issued is dead.
 - Sec. 3648. Advances of public moneys prohibited.
 - Sec. 3649. Examination of depositaries.
- See also secs. 3620, 3847, 4046, 5488, and 5497, page 88, post.

INTEREST ON PUBLIC DEPOSITS. ACT MAY 30, 1908.

51. Sec. 15.—That all national banking associations designated as regular depositaries of public money shall pay upon all special and additional deposits made by the Secretary of the Treasury in such depositaries, and all such associations designated as temporary depositaries of public money shall pay upon all sums of public money deposited in such associations interest at such rate as the Secretary of the Treasury may prescribe, not less, however, than one per centum per annum upon the average monthly amount of such deposits: *Provided, however*, That nothing contained in this Act shall be construed to

Act May 30, 1908, sec. 15.

change or modify the obligation of any association or any of its officers for the safe-keeping of public money: *Provided further*, That the rate of interest charged upon such deposits shall be equal and uniform throughout the United States.

CONVERSION OF STATE BANKS INTO NATIONAL BANKING ASSOCIATIONS.

Act June 3,
1864, c. 106,
sec. 44; 13
Stat. L., 112.

52. Sec. 5154.—Any bank incorporated by special law, or any banking institution organized under a general law of any State, may become a national association under this Title by the name prescribed in its organization certificate; and in such case the articles of association and the organization certificate may be executed by a majority of the directors of the bank or banking institution; and the certificate shall declare that the owners of two-thirds of the capital stock have authorized the directors to make such certificate, and to change or convert the bank or banking institution into a national association. A majority of the directors, after executing the articles of association and organization certificate, shall have power to execute all other papers, and to do whatever may be required to make its organization perfect and complete as a national association. The shares of any such bank may continue to be for the same amount each as they were before the conversion, and the directors may continue to be the directors of the association until others are elected or appointed in accordance with the provisions of this chapter; and any State bank which is a stockholder in any other bank, by authority of State laws, may continue to hold its stock, although either bank, or both, may be organized under and have accepted the provisions of this Title. When the Comptroller of the Currency has given to such association a certificate, under his hand and official seal, that the provisions of this Title have been complied with, and that it is authorized to commence the business of banking, the association shall have the same powers and privileges, and shall be subject to the same duties, responsibilities, and rules, in all respects, as are prescribed for other associations originally organized as national banking associations, and shall be held and regarded as such an association. But no such association shall have a less capital than the amount prescribed for associations organized under this Title.

STATE BANKS HAVING BRANCHES.

Act Mar. 3,
1865, c. 78,
sec. 7; 13
Stat. L., 484.

53. Sec. 5155.—It shall be lawful for any bank or banking association organized under State laws, and having branches, the capital being joint and assigned to and used by the mother-bank and branches in definite proportions, to become a national banking association in conformity with existing laws, and to retain and keep in operation its branches, or such one or more of them as it may elect to

retain; the amount of the circulation redeemable at the mother-bank, and each branch, to be regulated by the amount of capital assigned to and used by each.

RESERVATION OF RIGHTS OF ASSOCIATIONS ORGANIZED UNDER ACT OF 1863.

54. Sec. 5156.—Nothing in this Title shall affect any appointments made, acts done, or proceedings had or commenced prior to the third day of June, eighteen hundred and sixty-four, in or toward the organization of any national banking association under the act of February twenty-five, eighteen hundred and sixty-three; but all associations which on the third day of June, eighteen hundred and sixty-four, were organized or commenced to be organized under that act shall enjoy all the rights and privileges granted, and be subject to all the duties, liabilities, and restrictions imposed by this Title, notwithstanding all the steps prescribed by this Title for the organization of associations were not pursued, if such associations were duly organized under that act.

Act June 3,
1864, c. 106,
sec. 62; 13
Stat. L., 118.

CHAPTER III.

OBTAINING AND ISSUING CIRCULATING NOTES.

55. 5157. What associations are governed by chapters two, three, and four.
56. 5158. Registered bonds intended by the terms "United States bonds."
57. 5159. Deposit of bonds required before issue of circulating notes.
58. Act December 21, 1905. Panama Canal bonds have all rights and privileges accorded to other two per cent bonds of the United States.
59. 5160. Increase or reduction of deposit to correspond with capital.
60. 5161. Exchange of coupon for registered bonds.
61. 5162. Manner of making transfers of bonds.
62. 5163. Registry of transfers.
63. 5164. Notice of transfer to be given to association interested.
64. 5165. Examination of registry and bonds.
65. 5166. Annual examination of bonds by association.
66. 5167. General provisions respecting bonds.
67. Act June 20, 1874. Withdrawal of circulating notes on deposit of lawful money and withdrawal of bonds.
68. Act July 12, 1882. Amount of bonds required to be on deposit. Reduction of amount or retirement in full of circulating notes.
69. Act July 12, 1882, as amended May 30, 1908. Withdrawal of circulating notes on deposit of lawful money and withdrawal of bonds. Not more than nine millions to be deposited during any calendar month. Withdrawal of additional circulation on deposit of lawful money or national-bank notes.
70. 5168. Comptroller to determine if association can commence business.
71. 5169. Certificate of authority to commence banking to be issued.
72. 5170. Publication of certificate.
73. 5171. Repealed by act August 12, 1882.
74. Act March 14, 1900. Delivery of circulating notes.
75. 5172. Printing denominations and form of the circulating notes.
76. Act June 20, 1874. Charter number to be printed on notes.
77. Act March 3, 1875. Distinctive paper for printing notes.
78. 5173. Plates and dies to be under control of the Comptroller.
79. 5174. Examination of plates and dies.
80. 5175. Limit to issue of notes under five dollars.
81. 5176. Repealed by act July 12, 1882.
82. 5177. Repealed by act January 14, 1875.
83. Act January 14, 1875. Aggregate amount of circulating notes not limited.
84. 5178. Superseded by act January 14, 1875.
85. 5179. Superseded by act January 14, 1875.
86. 5180. Repealed by act January 14, 1875.
87. 5181. Superseded by act January 14, 1875.
88. 5182. For what demands national bank-notes may be received.
89. 5183. Issue of post notes, etc., prohibited.
90. 5184. Destroying and replacing worn out and mutilated notes.
91. Act June 23, 1874. Maceration of national-bank notes.
92. 5185. Organization of associations to issue gold notes.
93. 5186. Reserve requirements for gold banks.
94. Act February 14, 1880. Conversion of national gold banks into currency banks.
95. 5187. Penalty for issuing circulating notes to unauthorized associations.
96. 5188. Penalty for imitating bank circulation. Use of same for advertising purposes.
97. 5189. Penalty for mutilating circulation.

ACT MAY 30, 1908, AUTHORIZING NATIONAL CURRENCY ASSOCIATIONS, THE ISSUE OF ADDITIONAL NATIONAL-BANK CIRCULATION, AND CREATING A NATIONAL MONETARY COMMISSION.

- | | |
|--|---|
| <p>98. Sec. 1. Formation of national currency associations.</p> <p>99. Sec. 1 (continued). Conditions under which banks belonging to national currency associations may take out additional circulation.</p> <p>100. Sec. 2. Redemption fund below requirement. Duty of Treasurer of the United States.</p> <p>101. Sec. 3. What national banks may apply for authority to issue additional circulation on bonds other than United States bonds. What bonds will be accepted for such additional circulation.</p> <p>102. Sec. 4. Legal title of bonds deposited to secure additional circulation. Assignment of bonds by Treasurer to be countersigned by the Comptroller of the Currency.</p> <p>103. Sec. 5. Additional circulation, how treated. Limit to amount of circulation issued to each bank. Limit to total amount outstanding under this act.</p> <p>104. Sec. 6. Amount of redemption fund.</p> <p>105. Sec. 7. Equitable distribution of notes.</p> <p>106. Sec. 8. Secretary of the Treasury to furnish information as to the value and character of securities.</p> | <p>107. Sec. 9. Amends section 5214, Revised Statutes.</p> <p>108. Sec. 10. Amends act July 12, 1882, as amended March 4, 1907. Inserted after section 5167.</p> <p>109. Sec. 11. Amends section 5172, Revised Statutes.</p> <p>110. Sec. 12. Circulating notes to be redeemed in lawful money of the United States.</p> <p>111. Sec. 13. All acts of the Comptroller of the Currency and Treasurer of the United States under this act to be approved by the Secretary of the Treasury.</p> <p>112. Sec. 14. Is amendatory of section 5191, Revised Statutes. Inserted after that section.</p> <p>113. Sec. 15. Relates to deposit of public money and is inserted after section 5133, Revised Statutes.</p> <p>114. Sec. 16. Expenses of act.</p> <p>115. Sec. 17. Appointment of monetary commission.</p> <p>116. Sec. 18. Powers of commission. Commission to report to Congress.</p> <p>117. Sec. 19. Expenses of commission.</p> <p>118. Sec. 20. When act expires by limitation.</p> |
|--|---|

WHAT ASSOCIATIONS ARE GOVERNED BY CHAPTERS TWO, THREE, AND FOUR.

55. Sec. 5157.—The provisions of chapters two, three, and four ^a of this Title, which are expressed without restrictive words, as applying to “national banking associations,” or to “associations,” apply to all associations organized to carry on the business of banking under any act of Congress.

REGISTERED BONDS INTENDED BY THE TERM “UNITED STATES BONDS.”

56. Sec. 5158.—The term “United States bonds,” as used throughout this chapter, shall be construed to mean registered bonds of the United States. Act June 3, 1864, c. 106, sec. 4; 13 Stat. L., 100.

DEPOSIT OF BONDS REQUIRED BEFORE ISSUE OF CIRCULATING NOTES.

57. Sec. 5159.—Every association, after having complied with the provisions of this Title, preliminary to the commencement of the banking business, and before it Act June 3, 1864, c. 106, sec. 16; 13 Stat. L., 104.

^a Chapters three, four, and five of this compilation.

shall be authorized to commence banking business under this Title, shall transfer and deliver to the Treasurer of the United States any United States registered bonds, bearing interest, [*to an amount not less than thirty thousand dollars and not less than one-third of the capital stock paid in.*] Such bonds shall be received by the Treasurer upon deposit and shall be by him safely kept in his office, until they shall be otherwise disposed of, in pursuance of the provisions of this Title.

NOTE.—The italicized words are held to be modified by the acts of June 20, 1874, and July 12, 1882. Section 4, act of June 20, 1874, which follows section 5167, provides in part that the amount of bonds on deposit for circulation shall not be reduced below \$50,000. This determines the amount of bonds required to be deposited by banks organizing with capital stock over \$150,000.

Banks having a capital of \$150,000, or less, are not required to keep on deposit bonds in excess of one-fourth of the capital stock as security for their circulating notes, by act July 12, 1882, chapter 290, section 8. This act follows section 5167, Revised Statutes.

PANAMA CANAL BONDS HAVE ALL RIGHTS AND PRIVILEGES ACCORDED TO OTHER TWO PER CENT BONDS OF THE UNITED STATES. ACT DECEMBER 21, 1905.

Act Dec. 21, 1905; 34 Stat. L., 5.
(NOTE.—Panama Canal bonds issued under act Aug. 5, 1909, not receivable as security for circulation. See page 108.)

58. That the two per cent bonds of the United States authorized by section eight of the act entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," approved June twenty-eight, nineteen hundred and two, shall have all the rights and privileges accorded by law to other two per cent bonds of the United States, and every national banking association having on deposit, as provided by law, such bonds issued under the provisions of said section eight of said act approved June twenty-eight, nineteen hundred and two, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per cent each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per cent bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

INCREASE OR REDUCTION OF DEPOSIT TO CORRESPOND WITH CAPITAL.

Act June 3, 1864, c. 106, sec. 16; 13 Stat. L., 104.

59. Sec. 5160.—The deposit of bonds made by each association shall be increased as its capital may be paid up or increased, so that every association shall at all times have on deposit with the Treasurer registered United States bonds to the amount [*of at least one-third of its capital stock actually paid in*]. And any association that may desire to reduce its capital, or close up its business and dissolve its organization, may take up its bonds upon returning to the Comptroller its circulating notes in the proportion hereinafter required, or may take up any excess of bonds beyond [*one-third of its capital*]

stock], and upon which no circulating notes have been delivered.

NOTE.—In reference to italicized words see notes under section 5159, and acts of June 20, 1874, and July 12, 1882, set forth in full following Revised Statutes, section 5167. These acts fix the minimum of bonds as \$50,000 for all banks over \$150,000 capital and as one-fourth of the capital stock for all banks having a capital of \$150,000 or less.

EXCHANGE OF COUPON FOR REGISTERED BONDS.

60. Sec. 5161.—To facilitate a compliance with the two preceding sections, the Secretary of the Treasury is authorized to receive from any association, and cancel, any United States coupon bonds, and to issue in lieu thereof registered bonds of like amount, bearing a like rate of interest, and having the same time to run.

Act June 3,
1864, c. 106,
sec. 16; 13
Stat. L., 104.

MANNER OF MAKING TRANSFERS OF BONDS.

61. Sec. 5162.—All transfers of United States bonds, made by any association under the provisions of this Title, shall be made to the Treasurer of the United States in trust for the association, with a memorandum written or printed on each bond, and signed by the cashier, or some other officer of the association making the deposit. A receipt shall be given to the association, by the Comptroller of the Currency, or by a clerk appointed by him for that purpose, stating that the bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency.

Act June 3,
1864, c. 106,
sec. 19; 13
Stat. L., 105.

REGISTRY OF TRANSFERS.

62. Sec. 5163.—The Comptroller of the Currency shall keep in his office a book in which he shall cause to be entered, immediately upon countersigning it, every transfer or assignment by the Treasurer, of any bonds belonging to a national banking association, presented for his signature. He shall state in such entry the name of the association from whose accounts the transfer is made, the name of the party to whom it is made, and the par value of the bonds transferred.

Act June 3,
1864, c. 106,
secs. 19-20; 13
Stat. L., 105.

NOTICE OF TRANSFER TO BE GIVEN TO ASSOCIATION INTERESTED.

63. Sec. 5164.—The Comptroller of the Currency shall, immediately upon countersigning and entering any transfer or assignment by the Treasurer, of any bonds belonging to a national banking association, advise by mail the association from whose accounts the transfer is made, of the kind and numerical designation of the bonds, and the amount thereof so transferred.

Act June 3,
1864, c. 106,
sec. 19; 13
Stat. L., 105.

EXAMINATION OF REGISTRY AND BONDS.

Act June 3,
1864, c. 106,
sec. 20; 13
Stat. L., 105.

64. Sec. 5165.—The Comptroller of the Currency shall have at all times, during office hours, access to the books of the Treasurer of the United States for the purpose of ascertaining the correctness of any transfer or assignment of the bonds deposited by an association, presented to the Comptroller to countersign; and the Treasurer shall have the like access to the book mentioned in section fifty-one hundred and sixty-three, during office hours, to ascertain the correctness of the entries in the same; and the Comptroller shall also at all times have access to the bonds on deposit with the Treasurer to ascertain their amount and condition.

ANNUAL EXAMINATION OF BONDS BY ASSOCIATION.

Act June 3,
1864, c. 106,
sec. 25; 13
Stat. L., 106.

65. Sec. 5166.—Every association having bonds deposited in the office of the Treasurer of the United States shall, once or oftener in each fiscal year, examine and compare the bonds pledged by the association with the books of the Comptroller of the Currency and with the accounts of the association, and, if they are found correct, to execute to the Treasurer a certificate setting forth the different kinds and the amounts thereof, and that the same are in the possession and custody of the Treasurer at the date of the certificate. Such examination shall be made at such time or times, during the ordinary business hours, as the Treasurer and the Comptroller, respectively, may select, and may be made by an officer or agent of such association, duly appointed in writing for that purpose; and his certificate before mentioned shall be of like force and validity as if executed by the president or cashier. A duplicate of such certificate, signed by the Treasurer, shall be retained by the association.

GENERAL PROVISIONS RESPECTING BONDS.

Act June 3,
1864, c. 106,
sec. 26; 13
Stat. L., 107.

66. Sec. 5167.—The bonds transferred to and deposited with the Treasurer of the United States, by any association, for the security of its circulating notes, shall be held exclusively for that purpose, until such notes are redeemed, except as provided in this Title. The Comptroller of the Currency shall give to any such association powers of attorney to receive and appropriate to its own use the interest on the bonds which it has so transferred to the Treasurer; but such powers shall become inoperative whenever such association fails to redeem its circulating notes. Whenever the market or cash value of any bonds thus deposited with the Treasurer is reduced below the amount of the circulation issued for the same, the Comptroller may demand and receive the amount of such depreciation in other United States bonds at cash value, or in money, from the association, to be deposited with the Treasurer as long as such depreciation continues. And the Comptroller, upon the terms prescribed by the Secretary of the Treasury, may permit an exchange to be

made of any of the bonds deposited with the Treasurer by any association for other bonds of the United States authorized to be received as security for circulating notes, if he is of opinion that such an exchange can be made without prejudice to the United States; and he may direct the return of any bonds to the association which transferred the same, in sums of not less than one thousand dollars, upon the surrender to him and the cancellation of a proportionate amount of such circulating notes: *Provided*, That the remaining bonds which shall have been transferred by the association offering to surrender circulating notes are equal to the amount required for the circulating notes not surrendered by such association, and that the amount of bonds in the hands of the Treasurer is not diminished below the amount required to be kept on deposit with him, and that there has been no failure by the association to redeem its circulating notes, nor any other violation by it of the provisions of this Title, and that the market or cash value of the remaining bonds is not below the amount required for the circulation issued for the same.

**WITHDRAWAL OF CIRCULATING NOTES ON DEPOSIT OF
LAWFUL MONEY AND WITHDRAWAL OF BONDS.
ACT JUNE 20, 1874.**

67. Sec. 4.—That any association organized under this act, or any of the acts of which this is an amendment, desiring to withdraw its circulating notes, in whole or in part, may, upon the deposit of lawful money with the Treasurer of the United States in sums of not less than nine thousand dollars, take up the bonds which said association has on deposit with the Treasurer for the security of such circulating notes; which bonds shall be assigned to the bank in the manner specified in the nineteenth section of the national-bank act; and the outstanding notes of said association, to an amount equal to the legal-tender notes deposited, shall be redeemed at the Treasury of the United States, and destroyed as now provided by law: *Provided*, That the amount of the bonds on deposit for circulation shall not be reduced below fifty thousand dollars.

Act June 20,
1874, c. 343,
sec. 4; 18
Stat. L., 124.

NOTE.—Other sections of this act referred to under Revised Statutes, section 5192. Section 19 of the national-bank act is incorporated in Revised Statutes, sections 5162-5164.

**AMOUNT OF BONDS REQUIRED TO BE ON DEPOSIT; RE-
DUCTION OF AMOUNT OR RETIREMENT IN FULL OF
CIRCULATING NOTES. ACT JULY 12, 1882.**

68. Sec. 8.—That national banks now organized or here-
after organized, having a capital of one hundred and
fifty thousand dollars, or less, shall not be required to
keep on deposit or deposit with the Treasurer of the
United States United States bonds in excess of one-
fourth of their capital stock as security for their circu-

Act July 12,
1882, c. 290,
sec. 8; 22
Stat. L., 164.

lating notes; but such banks shall keep on deposit or deposit with the Treasurer of the United States the amount of bonds as herein required. And such of those banks having on deposit bonds in excess of that amount are authorized to reduce their circulation by the deposit of lawful money as provided by law; [*provided, that the amount of such circulating notes shall not in any case exceed ninety per centum of the par value of the bonds deposited as herein provided:*] *Provided further,* That the national banks which shall hereafter make deposits of lawful money for the retirement in full of their circulation shall at the time of their deposit be assessed for the cost of transporting and redeeming their notes then outstanding, a sum equal to the average cost of the redemption of national-bank notes during the preceding year, and shall thereupon pay such assessment. And all national banks which have heretofore made or shall hereafter make deposits of lawful money for the reduction of their circulation shall be assessed and shall pay an assessment in the manner specified in section three of the act approved June 20, 1874, for the cost of transporting and redeeming their notes redeemed from such deposits subsequently to June 30, 1881.

NOTE.—The limitation of the circulation not to exceed ninety per cent of the bonds deposited is superseded by act March 14, 1900, which follows Revised Statutes 5171. Act June 20, 1874, section 3, mentioned in this section, follows Revised Statutes, section 5192.

WITHDRAWAL OF CIRCULATING NOTES ON DEPOSIT OF LAWFUL MONEY, AND WITHDRAWAL OF BONDS. NOT MORE THAN NINE MILLIONS TO BE DEPOSITED DURING ANY CALENDAR MONTH. WITHDRAWAL OF ADDITIONAL CIRCULATION ON DEPOSIT OF LAWFUL MONEY OR NATIONAL BANK NOTES. ACT MAY 30, 1908.

Act May 30, 1908, sec. 10. **69. Sec. 10.**—That section nine of the Act approved July twelfth, eighteen hundred and eighty-two, as amended by the Act approved March fourth, nineteen hundred and seven, be further amended to read as follows:

“**Sec. 9.** That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in section four of the Act approved June twentieth, eighteen hundred and seventy-four, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits: *Provided,* That not more than nine millions of dollars of lawful money shall be so deposited during any calendar month for this purpose.

“Any national banking association desiring to withdraw any of its circulating notes, secured by the deposit of securities other than bonds of the United States, may make such withdrawal at any time in like manner and effect by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the securities so deposited may be withdrawn: *Provided*, That the deposits under this section to retire notes secured by the deposit of securities other than bonds of the United States shall not be covered into the Treasury, as required by section six of an Act entitled ‘An Act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,’ approved July fourteenth, eighteen hundred and ninety, but shall be retained in the Treasury for the purpose of redeeming the notes of the bank making such deposit.”

COMPTROLLER TO DETERMINE IF ASSOCIATION CAN COMMENCE BUSINESS.

70. Sec. 5168.—Whenever a certificate is transmitted to the Comptroller of the Currency, as provided in this Title, and the association transmitting the same notifies the Comptroller that at least fifty per centum of its capital stock has been duly paid in, and that such association has complied with all the provisions of this Title required to be complied with before an association shall be authorized to commence the business of banking, the Comptroller shall examine into the condition of such association, ascertain especially the amount of money paid in on account of its capital, the name and place of residence of each of its directors, and the amount of the capital stock of which each is the owner in good faith, and generally whether such association has complied with all the provisions of this Title required to entitle it to engage in the business of banking; and shall cause to be made and attested by the oaths of a majority of the directors, and by the President or cashier of the association, a statement of all the facts necessary to enable the Comptroller to determine whether the association is lawfully entitled to commence the business of banking.

Act June 3,
1864, c. 106,
sec. 17; 13
Stat. L., 104.

CERTIFICATE OF AUTHORITY TO COMMENCE BANKING TO BE ISSUED.

71. Sec. 5169.—If, upon a careful examination of the facts so reported, and of any other facts which may come to the knowledge of the Comptroller, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association, or otherwise, it appears that such association is lawfully entitled to commence the business of banking, the Comptroller shall give to such association a certificate, under his hand and official seal, that such association has complied with all the provisions required to be complied with

Act June 3,
1864, c. 106,
secs. 12, 18;
13 Stat. L.,
102, 104.

before commencing the business of banking, and that such association is authorized to commence such business. But the Comptroller may withhold from an association his certificate authorizing the commencement of business, whenever he has reason to suppose that the shareholders have formed the same for any other than the legitimate objects contemplated by this Title.

PUBLICATION OF CERTIFICATE.

Act June 3,
1864, c. 106,
sec. 18; 13
Stat. L., 104.

72. Sec. 5170.—The association shall cause the certificate issued under the preceding section to be published in some newspaper printed in the city or county where the association is located, for at least sixty days next after the issuing thereof; or, if no newspaper is published in such city or county, then in the newspaper published nearest thereto.

73. Sec. 5171.—

This section was repealed by act of July 12, 1882, and the repealing section was superseded by act of March 14, 1900, section 12, which follows.

DELIVERY OF CIRCULATING NOTES. ACT OF MARCH 14, 1900.

Act Mar. 14,
1900, c. 41,
sec. 12; 31
Stat. L., 49.

74. Sec. 12.—That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national banking associations now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: *Provided*, That nothing herein contained shall be construed to modify or repeal the provisions of section fifty-one hundred and sixty-seven of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: *And provided further*, That the circulating notes furnished to national banking associations under the provisions of this Act shall be of the denominations prescribed by law, except that no national banking association shall, after the passage of

this Act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of five dollars: *And provided further*, That the total amount of such notes issued to any such association may equal at any time but shall not exceed the amount at such time of its capital stock actually paid in: *And provided further*, That under regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the two per centum bonds issued under the provisions of this Act for any of the bonds deposited with the Treasurer to secure circulation or to secure deposits of public money; and so much of an Act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July twelfth, eighteen hundred and eighty-two, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other Acts or parts of Acts inconsistent with the provisions of this section are hereby repealed.

PRINTING DENOMINATIONS AND FORM OF THE CIRCULATING NOTES.

75. Sec. 5172 [as amended May 30, 1908].—In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, one thousand dollars, and ten thousand dollars, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they are secured by United States bonds or other securities, certified by the written or engraved signatures of the Treasurer and Register and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signature of the president or vice-president and cashier. The Comptroller of the Currency, acting under the direction of the Secretary of the Treasury, shall as soon as practicable cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal to fifty per centum of the capital stock of each national banking association; such notes to be deposited in the Treasury or in the subtreasury of the United States nearest the place of business of each asso-

Act June 3,
1864, c. 104,
sec. 22; 13
Stat. L., 105.
Act May 30,
1908, sec. 11.

ciation, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law: *Provided*, That the Comptroller of the Currency may issue national-bank notes of the present form until plates can be prepared and circulating notes issued as above provided: *Provided, however*, That in no event shall bank notes of the present form be issued to any bank as additional circulation provided for by this act."

**CHARTER NUMBER TO BE PRINTED ON NOTES. ACT
JUNE 20, 1874.**

Act June 20, 1874, c. 343, s e c . 5 ; 1 8 Stat. L., 124. **76. Sec. 5.**—That the Comptroller of the Currency shall, under such rules and regulations as the Secretary of the Treasury may prescribe, cause the charter numbers of the association to be printed upon all national-bank notes which may be hereafter issued by him.

NOTE.—Other sections of this act will be found under Revised Statutes, 5192.

**DISTINCTIVE PAPER FOR PRINTING NOTES. ACT MARCH
3, 1875.**

Act Mar. 3, 1875, c. 130, s e c . 1 ; 1 8 Stat. L., 372; sundry civil bill. **77. Sec. 1.**—* * * That the national-bank notes shall be printed under the direction of the Secretary of the Treasury, and upon the distinctive or special paper which has been, or may hereafter be, adopted by him for printing United States notes.

**PLATES AND DIES TO BE UNDER THE CONTROL OF THE
COMPTROLLER.**

Act June 3, 1864, c. 106, s e c . 4 1 ; 1 3 Stat. L., 111. **78. Sec. 5173.**—The plates and special dies to be procured by the Comptroller of the Currency for the printing of such circulating notes shall remain under his control and direction, and the expenses necessarily incurred in executing the laws respecting the procuring of such notes, and all other expenses of the Bureau of the Currency, shall be paid out of the proceeds of the taxes or duties assessed and collected on the circulation of national banking associations under this Title.

NOTE.—See act June 20, 1874, following Revised Statutes, 5192, and act July 12, 1882, following Revised Statutes, 5136, requiring banks to pay cost of their plates.

EXAMINATION OF PLATES AND DIES.

Act Mar. 3, 1873, c. 269, s e c . 4 ; 1 7 Stat. L., 603. Act Feb. 27, 1877, c. 69 ; 1 9 Stat. L., 252. **79. Sec. 5174** [as amended 1877].—The Comptroller of the Currency shall cause to be examined, each year, the plates, dies, bed pieces, and other material from which the national-bank circulation is printed, in whole or in part, and file in his office annually a correct list of the same. Such material as shall have been used in the printing of the notes of associations which are in liquidation, or have closed business, shall be destroyed, under such regulations as shall be prescribed by the Comptroller of the Currency and approved by the Secretary of the Treasury. The expenses of any such examination or destruction shall be paid out of any appropriation made by Congress for the

special examination of national banks and bank-note plates.

LIMIT TO ISSUE OF NOTES UNDER FIVE DOLLARS.

80. Sec. 5175.—Not more than one-sixth part of the notes furnished to any association shall be of a less denomination than five dollars. After specie payments are resumed no association shall be furnished with notes of a less denomination than five dollars. Act June 3, 1864, c. 106, sec. 22; 13 Stat. L., 105.

NOTE.—Specie payments were resumed January 1, 1879. (See act of March 14, 1900, section 12, following Revised Statutes, 5171, limiting the issue of five-dollar notes.)

81. Sec. 5176.—

Repealed by act July 12, 1882, which in turn was superseded by act March 14, 1900. (See section 5171.)

82. Sec. 5177.—

Repealed by act January 14, 1875.

AGGREGATE AMOUNT OF CIRCULATING NOTES NOT LIMITED. ACT JANUARY 14, 1875.

83. Sec. 3.—That section 5177 of the Revised Statutes of the United States, limiting the aggregate amount of circulating notes of national banking associations, be and is hereby repealed; and each existing banking association may increase its circulating notes in accordance with existing law without respect to said aggregate limit; and new banking associations may be organized in accordance with existing law without respect to said aggregate limit; and the provisions of law for the withdrawal and redistribution of national bank currency among the several States and Territories are hereby repealed. Act Jan. 14, 1875, sec. 3; 18 Stat. L., 296.

84. Sec. 5178.—

Superseded by act January 14, 1875.

85. Sec. 5179.—

Superseded by act January 14, 1875.

86. Sec. 5180.—

Repealed by act of January 14, 1875.

87. Sec. 5181.—

Superseded by act January 14, 1875.

FOR WHAT DEMANDS NATIONAL-BANK NOTES MAY BE RECEIVED.

88. Sec. 5182.—After any association receiving circulating notes under this Title has caused its promise to pay such notes on demand to be signed by the president or vice-president and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand, at its place of business, such association may issue and circulate the same as money. And the same shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except duties on imports; and also for all salaries and other debts and demands owing by Act June 3, 1864, c. 106, sec. 23; 13 Stat. L., 106.

the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

ISSUE OF POST NOTES, ETC., PROHIBITED.

89. Sec. 5183 [as amended 1875].—No national banking association shall issue post notes or any other notes to circulate as money than such as are authorized by the provisions of this Title.

Act June 3, 1864, c. 106, sec. 23; 13 Stat. L., 106.
Act Feb. 18, 1875, c. 80; 18 Stat. L., 320.

DESTROYING AND REPLACING WORN-OUT AND MUTILATED NOTES.

90. Sec. 5184.—It shall be the duty of the Comptroller of the Currency to receive worn-out or mutilated circulating notes issued by any banking association, and also, on due proof of the destruction of any such circulating notes, to deliver in place thereof to the association other blank circulating notes to an equal amount. Such worn-out or mutilated notes, after a memorandum has been entered in the proper books, in accordance with such regulations as may be established by the Comptroller, as well as all circulating notes which shall have been paid or surrendered to be canceled, [*shall be burned to ashes*] in presence of four persons, one to be appointed by the Secretary of the Treasury, one by the Comptroller of the Currency, one by the Treasurer of the United States, and one by the association, under such regulations as the Secretary of the Treasury may prescribe. A certificate of [*such burning,*] signed by the parties so appointed, shall be made in the books of the Comptroller, and a duplicate thereof forwarded to the association whose notes are thus canceled.

NOTE.—Act June 23, 1874, provides for maceration in place of burning.

MACERATION OF NATIONAL BANK NOTES. ACT JUNE 23, 1874.

91. * * * For the maceration of national bank notes * * * ; and that all such issues hereafter destroyed may be destroyed by maceration instead of burning to ashes, as now provided by law; and that so much of sections twenty-four and forty-three of the national currency act as requires national bank notes to be burned to ashes is hereby repealed; that the pulp from such macerated issue shall be disposed of only under the direction of the Secretary of the Treasury.

Provision in sundry civil appropriation act, June 23, 1874; 18 Stat. L., 206.

ORGANIZATION OF ASSOCIATIONS TO ISSUE GOLD NOTES.

92. Sec. 5185 [as amended 1875].—Associations may be organized in the manner prescribed by this Title for the purpose of issuing notes payable in gold; and upon the deposit of any United States bonds bearing interest payable in gold with the Treasurer of the United States, in the manner prescribed for other associations, it shall be

Act July 12, 1870, c. 282, sec. 3; 16 Stat. L., 252.
Act Jan. 10, 1875, c. 19; 18 Stat. L., 302.

lawful for the Comptroller of the Currency to issue to the association making the deposit circulating notes of different denominations, but none of them of less than five dollars, and not exceeding in amount eighty per centum of the par value of the bonds deposited, which shall express the promise of the association to pay them, upon presentation at the office at which they are issued, in gold coin of the United States, and shall be so redeemable.

RESERVE REQUIREMENTS FOR GOLD BANKS.

93. Sec. 5186.—Every association organized under the preceding section shall at all times keep on hand not less than twenty-five per centum of its outstanding circulation, in gold or silver coin of the United States; and shall receive at par in the payment of debts the gold notes of every other such association which at the time of such payment is redeeming its circulating notes in gold coin of the United States, and shall be subject to all the provisions of this Title: *Provided*, That, in applying the same to associations organized for issuing gold notes, the terms “lawful money” and “lawful money of the United States” shall be construed to mean gold or silver coin of the United States; and the circulation of such association shall not be within the limitation of circulation mentioned in this Title.

Act July 12,
1870, c. 282,
secs. 3-5; 16
Stat. L., 252,
253.

CONVERSION OF NATIONAL GOLD BANKS INTO CURRENCY BANKS. ACT FEBRUARY 14, 1880.

94. That any national gold bank organized under the provisions of the laws of the United States, may, in the manner and subject to the provisions prescribed by section fifty-one hundred and fifty-four of the Revised Statutes of the United States, for the conversion of banks incorporated under the laws of any State, cease to be a gold bank, and become such an association as is authorized by section fifty-one hundred and thirty-three, for carrying on the business of banking, and shall have the same powers and privileges, and shall be subject to the same duties, responsibilities, and rules, in all respects, as are by law prescribed for such associations: *Provided*, That all certificates of organization which shall be issued under this act shall bear the date of the original organization of each bank respectively as a gold bank.

Act Feb. 14,
1880, c. 25; 21
Stat. L., 86.

PENALTY FOR ISSUING CIRCULATING NOTES TO UNAUTHORIZED ASSOCIATIONS.

95. Sec. 5187.—No officer acting under the provisions of this Title shall countersign or deliver to any association, or to any other company or person, any circulating notes contemplated by this Title, except in accordance with the true intent and meaning of its provisions. Every officer who violates this section shall be deemed guilty of a high misdemeanor, and shall be fined not more than double the

Act June 3,
1864, c. 106,
sec. 27; 13
Stat. L., 107.

amount so countersigned and delivered, and imprisoned not less than one year and not more than fifteen years.

PENALTY FOR IMITATING BANK CIRCULATION. USE OF SAME FOR ADVERTISING PURPOSES.

Act Feb. 5,
1867, c. 26,
sec. 2; 14
Stat. L., 383.

96. Sec. 5188.—It shall not be lawful to design, engrave, print, or in any manner make or execute, or to utter, issue, distribute, circulate, or use, any business or professional card, notice, placard, circular, handbill, or advertisement, in the likeness or similitude of any circulating note or other obligation or security of any banking association organized or acting under the laws of the United States which has been or may be issued under this Title, or any act of Congress, or to write, print, or otherwise impress upon any such note, obligation, or security any business or professional card, notice, or advertisement, or any notice or advertisement of any matter or thing whatever. Every person who violates this section shall be liable to a penalty of one hundred dollars, recoverable one-half to the use of the informer.

PENALTY FOR MUTILATING CIRCULATION.

Act June 3,
1864, c. 106,
sec. 58; 13
Stat. L., 117.

97. Sec. 5189.—Every person who mutilates, cuts, defaces, disfigures, or perforates with holes, or unites or cements together, or does any other thing to any bank bill, draft, note, or other evidence of debt, issued by any national banking association, or who causes or procures the same to be done, with intent to render such bank bill, draft, note, or other evidence of debt unfit to be reissued by said association, shall be liable to a penalty of fifty dollars, recoverable by the association.

ACT MAY 30, 1908, AUTHORIZING NATIONAL CURRENCY ASSOCIATIONS, THE ISSUE OF ADDITIONAL NATIONAL-BANK CIRCULATION, AND CREATING A NATIONAL MONETARY COMMISSION.

FORMATION OF NATIONAL CURRENCY ASSOCIATIONS—WHAT BANKS ELIGIBLE—MANNER OF FORMING—ASSOCIATION TO BE BODY CORPORATE AND EXERCISE POWERS AS SUCH—BUT ONE ASSOCIATION IN ANY CITY—MEMBERS OF ASSOCIATION TO BE TAKEN AS NEARLY AS CONVENIENT FROM STATE, PART OF STATE, OR CONTIGUOUS PARTS OF ONE OR MORE STATES—OFFICERS, HOW SELECTED—POWERS OF OFFICERS AND EXECUTIVE COMMITTEE—BY-LAWS TO BE APPROVED BY THE SECRETARY OF THE TREASURY.

Act May 30,
1908, sec. 1.

98. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That national banking associations, each having an unimpaired capital and a surplus of not less than twenty per centum, not less than ten in number, having

an aggregate capital and surplus of at least five millions of dollars, may form voluntary associations to be designated as national currency associations. The banks uniting to form such association shall, by their presidents or vice-presidents, acting under authority from the board of directors, make and file with the Secretary of the Treasury a certificate setting for the names of the banks composing the association, the principal place of business of the association, and the name of the association, which name shall be subject to the approval of the Secretary of the Treasury. Upon the filing of such certificate the associated banks therein named shall become a body corporate, and by the name so designated and approved may sue and be sued and exercise the powers of a body corporate for the purposes hereinafter mentioned: *Provided*, That not more than one such national currency association shall be formed in any city: *Provided further*, That the several members of such national currency association shall be taken, as nearly as conveniently may be, from a territory composed of a State or part of a State, or contiguous parts of one or more States: *And provided further*, That any national bank in such city or territory, having the qualifications herein prescribed for membership in such national currency association, shall, upon its application to and upon the approval of the Secretary of the Treasury, be admitted to membership in a national currency association for that city or territory, and upon such admission shall be deemed and held a part of the body corporate, and as such entitled to all the rights and privileges and subject to all the liabilities of an original member: *And provided further*, That each national currency association shall be composed exclusively of banks not members of any other national currency association.

The dissolution, voluntary or otherwise, of any bank in such association shall not affect the corporate existence of the association unless there shall then remain less than the minimum number of ten banks: *Provided, however*, That the reduction of the number of said banks below the minimum of ten shall not affect the existence of the corporation with respect to the assertion of all rights in favor of or against such association. The affairs of the association shall be managed by a board consisting of one representative from each bank. By-laws for the government of the association shall be made by the board, subject to the approval of the Secretary of the Treasury. A president, vice-president, secretary, treasurer, and an executive committee of not less than five members, shall be elected by the board. The powers of such board, except in the election of officers and making of by-laws, may be exercised through its executive committee.

CONDITIONS UNDER WHICH BANKS BELONGING TO NATIONAL CURRENCY ASSOCIATIONS MAY TAKE OUT ADDITIONAL CIRCULATION—AMOUNT LIMITED TO SEVENTY-FIVE PER CENT OF THE CASH VALUE OF THE SECURITIES AND COMMERCIAL PAPER DEPOSITED—ISSUE OF ADDITIONAL CIRCULATION ON DEPOSIT OF STATE, CITY, TOWN, COUNTY, OR MUNICIPAL BONDS AUTHORIZED TO EXTENT OF NINETY PER CENT OF THEIR MARKET VALUE—THE BANKS AND ASSETS OF ALL BANKS MEMBERS OF SAID ASSOCIATION JOINTLY AND SEVERALLY LIABLE TO THE UNITED STATES FOR THE REDEMPTION OF SUCH ADDITIONAL CIRCULATION—LIEN OF UNITED STATES UNDER SECTION 5230, REVISED STATUTES, EXTENDED TO COVER ASSETS OF ALL BANKS BELONGING TO THE ASSOCIATION—REQUIREMENT OF ADDITIONAL SECURITIES—WHEN ASSOCIATION MAY SELL SECURITIES DEPOSITED WITH IT.

99. The national currency association herein provided for shall have and exercise any and all powers necessary to carry out the purposes of this section, namely, to render available, under the direction and control of the Secretary of the Treasury, as a basis for additional circulation any securities, including commercial paper, held by a national banking association. For the purpose of obtaining such additional circulation, any bank belonging to any national currency association, having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than forty per centum of its capital stock, and which has its capital unimpaired and a surplus of not less than twenty per centum, may deposit with and transfer to the association, in trust for the United States, for the purpose herein-after provided, such of the securities above mentioned as may be satisfactory to the board of the association. The officers of the association may thereupon, in behalf of such bank make application to the Comptroller of the Currency for an issue of additional circulating notes to an amount not exceeding seventy-five per centum of the cash value of the securities or commercial paper so deposited. The Comptroller of the Currency shall immediately transmit such application to the Secretary of the Treasury with such recommendation as he thinks proper, and if, in the judgment of the Secretary of the Treasury, business conditions in the locality demand additional circulation, and if he be satisfied with the character and value of the securities proposed and that a lien in favor of the United States on the securities so deposited and on the assets of the banks composing the association will be amply sufficient for the protection of the United States, he may direct an issue of additional circulating notes to the association, on behalf of such bank, to an

Act May 30,
1908, sec. 1.

amount in his discretion, not, however, exceeding seventy-five per centum of the cash value of the securities so deposited: *Provided*, That upon the deposit of any of the State, city, town, county, or other municipal bonds, of a character described in section three of this act, circulating notes may be issued to the extent of not exceeding ninety per centum of the market value of such bonds so deposited: *And provided further*, That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of thirty per centum of its unimpaired capital and surplus. The term "commercial paper" shall be held to include only notes representing actual commercial transactions, which when accepted by the association shall bear the names of at least two responsible parties and have not exceeding four months to run.

The banks and the assets of all banks belonging to the association shall be jointly and severally liable to the United States for the redemption of such additional circulation; and to secure such liability the lien created by section fifty-two hundred and thirty of the Revised Statutes shall extend to and cover the assets of all banks belonging to the association, and to the securities deposited by the banks with the association pursuant to the provisions of this act; but as between the several banks composing such association each bank shall be liable only in the proportion that its capital and surplus bears to the aggregate capital and surplus of all such banks. The association may, at any time, require of any of its constituent banks a deposit of additional securities or commercial paper, or an exchange of the securities already on deposit, to secure such additional circulation; and in case of the failure of such bank to make such deposit or exchange the association may, after ten days' notice to the bank, sell the securities and paper already in its hands at public sale, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of such additional circulation. If such fund be insufficient for that purpose the association may recover from the bank the amount of the deficiency by suit in the circuit court of the United States, and shall have the benefit of the lien hereinbefore provided for in favor of the United States upon the assets of such bank. The association or the Secretary of the Treasury may permit or require the withdrawal of any such securities or commercial paper and the substitution of other securities or commercial paper of equal value therefor.

REDEMPTION FUND BELOW REQUIREMENT. DUTY OF TREASURER OF UNITED STATES.

100. Sec. 2.—That whenever any bank belonging to a national currency association shall fail to preserve or make good its redemption fund in the Treasury of the United States, required by section three of the Act of Act May 30, 1908, sec. 2.

June twentieth, eighteen hundred and seventy-four, chapter three hundred and forty-three, and the provisions of this Act, the Treasurer of the United States shall notify such national currency association to make good such redemption fund, and upon the failure of such national currency association to make good such fund, the Treasurer of the United States may, in his discretion, apply so much of the redemption fund belonging to the other banks composing such national currency association as may be necessary for that purpose; and such national currency association may, after five days' notice to such bank, proceed to sell at public sale the securities deposited by such bank with the association pursuant to the provisions of section one of this Act, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of the additional circulation taken out by such bank under this Act.

WHAT NATIONAL BANKS MAY APPLY FOR AUTHORITY TO ISSUE ADDITIONAL CIRCULATION ON BONDS OTHER THAN UNITED STATES BONDS. WHAT BONDS WILL BE ACCEPTED FOR SUCH ADDITIONAL CIRCULATION.

Act May 30,
1908, sec. 3.

101. Sec. 3.—That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds to an amount of not less than forty per centum of its capital stock, and which has a surplus of not less than twenty per centum, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency shall transmit immediately the application, with his recommendation, to the Secretary of the Treasury, who shall, if in his judgment business conditions in the locality demand additional circulation, approve the same, and shall determine the time of issue and fix the amount, within the limitations herein imposed, of the additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any assistant treasurer of the United States such of the bonds described in this section as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as provided by law, not exceeding in amount ninety per centum of the market value, but not in excess of the par value of any bonds so deposited, such market value to be ascertained and determined under the direction of the Secretary of the Treasury.

The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept as security

for the additional circulating notes provided for in this section, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued by any city, town, county, or other legally constituted municipality or district in the United States which has been in existence for a period of ten years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net funded indebtedness does not exceed ten per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes. The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept, for the purposes of this section, securities herein enumerated in such proportions as he may from time to time determine, and he may with such approval at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

LEGAL TITLE OF BONDS DEPOSITED TO SECURE ADDITIONAL CIRCULATION. ASSIGNMENT OF BONDS BY TREASURER TO BE COUNTERSIGNED BY THE COMPTROLLER OF THE CURRENCY.

102: Sec. 4.—That the legal title of all bonds, whether coupon or registered, deposited to secure circulating notes issued in accordance with the terms of section three of this Act shall be transferred to the Treasurer of the United States in trust for the association depositing them, under regulations to be prescribed by the Secretary of the Treasury. A receipt shall be given to the association by the Treasurer or any assistant treasurer of the United States, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections fifty-one hundred and sixty-three, fifty-one hundred and sixty-four, fifty-one hundred and sixty-five, fifty-one hundred and sixty-six, and fifty-one hundred and sixty-seven and sections fifty-two hundred and twenty-four to fifty-two hundred and thirty-four, inclusive, of the Revised Statutes respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of section three of this Act.

Act May 30,
1908, sec. 4.

ADDITIONAL CIRCULATION, HOW TREATED. LIMIT TO AMOUNT OF CIRCULATION ISSUED TO EACH BANK. LIMIT TO TOTAL AMOUNT OUTSTANDING UNDER THIS ACT.

Act May 30,
1908, sec. 5.

103. Sec. 5.—That the additional circulating notes issued under this Act shall be used, held, and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes except as herein expressly modified: *Provided*, That the total amount of circulating notes outstanding of any national banking association, including notes secured by United States bonds as now provided by law, and notes secured otherwise than by deposit of such bonds, shall not at any time exceed the amount of its unimpaired capital and surplus: *And provided further*, That there shall not be outstanding at any time circulating notes issued under the provisions of this Act to an amount of more than five hundred millions of dollars.

AMOUNT OF REDEMPTION FUND.

Act May 30,
1908, sec. 6.

104. Sec. 6.—That whenever and so long as any national banking association has outstanding any of the additional circulating notes authorized to be issued by the provisions of this Act it shall keep on deposit in the Treasury of the United States, in addition to the redemption fund required by section three of the Act of June twentieth, eighteen hundred and seventy-four, an additional sum equal to five per centum of such additional circulation at any time outstanding, such additional five per centum to be treated, held, and used in all respects in the same manner as the original redemption fund provided for by said section three of the Act of June twentieth, eighteen hundred and seventy-four.

EQUITABLE DISTRIBUTION OF NOTES.

Act May 30,
1908, sec. 7.

105. Sec. 7.—In order that the distribution of notes to be issued under the provisions of this Act shall be made as equitable as practicable between the various sections of the country, the Secretary of the Treasury shall not approve applications from associations in any State in excess of the amount to which such State would be entitled of the additional notes herein authorized on the basis of the proportion which the unimpaired capital and surplus of the national banking associations in such State bears to the total amount of unimpaired capital and surplus of the national banking associations of the United States: *Provided, however*, That in case the applications from associations in any State shall not be equal to the amount which the associations of such State would be entitled to under this method of distribution, the Secretary of the Treasury may, in his discretion, to meet an emergency, assign the amount not thus applied

for to any applying association or associations in States in the same section of the country.

SECRETARY OF THE TREASURY TO FURNISH INFORMATION AS TO THE VALUE AND CHARACTER OF SECURITIES.

106. Sec. 8.—That it shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this Act, and he shall from time to time furnish information to national banking associations as to such securities as would be acceptable under the provisions of this Act. Act May 30,
1908, sec. 8.

107. Sec. 9.—

Amends section 5214, Revised Statutes.

108. Sec. 10.—

Amends section 9 of act approved July 12, 1882, as amended by act approved March 4, 1907, inserted after section 5167, page 34, ante.

109. Sec. 11.—

Amends section 5172, Revised Statutes.

CIRCULATING NOTES TO BE REDEEMED IN LAWFUL MONEY OF THE UNITED STATES.

110. Sec. 12.—That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in section three of the Act approved June twentieth, eighteen hundred and seventy-four, shall be redeemed in lawful money of the United States. Act May 30,
1908, sec. 12.

ALL ACTS OF THE COMPTROLLER OF THE CURRENCY AND TREASURER OF THE UNITED STATES UNDER THIS ACT TO BE APPROVED BY THE SECRETARY OF THE TREASURY.

111. Sec. 13.—That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this Act shall have the approval of the Secretary of the Treasury who shall have power, also, to make any such rules and regulations and exercise such control over the organization and management of national currency associations as may be necessary to carry out the purposes of this Act. Act May 30,
1908, sec. 13.

112. Sec. 14.—

Is amendatory of section 5191, Revised Statutes, and is inserted on page 53, post.

113. Sec. 15.—

Relates to deposits of public money and interest thereon and is inserted after section 5153, Revised Statutes.

EXPENSES OF ACT.

114. Sec. 16.—That a sum sufficient to carry out the purposes of the preceding sections of this Act is hereby appropriated out of any money in the Treasury not otherwise appropriated. Act May 30,
1908, sec. 16.

APPOINTMENT OF MONETARY COMMISSION.

Act May 30,
1908, sec. 17.

115. Sec. 17.—That a Commission is hereby created, to be called the "National Monetary Commission," to be composed of nine members of the Senate, to be appointed by the Presiding Officer thereof, and nine members of the House of Representatives, to be appointed by the Speaker thereof; and any vacancy on the Commission shall be filled in the same manner as the original appointment.

POWERS OF COMMISSION. COMMISSION TO REPORT TO CONGRESS.

Act May 30,
1908, sec. 18.

116. Sec. 18.—That it shall be the duty of this Commission to inquire into and report to Congress at the earliest date practicable, what changes are necessary or desirable in the monetary system of the United States or in the laws relating to banking and currency, and for this purpose they are authorized to sit during the sessions or recess of Congress, at such times and places as they may deem desirable, to send for persons and papers, to administer oaths, to summons and compel the attendance of witnesses, and to employ a disbursing officer and such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said Commission was created. The Commission shall have the power, through subcommittee or otherwise, to examine witnesses and to make such investigations and examinations, in this or other countries, of the subjects committed to their charge as they shall deem necessary.

EXPENSES OF COMMISSION.

Act May 30,
1908, sec. 19.

117. Sec. 19.—That a sum sufficient to carry out the purposes of sections seventeen and eighteen of this Act, and to pay the necessary expenses of the Commission and its members, is hereby appropriated, out of any money in the Treasury not otherwise appropriated. Said appropriation shall be immediately available and shall be paid out on the audit and order of the chairman or acting chairman of said Commission, which audit and order shall be conclusive and binding upon all Departments as to the correctness of the accounts of such Commission.

WHEN ACT EXPIRES BY LIMITATION.

Act May 30,
1908, sec. 20.

118. Sec. 20.—That this Act shall expire by limitation on the thirtieth day of June, nineteen hundred and fourteen.

CHAPTER IV.

REGULATION OF THE BANKING BUSINESS.

119. 5190. Place of business.
120. 5191. Reserve cities and reserve requirements.
121. 5192. What may be counted as reserve.
122. Act June 30, 1874. Lawful money reserve to be determined by deposits.
123. Act May 30, 1908. No reserve need be held against deposits of public money.
124. Act June 30, 1874. Provisions for redeeming circulation. Five per cent redemption fund.
125. Act March 3, 1875. Clerical force for redemption of circulating notes.
126. Act March 3, 1887, as amended March 3, 1903. Additional reserve cities.
127. Act July 14, 1890. Disposition of redemption account.
128. Act July 28, 1892. Redemption of lost or stolen notes and of notes not properly signed.
129. 5193. Repealed by act March 14, 1900.
130. 5194. Superseded by repeal of section 5193.
131. 5195. Place for redemption of circulating notes to be designated.
132. Act June 20, 1874. National banks not required or permitted to redeem their circulating notes elsewhere than at their own counters or at the Treasury of the United States.
133. Act March 3, 1887. Additional central reserve cities.
134. 5196. National banks to take notes of other national banks at par.
135. 5197. Limitation upon rate of interest which may be taken.
136. 5198. Penalty for taking unlawful interest. Jurisdiction of suits by or against national banks.
137. 5199. Dividends.
138. 5200. Limitation of liabilities which may be incurred by any one person, company, etc.
139. 5201. Associations must not loan on or purchase their own stock.
140. 5202. Restriction on bank's indebtedness.
141. 5203. Restriction upon use of circulating notes.
142. 5204. Prohibition upon withdrawal of capital. Unearned dividends prohibited.
143. 5205. Assessment for failure to pay up capital stock or for impairment of capital.
144. 5206. Prohibition against uncurrent notes.
145. 5207. United States notes not to be held as collateral.
146. Act July 12, 1882. Issue of gold certificates.
147. 5208. Penalty for falsely certifying checks.
148. Act July 12, 1882. Punishment for falsely certifying checks.
149. 5209. Penalty for embezzlement, abstraction, willful misapplication, false entries, etc.
150. Act January 26, 1907. National banks not permitted to make contributions in connection with election to political office.
151. 5210. List of shareholders.
152. 5211. Reports to Comptroller of the Currency.
153. Act February 26, 1881. Verification of reports.
154. 5212. Report of dividends.
155. 5213. Penalty for failure to make reports.
156. 5214. Taxes payable to the United States.
157. 5215. Half-yearly return of circulation [*deposits and capital stock*].
158. 5216. Penalty for failure to make return.
159. 5217. Enforcing tax on circulation.
160. 5218. Refunding excess tax.
161. Act March 1, 1879. No tax to be paid by insolvent banks.
162. 5219. State taxation.

PLACE OF BUSINESS.

Act June 3,
1864, c. 106,
sec. 8; 13
Stat. L., 101.

119. Sec. 5190.—The usual business of each national banking association shall be transacted at an office or banking house located in the place specified in its organization certificate.

NOTE.—See act May 1, 1886, following Revised Statutes, 5136, in reference to change in place of business.

RESERVE CITIES AND RESERVE REQUIREMENTS.

Act June 3,
1864, c. 106,
sec. 31; 13
Stat. L., 108.
Act Mar. 1,
1872, c. 22; 17
Stat. L., 32.

120. Sec. 5191.—Every national banking association in either of the following cities: Albany, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Detroit, Louisville, Milwaukee, New Orleans, New York, Philadelphia, Pittsburgh, St. Louis, San Francisco, and Washington, shall at all times have on hand, in lawful money of the United States, an amount equal to at least twenty-five per centum of the aggregate amount of [*its notes in circulation and*] its deposits; and every other association shall at all times have on hand, in lawful money of the United States, an amount equal to at least fifteen per centum of the aggregate amount [*of its notes in circulation and*] of its deposits. Whenever the lawful money of any association in any of the cities named shall be below the amount of twenty-five per centum of its [*circulation and*] deposits, and whenever the lawful money of any other association shall be below fifteen per centum of its [*circulation and*] deposits, such association shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required proportion, between the aggregate amount of its [*outstanding notes of circulation and*] deposits and its lawful money of the United States, has been restored. And the Comptroller of the Currency may notify any association, whose lawful money reserve shall be below the amount above required to be kept on hand, to make good such reserve; and if such association shall fail for thirty days thereafter so to make good its reserve of lawful money, the Comptroller may, with the concurrence of the Secretary of the Treasury, appoint a receiver to wind up the business of the association, as provided in section fifty-two hundred and thirty-four.

NOTE.—This section is amended by the act of June 20, 1874, section 2, which provides that no reserve need be held against circulation. Said act follows section 5192. Act of March 3, 1903, amending act of March 3, 1887, providing for additional reserve cities, follows section 5192. Provisions relating to redemption of circulating notes, acts June 20, 1874, March 3, 1875, and July 14, 1890, follow Revised Statutes, 5192. Provisions relating to redemption of old notes of banks extending their corporate existence, act July 12, 1882, follows Revised Statutes, 5136. Leavenworth, Kansas, was included as a reserve city in the original act, but was struck out March 1, 1872. Words "lawful money" construed by Attorney-General as including all that is legal tender. Opin. Atty. Gen'l 17: 123.

WHAT MAY BE COUNTED AS RESERVE.

121. Sec. 5192.—Three-fifths of the reserve of fifteen per centum required by the preceding section to be kept, may consist of balances due to an association, available for the redemption of its circulating notes, from associations approved by the Comptroller of the Currency, organized under the act of June three, eighteen hundred and sixty-four, or under this Title, and doing business in the cities of Albany, Baltimore, Boston, Charleston, Chicago, Cincinnati, Cleveland, Detroit, Louisville, Milwaukee, New Orleans, New York, Philadelphia, Pittsburg, Richmond, Saint Louis, San Francisco, and Washington. Clearing-house certificates, representing specie or lawful money specially deposited for the purpose, of any clearing-house association, shall also be deemed to be lawful money in the possession of any association belonging to such clearing-house, holding and owning such certificate, within the preceding section.

Act June 3,
1864, c. 106,
sec. 31; 13
Stat. L., 108.
Act Mar. 1,
1872, c. 22; 17
Stat. L., 32.

NOTE.—Leavenworth, Kansas, was included as a reserve city in the original act, but was struck out March 1, 1872. Charleston and Richmond not being included in the list of reserve cities enumerated in section 5191, the banks of which are required to hold a reserve of twenty-five per centum of their net deposits, the Comptroller of the Currency has never approved any banks in said cities as reserve agents.

LAWFUL MONEY RESERVE TO BE DETERMINED BY DEPOSITS. ACT JUNE 20, 1874.

122. Sec. 2.—That section thirty-one of "the national-bank act" be so amended that the several associations therein provided for shall not hereafter be required to keep on hand any amount of money whatever, by reason of the amount of their respective circulations; but the moneys required by said section to be kept at all times on hand shall be determined by the amount of deposits in all respects, as provided for in the said section.

Act June 20,
1874, c. 343,
sec. 2; 18
Stat. L., 123.

NOTE.—Section 31 of "the national-bank act" is incorporated in sections 5191, 5192, Revised Statutes. Section 1 of act June 20, 1874, precedes section 5133, Revised Statutes.

NO RESERVE NEED BE HELD AGAINST DEPOSITS OF PUBLIC MONEY. ACT MAY 30, 1908.

123. Sec. 14.—That the provisions of section fifty-one hundred and ninety-one of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositories.

Act May 30,
1908, sec. 14.

PROVISIONS FOR REDEEMING CIRCULATION. FIVE PER CENT REDEMPTION FUND. ACT JUNE 20, 1874.

124. Sec. 3.—That every association organized, or to be organized, under the provisions of the said act, and of the several acts amendatory thereof, shall at all times keep and have on deposit in the Treasury of the United States, in lawful money of the United States, a sum equal to five per centum of its circulation, to be held and used for the

Act June 20,
1874, c. 343,
sec. 3; 18
Stat. L., 123.

redemption of such circulation; which sum shall be counted as a part of its lawful reserve, as provided in section two of this act; and when the circulating notes of any such associations, assorted or unassorted, shall be presented for redemption, in sums of one thousand dollars, or any multiple thereof, to the Treasurer of the United States, the same shall be redeemed in [*United States notes*]. All notes so redeemed shall be charged by the Treasurer of the United States to the respective associations issuing the same, and he shall notify them severally, on the first day of each month, or oftener, at his discretion, of the amount of such redemptions; and whenever such redemptions for any association shall amount to the sum of five hundred dollars, such association so notified shall forthwith deposit with the Treasurer of the United States a sum in United States notes equal to the amount of its circulating notes so redeemed. And all notes of national banks, worn, defaced, mutilated, or otherwise unfit for circulation, shall, when received by any assistant treasurer, or at any designated depository of the United States, be forwarded to the Treasurer of the United States for redemption as provided herein. And when such redemptions have been so reimbursed, the circulating notes so redeemed shall be forwarded to the respective associations by which they were issued; but if any of such notes are worn, mutilated, defaced, or rendered otherwise unfit for use, they shall be forwarded to the Comptroller of the Currency and destroyed and replaced as now provided by law: *Provided*, That each of said associations shall reimburse to the Treasury the charges for transportation and the costs for assorting such notes; and the associations hereafter organized shall also severally reimburse to the Treasury the cost of engraving such plates as shall be ordered by each association respectively; and the amount assessed upon each association shall be in proportion to the circulation redeemed, and be charged to the fund on deposit with the Treasurer: *And provided further*, That so much of section thirty-two of said national-bank act requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this section, is hereby repealed.

NOTE.—Section 12 of act of May 30, 1908, provides that notes of national banking associations shall be redeemed in lawful money of the United States. (See said section 12, page 49, ante.)

Section 32 of national-bank act is section 5195, Revised Statutes.

Other sections of act of June 20, 1874.

Section 1 precedes Revised Statutes, 5133.

Section 2. See paragraph 122, page 53, ante.

Section 4 follows Revised Statutes, 5167.

Section 5 follows Revised Statutes, 5172.

Section 6 relates to United States notes only.

Sections 7-9 superseded by act of January 14, 1875, which follows Revised Statutes, 5177.

CLERICAL FORCE FOR REDEMPTION OF CIRCULATING NOTES. ACT MARCH 3, 1875.

125. That to carry into effect the provisions of section three of the act entitled "An act fixing the amount of United States notes, providing for a redistribution of the national-bank currency, and for other purposes," approved June twentieth, eighteen hundred and seventy-four, the Secretary of the Treasury is authorized to appoint the following force, to be employed under his direction, namely: In the Office of the Treasurer: * * * In the Office of the Comptroller of the Currency * * * And at the end of each month, the Secretary of the Treasury shall reimburse the Treasury to the full amount paid out under the provisions of this section by transfer of said amount from the deposit of the national banking association with the Treasury of the United States; and at the end of each fiscal year he shall transfer from said deposit to the Treasury of the United States such sum as may have been actually expended under his direction for stationery, rent, fuel, light, and other necessary incidental expenses which have been incurred in carrying into effect the provisions of the said section of the above-named act.

Act Mar. 3, 1875; 18 Stat. L., 399; part of the sundry civil appropriation act.

ADDITIONAL RESERVE CITIES. ACT OF MARCH 3, 1903, AMENDING ACT OF MARCH 3, 1887.

126. Sec. 1.—That whenever three-fourths in number of the national banks located in any city of the United States having a population of twenty-five thousand people shall make application to the Comptroller of the Currency, in writing, asking that the name of the city in which such banks are located shall be added to the cities named in sections fifty-one hundred and ninety-one and fifty-one hundred and ninety-two of the Revised Statutes, the Comptroller shall have authority to grant such request, and every bank located in such city shall at all times thereafter have on hand, in lawful money of the United States, an amount equal to at least twenty-five per centum of its deposits, as provided in sections fifty-one hundred and ninety-one and fifty-one hundred and ninety-five of the Revised Statutes.

Act Mar. 3, 1887, sec. 1; 24 Stat. L., 559.
Act Mar. 3, 1903, sec. 1; 32 Stat. L., 1223.

DISPOSITION OF REDEMPTION ACCOUNT. ACT JULY 14, 1890.

127. Sec. 6.—That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate

Act July 14, 1890, c. 708, sec. 6; 26 Stat. L., 289.

of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as "national-bank notes; Redemption account," but the provisions of this act shall not apply to the deposits received under section three of the act of June twentieth, eighteen hundred and seventy-four, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to five per centum of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

NOTE.—The other sections of this act relate to the purchase of silver bullion and issue of Treasury notes.

REDEMPTION OF LOST OR STOLEN NOTES, AND OF NOTES NOT PROPERLY SIGNED. ACT JULY 28, 1892.

Act July 28,
1892, c. 217;
27 Stat. L.,
322.

128. That the provisions of the Revised Statutes of the United States, providing for the redemption of national-bank notes, shall apply to all national-bank notes that have been or may be issued to, or received by, any national bank, notwithstanding such notes may have been lost by or stolen from the bank and put in circulation without the signature or upon the forged signature of the president or vice-president and cashier.

129. Sec. 5193.—

Repealed March 14, 1900.

NOTE.—This section as enacted June 8, 1872 (17 Stat. L., 337), authorized the Secretary of the Treasury to receive on deposit from national banking associations United States notes in sums of not less than ten thousand dollars and to issue certificates therefor payable on demand in denominations of not less than five thousand dollars. This was repealed by act March 14, 1900, section 6, page 97, post, which provides for issue of gold certificates payable to order in denominations of ten thousand dollars.

130. Sec. 5194.—

Dependent on 5193 and superseded by its repeal.

PLACE FOR REDEMPTION OF CIRCULATING NOTES TO BE DESIGNATED.

Act June 3,
1864, c. 106,
sec. 32; 13
Stat. L., 109.

131. Sec. 5195.—Each association organized in any of the cities named in section fifty-one hundred and ninety-one shall select, subject to the approval of the Comptroller of the Currency, an association in the city of New York, [*at which it will redeem its circulating notes at par;*] and may keep one-half of its lawful money reserve in cash deposits in the city of New York. [*But the foregoing provision shall not apply to associations organized and located in the city of San Francisco for the purpose*

of issuing notes payable in gold. Each association not organized within the cities named shall select, subject to the approval of the Comptroller, an association in either of the cities named, at which it will redeem its circulating notes at par.] The Comptroller shall give public notice of the names of the associations selected [*at which redemptions are to be made by the respective associations*], and of any change that may be made of the association [*at which the notes of any association are redeemed. Whenever any association fails either to make the selection or to redeem its notes as aforesaid, the Comptroller of the Currency may upon receiving satisfactory evidence thereof appoint a receiver, in the manner provided for in section fifty-two hundred and thirty-four, to wind up its affairs.*] But this section shall not relieve any association from its liability to redeem its circulating notes at its own counter, at par, in lawful money on demand.

NOTE.—Italicized words repealed by act June 20, 1874.

NATIONAL BANKS NOT REQUIRED OR PERMITTED TO REDEEM THEIR CIRCULATING NOTES ELSEWHERE THAN AT THEIR OWN COUNTERS. ACT JUNE 20, 1874.

132. Sec. 3.—* * * *And provided further,* That so much of section thirty-two (section 5195, Revised Statutes) of said national-bank act requiring or permitting the redemption of its circulating notes elsewhere than at its own counter, except as provided for in this section, is hereby repealed. Act June 20, 1874, c. 343, sec. 3; Stat. L., 123.

NOTE.—Section 3, act of June 20, 1874, is set forth in full after Revised Statutes, 5192.

ADDITIONAL CENTRAL RESERVE CITIES. ACT MARCH 3, 1887.

133. Sec. 2.—That whenever three-fourths in number of the national banks located in any city of the United States having a population of two hundred thousand people shall make application to the Comptroller of the Currency, in writing, asking that such city may be a central reserve city, like the city of New York, in which one-half of the lawful-money reserve of the national banks located in other reserve cities may be deposited, as provided in section fifty-one hundred and ninety-five of the Revised Statutes, the Comptroller shall have authority, with the approval of the Secretary of the Treasury, to grant such request, and every bank located in such city shall at all times thereafter have on hand, in lawful money of the United States, twenty-five per centum of its deposits, as provided in section fifty-one hundred and ninety-one of the Revised Statutes. Act Mar. 3, 1887, c. 378, sec. 2; Stat. L., 560.

NOTE.—Other sections of act March 3, 1887:

Section 1, relating to additional reserve cities as amended by act of March 3, 1903, follows Revised Statutes, section 5192.

Section 3 of this act relates to redemption of legal-tender notes.

NATIONAL BANKS TO TAKE NOTES OF OTHER NATIONAL BANKS AT PAR.

134. Sec. 5196.—Every national banking association formed or existing under this Title, shall take and receive at par, for any debt or liability to it, any and all notes or bills issued by any lawfully organized national banking association. But this provision shall not apply to any association organized for the purpose of issuing notes payable in gold.

Act June 3,
1864, c. 106;
sec. 32; 13
Stat. L., 109.

Act July 12,
1870, c. 282;
sec. 5; 16
Stat. L., 253.

LIMITATION UPON RATE OF INTEREST WHICH MAY BE TAKEN.

135. Sec. 5197.—Any association may take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State, Territory, or District where the bank is located, and no more, except that where by the laws of any State a different rate is limited for banks of issue organized under State laws, the rate so limited shall be allowed for associations organized or existing in any such State under this Title. When no rate is fixed by the laws of the State, or Territory, or District, the bank may take, receive, reserve, or charge a rate not exceeding seven per centum, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run. And the purchase, discount, or sale of a bona fide bill of exchange, payable at another place than the place of such purchase, discount, or sale, at not more than the current rate of exchange for sight drafts in addition to the interest, shall not be considered as taking or receiving a greater rate of interest.

Act June 3,
1864, c. 106;
sec. 30; 13
Stat. L., 108.

PENALTY FOR TAKING UNLAWFUL INTEREST. JURISDICTION OF SUITS BY OR AGAINST NATIONAL BANKS.

136. Sec. 5198 [as amended 1875].—The taking, receiving, reserving, or charging a rate of interest greater than is allowed by the preceding section, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. In case the greater rate of interest has been paid, the person by whom it has been paid, or his legal representative, may recover back, in an action in the nature of an action of debt, twice the amount of the interest thus paid from the association taking or receiving the same; provided such action is commenced within two years from the time the usurious transaction occurred. That suits, actions, and proceedings against any association under this Title may be had in any circuit, district, or territorial court of the United States held within the district in which such association may be established, or in any State, county, or

Act June 3,
1864, c. 106;
sec. 30; 13
Stat. L., 108.

Act Feb. 18,
1875, c. 80; 18
Stat. L., 320.

municipal court in the county or city in which said association is located having jurisdiction in similar cases.

NOTE.—Additional provisions relating to jurisdiction of actions by and against national banks are contained in Act July 12, 1882, which is inserted after Revised Statutes, section 5136. See sections 629 and 736, Revised Statutes of United States, page 81, post, as to jurisdiction of circuit courts to enjoin Comptroller under section 5237, Revised Statutes, United States.

DIVIDENDS.

137. Sec. 5199.—The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend, carry one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall amount to twenty per centum of its capital stock.

Act June 3,
1864, c. 106,
sec. 33; 13
Stat. L., 109.

LIMITATION OF LIABILITIES WHICH MAY BE INCURRED BY ANY ONE PERSON, COMPANY, ETC.

138. Sec. 5200 [as amended 1906].—The total liabilities to any association, of any person, or of any company, corporation, or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such associations, actually paid in and unimpaired, and one-tenth part of its unimpaired surplus fund: *Provided, however,* That the total of such liabilities shall in no event exceed thirty per centum of the capital stock of the association. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same shall not be considered as money borrowed.

Act June 3,
1864, c. 106,
sec. 29; 13
Stat. L., 108.
Act June 22,
1906; 34 Stat.
L., 451.

ASSOCIATIONS MUST NOT LOAN ON OR PURCHASE THEIR OWN STOCK.

139. Sec. 5201.—No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale; or, in default thereof, a receiver may be appointed to close up the business of the association, according to section fifty-two hundred and thirty-four.

Act June 3,
1864, c. 106,
sec. 35; 13
Stat. L., 110.

RESTRICTION ON BANK'S INDEBTEDNESS.

140. Sec. 5202.—No association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in

Act June 3,
1864, c. 106,
sec. 36; 13
Stat. L., 110.

and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

First. Notes of circulation.

Second. Moneys deposited with or collected by the association.

Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

RESTRICTION UPON USE OF CIRCULATING NOTES.

Act June 3,
1864, c. 106,
sec. 37; 13
Stat. L., 110.

141. Sec. 5203.—No association shall, either directly or indirectly, pledge or hypothecate any of its notes or circulation, for the purpose of procuring money to be paid in on its capital stock, or to be used in its banking operations, or otherwise; nor shall any association use its circulating notes, or any part thereof, in any manner or form, to create or increase its capital stock.

PROHIBITION UPON WITHDRAWAL OF CAPITAL. UNEARNED DIVIDENDS PROHIBITED.

Act June 3,
1864, c. 106,
sec. 38; 13
Stat. L., 110.

142. Sec. 5204.—No association, or any member thereof, shall, during the time it shall continue its banking operations, withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. If losses have at any time been sustained by any such association, equal to or exceeding its undivided profits then on hand, no dividend shall be made; and no dividend shall ever be made by any association, while it continues its banking operations, to an amount greater than its net profits then on hand, deducting therefrom its losses and bad debts. All debts due to any association, on which interest is past due and unpaid for a period of six months, unless the same are well secured, and in process of collection, shall be considered bad debts within the meaning of this section. But nothing in this section shall prevent the reduction of the capital stock of the association under section fifty-one hundred and forty-three.

ASSESSMENT FOR FAILURE TO PAY UP CAPITAL STOCK OR FOR IMPAIRMENT OF CAPITAL.

Act Mar. 3,
1873, c. 269,
sec. 1; 17
Stat. L., 803.
Act June 30,
1876, c. 156,
sec. 4; 19
Stat. L., 64.

143. Sec. 5205 [as amended 1876].—Every association which shall have failed to pay up its capital stock, as required by law, and every association whose capital stock shall have become impaired by losses or otherwise, shall, within three months after receiving notice thereof from the Comptroller of the Currency, pay the deficiency in the capital stock, by assessment upon the shareholders pro rata for the amount of capital stock held by each; and the Treasurer of the United States shall withhold the interest upon all bonds held by him in trust for any such association, upon notification from the Comptroller of the Currency, until otherwise notified by him. If any such association shall fail to pay up its capital stock, and shall refuse to go into liquidation, as provided by law,

for three months after receiving notice from the Comptroller, a receiver may be appointed to close up the business of the association, according to the provisions of section fifty-two hundred and thirty-four: *And provided*, That if any shareholder or shareholders of such bank shall neglect or refuse, after three months' notice, to pay the assessment, as provided in this section, it shall be the duty of the board of directors to cause a sufficient amount of the capital stock of such shareholder or shareholders to be sold at public auction (after thirty days' notice shall be given by posting such notice of sale in the office of the bank, and by publishing such notice in a newspaper of the city or town in which the bank is located, or in a newspaper published nearest thereto) to make good the deficiency, and the balance, if any, shall be returned to such delinquent shareholder or shareholders.

PROHIBITION AGAINST UNCURRENT NOTES.

144. **Sec. 5206.**—No association shall at any time pay out on loans or discounts, or in purchasing drafts or bills of exchange, or in payment of deposits, or in any other mode pay or put in circulation, the notes of any bank or banking association which are not, at any such time, receivable, at par, on deposit, and in payment of debts by the association so paying out or circulating such notes; nor shall any association knowingly pay out or put in circulation any notes issued by any bank or banking association which at the time of such paying out or putting in circulation is not redeeming its circulating notes in lawful money of the United States.

Act June 3,
1864, c. 106,
sec. 39; 13
Stat. L., 111.

UNITED STATES NOTES NOT TO BE HELD AS COLLATERAL.

145. **Sec. 5207.**—No association shall hereafter offer or receive United States notes or national-bank notes as security or as collateral security for any loan of money, or for a consideration agree to withhold the same from use, or offer or receive the custody or promise of custody of such notes as security, or as collateral security, or consideration for any loan of money. Any association offending against the provisions of this section shall be deemed guilty of a misdemeanor, and shall be fined not more than one thousand dollars and a further sum equal to one-third of the money so loaned. The officer or officers of any association who shall make any such loan shall be liable for a further sum equal to one-quarter of the money loaned; and any fine or penalty incurred by a violation of this section shall be recoverable for the benefit of the party bringing such suit.

Act Feb. 19,
1869, c. 32; 15
Stat. L., 270.

ISSUE OF GOLD CERTIFICATES. ACT JULY 12, 1882.

146. **Sec. 12.**—That the Secretary of the Treasury is authorized and directed to receive deposits of gold coin * * * and issue certificates therefor * * *. Said certificates * * * when held by any national bank-

Act July 12,
1882, sec. 12;
22 Stat. L.,
165.

ing association, shall be counted as part of its lawful reserve; and no national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing-house balances: * * * And the provisions of section fifty-two hundred and seven of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued.

NOTE.—This section given in full, page 87, post. See also currency act of March 4, 1900, as amended March 4, 1907, page 97, post, relating to gold certificates, and making ten dollars lowest denomination.

Other sections of this act referred to on page 19, ante.

PENALTY FOR FALSELY CERTIFYING CHECKS.

Act Mar. 3, 1869, c. 135; 15 Stat. L., 335. **147. Sec. 5208.**—It shall be unlawful for any officer, clerk, or agent of any national banking association to certify any check drawn upon the association unless the person or company drawing the check has on deposit with the association, at the time such check is certified, an amount of money equal to the amount specified in such check. Any check so certified by duly authorized officers shall be a good and valid obligation against the association; but the act of any officer, clerk, or agent of any association, in violation of this section, shall subject such bank to the liabilities and proceedings on the part of the Comptroller as provided for in section fifty-two hundred and thirty-four.

PUNISHMENT FOR FALSELY CERTIFYING CHECKS. ACT JULY 12, 1882.

Act July 12, 1882, c. 290; sec. 13; 22 Stat. L., 166. **148. Sec. 13.**—That any officer, clerk, or agent of any national banking association who shall willfully violate the provisions of an act entitled "An act in reference to certifying checks by national banks," approved March third, eighteen hundred and sixty-nine, being section fifty-two hundred and eight of the Revised Statutes of the United States, or who shall resort to any device, or receive any fictitious obligation, direct or collateral, in order to evade the provisions thereof, or who shall certify checks before the amount thereof shall have been regularly entered to the credit of the dealer upon the books of the banking association, shall be deemed guilty of a misdemeanor, and shall, on conviction thereof in any circuit or district court of the United States, be fined not more than five thousand dollars, or shall be imprisoned not more than five years, or both, in the discretion of the court.

PENALTY FOR EMBEZZLEMENT, ABSTRACTION, WILLFUL MISAPPLICATION, FALSE ENTRIES, ETC.

Act June 3, 1864, c. 106; sec. 55; 13 Stat. L., 116. **Act Apr. 6, 1869, c. 11; 16 Stat. L., 7.** **Act July 8, 1870, c. 226; 16 Stat. L., 195.** **149. Sec. 5209.**—Every president, director, cashier, teller, clerk, or agent of any association, who embezzles, abstracts, or willfully misapplies any of the moneys, funds, or credits of the association; or who, without authority from the directors, issues or puts in circulation any of the notes of the association; or who, without such au-

thority, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, mortgage, judgment, or decree; or who makes any false entry in any book, report, or statement of the association, with intent, in either case, to injure or defraud the association or any other company, body politic or corporate, or any individual person, or to deceive any officer of the association, or any agent appointed to examine the affairs of any such association; and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be deemed guilty of a misdemeanor, and shall be imprisoned not less than five years nor more than ten.

NATIONAL BANKS NOT PERMITTED TO MAKE CONTRIBUTIONS IN CONNECTION WITH ELECTION TO POLITICAL OFFICE. ACT JANUARY 26, 1907.

150. That it shall be unlawful for any national bank, or any corporation organized by authority of any laws of Congress, to make a money contribution in connection with any election to any political office. It shall also be unlawful for any corporation whatever to make a money contribution in connection with any election at which Presidential and Vice-Presidential electors or a Representative in Congress is to be voted for, or any election by any State legislature of a United States Senator. Every corporation which shall make any contribution in violation of the foregoing provisions shall be subject to a fine not exceeding five thousand dollars, and every officer or director of any corporation who shall consent to any contribution by the corporation in violation of the foregoing provisions shall upon conviction be punished by a fine of not exceeding one thousand and not less than two hundred and fifty dollars, or by imprisonment for a term of not more than one year, or both such fine and imprisonment in the discretion of the court.

Act Jan. 26,
1907: 34 Stat.
L., 864.

LIST OF SHAREHOLDERS.

151. Sec. 5210.—The president and cashier of every national banking association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted. Such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted. A copy of such list, on the first Monday of July of each year, verified by the oath of such president or cashier, shall be transmitted to the Comptroller of the Currency.

Act June 3,
1864, c. 106,
sec. 40; 13
Stat. L., 111.

REPORTS TO COMPTROLLER OF THE CURRENCY.

Act June 3,
1864, c. 106,
sec. 34; 13
Stat. L., 109.

Act Mar. 3,
1869, c. 130,
sec. 1; 15
Stat. L., 326.

Act Feb. 27,
1877, c. 69; 19
Stat. L., 252.

152. Sec. 5211 [as amended 1877].—Every association shall make to the Comptroller of the Currency not less than five reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of such association, and attested by the signature of at least three of the directors. Each such report shall exhibit, in detail and under appropriate heads, the resources and liabilities of the association at the close of business on any past day by him specified; and shall be transmitted to the Comptroller within five days after the receipt of a request or requisition therefor from him, and in the same form in which it is made to the Comptroller shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place, then in the one published nearest thereto in the same county, at the expense of the association; and such proof of publication shall be furnished as may be required by the Comptroller. The Comptroller shall also have power to call for special reports from any particular association whenever in his judgment the same are necessary in order to a full and complete knowledge of its condition.

NOTE.—See sec. 713, Code of District of Columbia, page 112, post requiring publication of reports in District of Columbia to be in two or more daily papers.

VERIFICATION OF REPORTS. ACT FEBRUARY 26, 1881.

Act Feb. 26,
1881, c. 82; 21
Stat. L., 352.

153. That the oath or affirmation required by section fifty-two hundred and eleven of the Revised Statutes, verifying the returns made by national banks to the Comptroller of the Currency, when taken before a notary public properly authorized and commissioned by the State in which such notary resides and the bank is located, or any other officer having an official seal, authorized in such State to administer oaths, shall be a sufficient verification as contemplated by said section fifty-two hundred and eleven: *Provided*, That the officer administering the oath is not an officer of the bank.

REPORT OF DIVIDENDS.

Act Mar. 3,
1869, c. 130,
sec. 2; 15
Stat. L., 327.

154. Sec. 5212.—In addition to the reports required by the preceding section, each association shall report to the Comptroller of the Currency, within ten days after declaring any dividend, the amount of such dividend, and the amount of net earnings in excess of such dividend. Such reports shall be attested by the oath of the president or cashier of the association.

PENALTY FOR FAILURE TO MAKE REPORTS.

Act Mar. 3,
1869, c. 130,
secs. 1, 2; 15
Stat. L., 326.

155. Sec. 5213.—Every association which fails to make and transmit any report required under either of the two preceding sections shall be subject to a penalty of one

hundred dollars for each day after the periods, respectively, therein mentioned, that it delays to make and transmit its report. Whenever any association delays or refuses to pay the penalty herein imposed, after it has been assessed by the Comptroller of the Currency, the amount thereof may be retained by the Treasurer of the United States, upon the order of the Comptroller of the Currency, out of the interest, as it may become due to the association, on the bonds deposited with him to secure circulation. All sums of money collected for penalties under this section shall be paid into the Treasury of the United States.

TAXES PAYABLE TO THE UNITED STATES.

156. Sec. 5214 [as amended May 30, 1908].—National banking associations having on deposit bonds of the United States, bearing interest at the rate of two per centum per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of section eight of "An Act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," approved June twenty-eighth, nineteen hundred and two, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds of the United States bearing interest at a rate higher than two per centum per annum shall pay a tax of one-half of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of such bonds. National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of five per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of one per centum per annum for each month until a tax of ten per centum per annum is reached, and thereafter such tax of ten per centum per annum, upon the average amount of such notes. Every national banking association having outstanding circulating notes secured by a deposit of other securities than United States bonds shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation; and it shall be the duty of the Comptroller of the Currency to cause such reports of notes in circulation to be verified by examination of the banks' records. The taxes received on circulating notes secured otherwise than by bonds of the United States shall be paid into the Division of Redemp-

Act June 3,
1864, c. 100,
sec. 41; 13
Stat. L., 111.
Act Mar. 3,
1883, sec. 1;
18 Stat. L.,
488.
Act Mar. 14,
1900, c. 41,
sec. 13; 31
Stat. L., 49.
Act May 30,
1908, sec. 9.

tion of the Treasury and credited and added to the reserve fund held for the redemption of United States and other notes.

HALF-YEARLY RETURN OF CIRCULATION [*deposits and capital stock*].

Act June 3,
1864, c. 106,
sec. 41; 13
Stat. L., 111.

157. Sec. 5215.—In order to enable the Treasurer to assess the duties imposed by the preceding section, each association shall, within ten days from the first days of January and July of each year, make a return, under the oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average amount of its notes in circulation [*and of the average amount of its deposits, and of the average amount of its capital stock, beyond the amount invested in United States bonds*] for the six months next preceding the most recent first day of January or July. Every association which fails so to make such return shall be liable to a penalty of two hundred dollars, to be collected either out of the interest as it may become due such association on the bonds deposited with the Treasurer, or, at his option in the manner in which penalties are to be collected of other corporations under the laws of the United States.

NOTE.—The taxes on the average amount of deposits and capital stock having been repealed by the act of March 3, 1883, and the original provision therefor struck out of section 5214 as amended by act of May 30, 1908, there is no longer any obligation to make the return of those two items.

PENALTY FOR FAILURE TO MAKE RETURN.

Act June 3,
1864, c. 106,
sec. 41; 13
Stat. L., 111.

158. Sec. 5216.—Whenever any association fails to make the half-yearly return required by the preceding section, the duties to be paid by such association shall be assessed upon the amount of notes delivered to such association by the Comptroller of the Currency [*and upon the highest amount of its deposits and capital stock, to be ascertained in such manner as the Treasurer may deem best*].

NOTE.—See note under section 5215 stating that tax on deposits and capital stock had been repealed.

ENFORCING TAX ON CIRCULATION.

Act June 3,
1864, c. 106,
sec. 41; 13
Stat. L., 111.

159. Sec. 5217.—Whenever an association fails to pay the duties imposed by the three preceding sections, the sums due may be collected in the manner provided for the collection of United States taxes from other corporations; or the Treasurer may reserve the amount out of the interest, as it may become due, on the bonds deposited with him by such defaulting association.

REFUNDING EXCESS TAX.

Resolution
Mar. 2, 1867
No. 49; 14
Stat. L., 572.

160. Sec. 5218.—In all cases where an association has paid or may pay in excess of what may be or has been found due from it, on account of the duty required to be paid to the Treasurer of the United States, the associa-

tion may state an account therefor, which, on being certified by the Treasurer of the United States, and found correct by the First Comptroller of the Treasury, shall be refunded in the ordinary manner by warrant on the Treasury.

NO TAX TO BE PAID BY INSOLVENT BANKS. ACT MARCH 1, 1879.

161. Sec. 22.—That whenever and after any bank has ceased to do business by reason of insolvency or bankruptcy, no tax shall be assessed or collected, or paid into the Treasury of the United States, on account of such bank, which shall diminish the assets thereof necessary for the full payment of all its depositors; and such tax shall be abated from such national banks as are found by the Comptroller of the Currency to be insolvent.

Internal revenue act Mar. 1, 1879, sec. 22; 20 Stat. L., 351.

STATE TAXATION.

162. Sec. 5219.—Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located; but the legislature of each State may determine and direct the manner and place of taxing all the shares of national banking associations located within the State, subject only to the two restrictions, that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State, and that the shares of any national banking association owned by nonresidents of any State shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real property is taxed.

Act June 3, 1864, c. 106, sec. 41; 13 Stat. L., 111.
Act Feb. 10, 1868, c. 7; 15 Stat. L., 34.

CHAPTER V.

DISSOLUTION AND RECEIVERSHIP.

- | | |
|--|---|
| 163. 5220. Two-thirds vote required for liquidation. | 177. 5233. Redeemed notes to be canceled. |
| 164. 5221. Notice of voluntary liquidation. | 178. 5234. Appointment and duties of receivers. |
| 165. 5222. Deposit of lawful money to redeem circulation. | 179. 5235. Notice to creditors of insolvent banks to present claims. |
| 166. 5223. No deposit required for consolidation. | 180. 5236. Dividends. Distribution of assets of insolvent banks. |
| 167. 5224. Reassignment of bonds and redemption of notes of liquidating banks. | 181. 5237. When bank may enjoin further proceedings. |
| 168. Act June 20, 1874. Duty of Treasurer, assistant treasurer, etc., to return notes of failed or liquidating banks to Treasury for redemption. | 182. 5238. Fees and expenses. |
| 169. 5225. Destruction of redeemed notes. | 183. Act June 30, 1876. When receiver may be appointed. |
| 170. 5226. Protest of bank circulation. | 184. Act June 30, 1876. Creditor's bill against shareholders. |
| 171. 5227. Bonds forfeited if circulation is dishonored. Examination by special agent. | 185. Act June 30, 1876. Appointment, qualification, and duties of shareholders' agent. |
| 172. 5228. Suspension of business after default. | 186. Act March 29, 1886. Receiver may purchase property to protect his trust. |
| 173. 5229. Notice to present circulation for redemption. Cancellation of bonds. | 187. Act March 29, 1886. Approval of request. |
| 174. 5230. Sale of bonds at auction. First lien for redeeming circulation. | 188. Act March 29, 1886. Payment. |
| 175. 5231. Bonds may be sold at private sale. | 189. 5239. Penalty for violation of this title. Forfeiture of charter. Individual liability of directors. |
| 176. 5232. Disposal of redeemed notes. Regulations for redemption records. | 190. 5240. Appointment of examiners. Compensation. |
| | 191. 5241. Limitation of visitatorial powers. |
| | 192. 5242. Transfers, when void. Illegal preference of creditors. |
| | 193. 5243. Use of the title "National." |

TWO-THIRDS VOTE REQUIRED FOR LIQUIDATION.

- Act June 3, 1864, c. 106, sec. 42; 13 Stat. L., 112. **163. Sec. 5220.**—Any association may go into liquidation and be closed by the vote of its shareholders owning two-thirds of its stock.

NOTE.—For enforcement of shareholders' liability when bank is in liquidation see act of June 20, 1876, following Revised Statutes, 5238.

NOTICE OF VOLUNTARY LIQUIDATION.

- Act June 3, 1864, c. 106, sec. 42; 13 Stat. L., 112. **164. Sec. 5221.**—Whenever a vote is taken to go into liquidation it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal

of the association, by its president or cashier, to the Comptroller of the Currency, and publication thereof to be made for a period of two months in a newspaper published in the city of New York, and also in a newspaper published in the city or town in which the association is located, or if no newspaper is there published, then in the newspaper published nearest thereto, that the association is closing up its affairs, and notifying the holders of its notes and other creditors to present the notes and other claims against the association for payment.

DEPOSIT OF LAWFUL MONEY TO REDEEM CIRCULATION.

165. Sec. 5222.—Within six months from the date of the vote to go into liquidation, the association shall deposit with the Treasurer of the United States, lawful money of the United States sufficient to redeem all its outstanding circulation. The Treasurer shall execute duplicate receipts for money thus deposited, and deliver one to the association and the other to the Comptroller of the Currency, stating the amount received by him, and the purpose for which it has been received: and the money shall be paid into the Treasury of the United States, and placed to the credit of such association upon redemption account.

Act June 3,
1864, c. 106,
secs. 42, 43;
13 Stat. L.
112.
Act July 14,
1870, c. 257,
16 Stat. L.,
274.

NO DEPOSIT REQUIRED FOR CONSOLIDATION.

166. Sec. 5223.—An association which is in good faith winding up its business for the purpose of consolidating with another association shall not be required to deposit lawful money for its outstanding circulation; but its assets and liabilities shall be reported by the association with which it is in process of consolidation.

Act July 14,
1870, c. 257,
16 Stat. L.,
274.

REASSIGNMENT OF BONDS AND REDEMPTION OF NOTES OF LIQUIDATING BANKS.

167. Sec. 5224 [as amended 1875].—Whenever a sufficient deposit of lawful money to redeem the outstanding circulation of an association proposing to close its business has been made, the bonds deposited by the association to secure payment of its notes shall be reassigned to it, in the manner prescribed by section fifty-one hundred and sixty-two. And thereafter the association and its shareholders shall stand discharged from all liabilities upon the circulating notes, and those notes shall be redeemed at the Treasury of the United States. And if any such bank shall fail to make the deposit and take up its bonds thirty days after the expiration of the time specified, the Comptroller of the Currency shall have power to sell the bonds pledged for the circulation of said bank, at public auction in New York City, and, after providing for the redemption and cancellation of said circulation, and the necessary expenses of the sale, to pay over any balance remaining to the bank or its legal representatives.

Act June 3,
1864, c. 106,
sec. 42; 13
Stat. L., 112.
Act Feb. 18,
1875, c. 80; 18
Stat. L., 320.

DUTY OF TREASURER, ASSISTANT TREASURERS, ETC., TO RETURN NOTES OF FAILED OR LIQUIDATING BANKS TO TREASURY FOR REDEMPTION. ACT JUNE 20, 1874.

Act June 20,
1874, c. 343,
sec. 8; 18
Stat. L., 125.

168. Sec. 8.—And it shall be the duty of the Treasurer, assistant treasurers, designated depositaries, and national bank depositaries of the United States to assort and return to the Treasury for redemption the notes of such national banks as have failed, or gone into voluntary liquidation for the purpose of winding up their affairs, and of such as shall hereafter so fail or go into liquidation.

DESTRUCTION OF REDEEMED NOTES.

Act June 3,
1864, c. 106,
sec. 43; 13
Stat. L., 112.

Act Feb. 27,
1877, c. 69; 18
Stat. L., 252.

169. Sec. 5225 [as amended 1877].—Whenever the Treasurer has redeemed any of the notes of an association which has commenced to close its affairs, under the five preceding sections, he shall cause the notes to be mutilated and charged to the redemption account of the association; and all notes so redeemed by the Treasurer shall, every three months, be certified to and [*burned*] in the manner prescribed in section fifty-one hundred and eighty-four.

NOTE.—See act of June 23, 1874, following Revised Statutes, section 5184, directing that bank notes be macerated and not burned.

PROTEST OF BANK CIRCULATION.

Act June 3,
1864, c. 106,
sec. 46; 13
Stat. L., 113.

170. Sec. 5226.—Whenever any national banking association fails to redeem in the lawful money of the United States any of its circulating notes, upon demand of payment duly made during the usual hours of business, at the office of such association, or at its designated place of redemption, the holder may cause the same to be protested, in one package, by a notary public, unless the president or cashier of the association whose notes are presented for payment [*or the president or cashier of the association at the place at which they are redeemable*] offers to waive demand and notice of the protest, and, in pursuance of such offer, makes, signs, and delivers to the party making such demand an admission in writing, stating the time of the demand, the amount demanded, and the fact of the non-payment thereof. The notary public, on making such protest, or upon receiving such admission, shall forthwith forward such admission or notice of protest to the Comptroller of the Currency, retaining a copy thereof. If, however, satisfactory proof is produced to the notary public that the payment of the notes demanded is restrained by order of any court of competent jurisdiction, he shall not protest the same. When the holder of any notes causes more than one note or package to be protested

on the same day, he shall not receive pay for more than one protest.

NOTE.—Circulation redeemable only at Treasury or over own counter. Designated places of redemption have not existed since act June 20, 1874. (See said act following Revised Statutes, 5192).

**BONDS FORFEITED IF CIRCULATION IS DISHONORED.
EXAMINATION BY SPECIAL AGENT.**

171. Sec. 5227.—On receiving notice that any national banking association has failed to redeem any of its circulating notes, as specified in the preceding section, the Comptroller of the Currency, with the concurrence of the Secretary of the Treasury, may appoint a special agent, of whose appointment immediate notice shall be given to such association, who shall immediately proceed to ascertain whether it has refused to pay its circulating notes in the lawful money of the United States, when demanded, and shall report to the Comptroller the fact so ascertained. If, from such protest, and the report so made, the Comptroller is satisfied that such association has refused to pay its circulating notes and is in default, he shall, within thirty days after he has received notice of such failure, declare the bonds deposited by such association forfeited to the United States, and they shall thereupon be so forfeited.

Act June 3,
1864, c. 106,
sec. 47; 13
Stat. L., 114.

SUSPENSION OF BUSINESS AFTER DEFAULT.

172. Sec. 5228 [as amended 1875].—After a default on the part of an association to pay any of its circulating notes has been ascertained by the Comptroller, and notice thereof has been given by him to the association, it shall not be lawful for the association suffering the same to pay out any of its notes, discount any notes or bills, or otherwise prosecute the business of banking, except to receive and safely keep money belonging to it, and to deliver special deposits.

Act June 3,
1864, c. 106,
sec. 46; 13
Stat. L., 113.

Act Feb. 18,
1875, c. 80; 18
Stat. L., 320.

**NOTICE TO PRESENT CIRCULATION FOR REDEMPTION.
CANCELLATION OF BONDS.**

173. Sec. 5229.—Immediately upon declaring the bonds of an association forfeited for nonpayment of its notes, the Comptroller shall give notice, in such manner as the Secretary of the Treasury shall, by general rules or otherwise, direct, to the holders of the circulating notes of such association, to present them for payment at the Treasury of the United States; and the same shall be paid as presented in lawful money of the United States; whereupon the Comptroller may, in his discretion, cancel an amount of bonds pledged by such association equal at current market rates, not exceeding par, to the notes paid.

Act June 3,
1864, c. 106,
sec. 47; 13
Stat. L., 114.

SALE OF BONDS AT AUCTION. FIRST LIEN FOR REDEEMING CIRCULATION.

Act June 3,
1864, c. 106,
secs. 47, 48;
13 Stat. L.,
114.

174. Sec. 5230.—Whenever the Comptroller has become satisfied, by the protest or the waiver and admission specified in section fifty-two hundred and twenty-six, or by the report provided for in section fifty-two hundred and twenty-seven, that any association has refused to pay its circulating notes, he may, instead of canceling its bonds, cause so much of them as may be necessary to redeem its outstanding notes to be sold at public auction in the city of New York, after giving thirty days' notice of such sale to the association. For any deficiency in the proceeds of all the bonds of an association, when thus sold, to reimburse to the United States the amount expended in paying the circulating notes of the association, the United States shall have a paramount lien upon all its assets; and such deficiency shall be made good out of such assets in preference to any and all other claims whatsoever, except the necessary costs and expenses of administering the same.

BONDS MAY BE SOLD AT PRIVATE SALE.

Act June 3,
1864, c. 106,
sec. 49; 13
Stat. L., 114.

175. Sec. 5231.—The Comptroller may, if he deems it for the interest of the United States, sell at private sale any of the bonds of an association shown to have made default in paying its notes, and receive therefor either money or the circulating notes of the association. But no such bonds shall be sold by private sale for less than par, nor for less than the market value thereof at the time of sale; and no sales of any such bonds, either public or private, shall be complete until the transfer of the bonds shall have been made with the formalities prescribed by sections fifty-one hundred and sixty-two, fifty-one hundred and sixty-three, and fifty-one hundred and sixty-four.

DISPOSAL OF REDEEMED NOTES; REGULATIONS FOR REDEMPTION RECORDS.

Act June 3,
1864, c. 106,
sec. 47; 13
Stat. L., 114.

176. Sec. 5232.—The Secretary of the Treasury may, from time to time, make such regulations respecting the disposition to be made of circulating notes after presentation at the Treasury of the United States for payment, and respecting the perpetuation of the evidence of the payment thereof, as may seem to him proper.

REDEEMED NOTES TO BE CANCELED.

Act June 3,
1864, c. 106,
sec. 47; 13
Stat. L., 114.

177. Sec. 5233.—All notes of national banking associations presented at the Treasury of the United States for payment shall, on being paid, be canceled.

APPOINTMENT AND DUTIES OF RECEIVERS.

Act June 3,
1864, c. 106,
sec. 50; 13
Stat. L., 114.

178. Sec. 5234.—On becoming satisfied, as specified in sections fifty-two hundred and twenty-six and fifty-two hundred and twenty-seven, that any association has refused to pay its circulating notes as therein mentioned,

and is in default, the Comptroller of the Currency may forthwith appoint a receiver, and require of him such bond and security as he deems proper. Such receiver, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, may sell all the real and personal property of such association, on such terms as the court shall direct; and may, if necessary to pay the debts of such association, enforce the individual liability of the stockholders. Such receiver shall pay over all money so made to the Treasurer of the United States, subject to the order of the Comptroller, and also make report to the Comptroller of all his acts and proceedings.

NOTE.—Other provisions authorizing the appointment of receivers of national banks and relating to powers and duties of receivers and agents will be found in the act of June 30, 1876, as amended August 3, 1892, and March 2, 1897, and the act of March 29, 1886. Both these acts are set forth following section 5238, Revised Statutes.

A receiver may also be appointed, under the provisions of section fifty-two hundred and thirty-four of the Revised Statutes of the United States, for the following violations of law:

Where the capital stock of a national bank has not been fully paid in and it is thus reduced below the legal minimum and remains so for thirty days. (Sec. 5141, R. S.)

For failure to make good the lawful-money reserve within thirty days after notice. (Sec. 5191, R. S.)

Where a bank purchases or acquires its own stock, to prevent loss upon a debt previously contracted in good faith, and the same is not sold or disposed of within six months from the time of its purchase. (Sec. 5201, R. S.)

For failure to make good any impairment in its capital stock and refusing to go into liquidation within three months after receiving notice. (Sec. 5205, R. S.)

For false certification of checks by any officer, clerk, or agent. (Sec. 5208, R. S.)

NOTICE TO CREDITORS OF INSOLVENT BANKS TO PRESENT CLAIMS.

179. Sec. 5235.—The Comptroller shall, upon appointing a receiver, cause notice to be given, by advertisement in such newspapers as he may direct, for three consecutive months, calling on all persons who may have claims against such association to present the same, and to make legal proof thereof.

Act June 3,
1864, c. 106,
sec. 50; 13
Stat. L., 114.

DIVIDENDS; DISTRIBUTION OF ASSETS OF INSOLVENT BANKS.

180. Sec. 5236.—From time to time, after full provision has been first made for refunding to the United States any deficiency in redeeming the notes of such association, the Comptroller shall make a ratable dividend of the money so paid over to him by such receiver on all such claims as may have been proved to his satisfaction or adjudicated in a court of competent jurisdiction, and, as the proceeds of the assets of such association are paid

Act June 3,
1864, c. 106,
sec. 50; 13
Stat. L., 114.

over to him, shall make further dividends on all claims previously proved or adjudicated; and the remainder of the proceeds, if any, shall be paid over to the shareholders of such association, or their legal representatives, in proportion to the stock by them respectively held.

WHEN BANK MAY ENJOIN FURTHER PROCEEDINGS.

Act June 3,
1864, c. 106,
sec. 50; 13
Stat. L., 114.

181. Sec. 5237.—Whenever an association against which proceedings have been instituted, on account of any alleged refusal to redeem its circulating notes as aforesaid, denies having failed to do so, it may, at any time within ten days after it has been notified of the appointment of an agent, as provided in section fifty-two hundred and twenty-seven, apply to the nearest circuit, or district, or Territorial court of the United States to enjoin further proceedings in the premises; and such court, after citing the Comptroller of the Currency to show cause why further proceedings should not be enjoined, and after the decision of the court or finding of the jury that such association has not refused to redeem its circulating notes, when legally presented, in the lawful money of the United States, shall make an order enjoining the Comptroller, and any receiver acting under his direction, from all further proceedings on account of such alleged refusal.

NOTE.—See also sections 629 and 736, Revised Statutes, page 81, post.

FEES AND EXPENSES.

Act June 3,
1864, c. 106,
sec. 51; 13
Stat. L., 115.

182. Sec. 5238.—All fees for protesting the notes issued by any national banking association shall be paid by the person procuring the protest to be made, and such association shall be liable therefor; but no part of the bonds deposited by such association shall be applied to the payment of such fees. All expenses of any preliminary or other examinations into the condition of any association shall be paid by such association. All expenses of any receivership shall be paid out of the assets of such association before distribution of the proceeds thereof.

WHEN RECEIVER MAY BE APPOINTED. ACT JUNE 30, 1876.

Act June 30,
1876, c. 156,
sec. 1; 19
Stat. L., 63.

183. Sec. 1.—That whenever any national banking association shall be dissolved, and its rights, privileges, and franchises declared forfeited, as prescribed in section fifty-two hundred and thirty-nine of the Revised Statutes of the United States, or whenever any creditor of any national banking association shall have obtained a judgment against it in any court of record, and made application, accompanied by a certificate from the clerk of the court stating that such judgment has been rendered and has remained unpaid for the space of thirty days, or whenever the Comptroller shall become satisfied of the insolvency of the national banking association, he may, after due examination of its affairs, in either case, appoint a receiver who shall proceed to close up such asso-

ciation, and enforce the personal liability of the shareholders, as provided in section fifty-two hundred and thirty-four of said statutes.

CREDITOR'S BILL AGAINST SHAREHOLDERS. ACT JUNE 30, 1876.

184. Sec. 2.—That when any national banking association shall have gone into liquidation under the provisions of section five thousand two hundred and twenty of said statutes, the individual liability of the shareholders provided for by section fifty-one hundred and fifty-one of said statutes may be enforced by any creditor of such association, by bill in equity, in the nature of a creditor's bill, brought by such creditor on behalf of himself and of all other creditors of the association, against the shareholders thereof, in any court of the United States having original jurisdiction in equity for the district in which such association may have been located or established.

Act June 30,
1876, c. 156,
sec. 2; 19
Stat. L., 63.

APPOINTMENT, QUALIFICATION, AND DUTIES OF SHAREHOLDERS' AGENT. ACT JUNE 30, 1876, AS AMENDED 1892, 1897.

185. Sec. 3.—That whenever any association shall have been or shall be placed in the hands of a receiver, as provided in section fifty-two hundred and thirty-four and other sections of the Revised Statutes of the United States, and when, as provided in section fifty-two hundred and thirty-six thereof, the Comptroller of the Currency shall have paid to each and every creditor of such association, not including shareholders who are creditors of such association, whose claim or claims as such creditor shall have been proved or allowed as therein prescribed, the full amount of such claims, and all expenses of the receivership, and the redemption of the circulating notes of such association shall have been provided for by depositing lawful money of the United States with the Treasurer of the United States, the Comptroller of the Currency shall call a meeting of the shareholders of such association by giving notice thereof for thirty days in a newspaper published in the town, city, or county where the business of such association was carried on, or if no newspaper is there published, in the newspaper published nearest thereto. At such meeting the shareholders shall determine whether the receiver shall be continued and shall wind up the affairs of such association, or whether an agent shall be elected for that purpose, and in so determining the said shareholders shall vote by ballot, in person or by proxy, each share of stock entitling the holder to one vote, and the majority of the stock in value and number of shares shall be necessary to determine whether the said receiver shall be continued, or whether an agent shall be elected. In case such majority shall determine that the said receiver shall be continued, the said receiver shall thereupon proceed with the execution

Act June 30,
1876, c. 156,
sec. 3; 19
Stat. L., 63, as
amended Aug.
3, 1892, 27
Stat. L., 345,
and Mar. 2,
1897, 29 Stat.
L., 600.

of his trust, and shall sell, dispose of, or otherwise collect the assets of the said association, and shall possess all the powers and authority, and be subject to all the duties and liabilities originally conferred or imposed upon him by his appointment as such receiver, so far as the same remain applicable. In case the said meeting shall, by the vote of a majority of the stock in value and number of shares, determine that an agent shall be elected, the said meeting shall thereupon proceed to elect an agent, voting by ballot, in person or by proxy, each share of stock entitling the holder to one vote, and the person who shall receive votes representing at least a majority of stock in value and number shall be declared the agent for the purposes hereinafter provided: and whenever any of the shareholders of the association shall, after the election of such agent, have executed and filed a bond to the satisfaction of the Comptroller of the Currency, conditioned for the payment and discharge in full of each and every claim that may thereafter be proved and allowed by and before a competent court, and for the faithful performance of all and singular the duties of such trust, the Comptroller and the receiver shall thereupon transfer and deliver to such agent all the undivided or uncollected or other assets of such association then remaining in the hands or subject to the order and control of said Comptroller and said receiver, or either of them; and for this purpose said Comptroller and said receiver are hereby severally empowered and directed to execute any deed, assignment, transfer, or other instrument in writing that may be necessary and proper; and upon the execution and delivery of such instrument to the said agent the said Comptroller and the said receiver shall by virtue of this act be discharged from any and all liabilities to such association and to each and all the creditors and shareholders thereof.

Upon receiving such deed, assignment, transfer, or other instrument, the person elected such agent shall hold, control, and dispose of the assets and property of such association which he may receive under the terms hereof for the benefit of the shareholders of such association, and he may, in his own name, or in the name of such association, sue and be sued and do all other lawful acts and things necessary to finally settle and distribute the assets and property in his hands, and may sell, compromise, or compound the debts due to such association, with the consent and approval of the circuit or district court of the United States for the district where the business of such association was carried on, and shall at the conclusion of his trust render to such district or circuit court a full account of all his proceedings, receipts, and expenditures as such agent, which court shall, upon due notice, settle and adjust such accounts and discharge said agent and the sureties upon said bond. And in case any such agent so elected shall refuse to serve, or die, resign, or

be removed, any shareholder may call a meeting of the shareholders of such association in the town, city, or village where the business of the said association was carried on, by giving notice thereof for thirty days in a newspaper published in said town, city, or village, or if no newspaper is there published, in the newspaper published nearest thereto, at which meeting the shareholders shall elect an agent, voting by ballot, in person or by proxy, each share of stock entitling the holder to one vote, and when such agent shall have received votes representing at least a majority of the stock in value and number of shares, and shall have executed a bond to the shareholders conditioned for the faithful performance of his duties, in the penalty fixed by the shareholders at said meeting, with two sureties, to be approved by a judge of a court of record, and file said bond in the office of the clerk of a court of record in the county where the business of said association was carried on, he shall have all the rights, powers, and duties of the agent first elected as hereinbefore provided. At any meeting held as hereinbefore provided administrators or executors of deceased shareholders may act and sign as the decedent might have done if living, and guardians of minors and trustees of other persons may so act and sign for their ward or wards or cestui que trust. The proceeds of the assets or property of any such association which may be undistributed at the time of such meeting or may be subsequently received shall be distributed as follows:

“First. To pay the expenses of the execution of the trust to the date of such payment.

“Second. To repay any amount or amounts which have been paid in by any shareholder or shareholders of such association upon and by reason of any and all assessments made upon the stock of such association by the order of the Comptroller of the Currency in accordance with the provisions of the statutes of the United States; and

“Third. The balance ratably among such stockholders, in proportion to the number of shares held and owned by each. Such distribution shall be made from time to time as the proceeds shall be received and as shall be deemed advisable by the said Comptroller or said agent.”

NOTE.—Other sections of act June 30, 1876:

Section 4 amends Revised Statutes, 5205.

Section 5 relates to counterfeit notes.

Section 6 relates to savings banks and trust companies, organized under act of Congress. See Code District of Columbia, page 112, post.

RECEIVER MAY PURCHASE PROPERTY TO PROTECT HIS TRUST. ACT MARCH 29, 1886.

186. Sec. 1.—That whenever the receiver of any national bank duly appointed by the Comptroller of the Currency, and who shall have duly qualified and entered upon the discharge of his trust, shall find it in his opinion neces-

Act Mar. 29,
1886, c. 28,
sec. 1; 24
Stat. L., 8.

sary, in order to fully protect and benefit his said trust, to the extent of any and all equities that such trust may have in any property, real or personal, by reason of any bond, mortgage, assignment, or other proper legal claim attaching thereto, and which said property is to be sold under any execution, decree of foreclosure, or proper order of any court of jurisdiction, he may certify the facts in the case, together with his opinion as to the value of the property to be sold, and the value of the equity his said trust may have in the same, to the Comptroller of the Currency, together with a request for the right and authority to use and employ so much of the money of said trust as may be necessary to purchase such property at such sale.

APPROVAL OF REQUEST. ACT MARCH 29, 1886.

Act Mar. 29,
1886, c. 28,
sec. 2; 24
Stat. L., 8. **187. Sec. 2.**—That such request, if approved by the Comptroller of the Currency, shall be, together with the certificate of facts in the case, and his recommendation as to the amount of money which, in his judgment, should be so used and employed, submitted to the Secretary of the Treasury, and if the same shall likewise be approved by him, the request shall be by the Comptroller of the Currency allowed, and notice thereof, with copies of the request, certificate of facts, and indorsement of approvals, shall be filed with the Treasurer of the United States.

PAYMENT. ACT MARCH 29, 1886.

Act Mar. 29,
1886, c. 28,
sec. 3; 24
Stat. L., 8. **188. Sec. 3.**—That whenever any such request shall be allowed as hereinbefore provided, the said Comptroller of the Currency shall be, and is, empowered to draw upon and from such funds of any such trust as may be deposited with the Treasurer of the United States for the benefit of the bank in interest, to the amount as may be recommended and allowed and for the purpose for which such allowance was made: *Provided, however,* That all payments to be made for or on account of the purchase of any such property and under any such allowance shall be made by the Comptroller of the Currency direct, with the approval of the Secretary of the Treasury, for such purpose only and in such manner as he may determine and order.

PENALTY FOR VIOLATION OF THIS TITLE; FORFEITURE OF CHARTER; INDIVIDUAL LIABILITY OF DIRECTORS.

Act June 3,
1864, c. 106,
sec. 53; 13
Stat. L., 116. **189. Sec. 5239.**—If the directors of any national banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this Title, all the rights, privileges, and franchises of the association shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district, or Territorial court of the United States, in a suit brought for that purpose by the Comptroller of the

Currency, in his own name, before the association shall be declared dissolved. And in cases of such violation every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation.

APPOINTMENT OF EXAMINERS, COMPENSATION.

190. Sec. 5240 [as amended 1875].—The Comptroller of the Currency, with the approval of the Secretary of the Treasury, shall, as often as shall be deemed necessary or proper, appoint a suitable person or persons to make an examination of the affairs of every banking association, who shall have power to make a thorough examination into all the affairs of the association, and, in doing so, to examine any of the officers and agents thereof on oath; and shall make a full and detailed report of the condition of the association to the Comptroller. That all persons appointed to be examiners of national banks not located in the redemption cities specified in section five thousand one hundred and ninety-two of the Revised Statutes of the United States, or in any one of the States of Oregon, California, and Nevada, or in the Territories, shall receive compensation for such examination as follows: For examining national banks having a capital less than one hundred thousand dollars, twenty dollars; those having a capital of one hundred thousand dollars and less than three hundred thousand dollars, twenty-five dollars; those having a capital of three hundred thousand dollars and less than four hundred thousand dollars, thirty-five dollars; those having a capital of four hundred thousand dollars and less than five hundred thousand dollars, forty dollars; those having a capital of five hundred thousand dollars and less than six hundred thousand dollars, fifty dollars; those having a capital of six hundred thousand dollars and over, seventy-five dollars; which amounts shall be assessed by the Comptroller of the Currency upon, and paid by, the respective association so examined, and shall be in lieu of the compensation and mileage heretofore allowed for making said examinations, and persons appointed to make examinations of national banks in the cities named in section five thousand one hundred and ninety-two of the Revised Statutes of the United States, or in any one of the States of Oregon, California, and Nevada, or in the Territories, shall receive such compensation as may be fixed by the Secretary of the Treasury upon the recommendation of the Comptroller of the Currency; and the same shall be assessed and paid in the manner hereinbefore provided. But no person shall be appointed to examine the affairs of any banking association of which he is a director or other officer.

Act June 3,
1864, c. 106,
sec. 54; 13
Stat. L., 116.
Act Feb. 19,
1875, c. 89; 18
Stat. L., 329.

LIMITATION OF VISITORIAL POWERS.

Act June 3, 1864, c. 106, sec. 54; 13 Stat. L., 116. **191. Sec. 5241.**—No association shall be subject to any visitorial powers other than such as are authorized by this Title, or are vested in the courts of justice.

TRANSFERS WHEN VOID; ILLEGAL PREFERENCE OF CREDITORS.

Act June 3, 1864, c. 106, sec. 52; 13 Stat. L., 115. **192. Sec. 5242.**—All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any national banking association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be utterly null and void; and no attachment, injunction or execution, shall be issued against such association or its property before final judgment in any suit, action, or proceeding, in any State, county, or municipal court.

USE OF THE TITLE "NATIONAL."

Act Mar. 3, 1873, c. 269, sec. 3; 17 Stat. L., 603. **193. Sec. 5243.**—All banks not organized and transacting business under the national currency laws, or under this Title, and all persons or corporations doing the business of bankers, brokers, or savings institutions, except savings banks authorized by Congress to use the word "national" as a part of their corporate name, are prohibited from using the word "national" as a portion of the name or title of such bank, corporation, firm, or partnership; and any violation of this prohibition committed after the third day of September, eighteen hundred and seventy-three, shall subject the party chargeable therewith to a penalty of fifty dollars for each day during which it is permitted or repeated.

CHAPTER VI.

ACTS OF A GENERAL NATURE AND SECTIONS OF THE REVISED STATUTES, NOT INCLUDED IN THE NATIONAL BANK ACT, AFFECTING NATIONAL BANKS.

<p>194. District attorney to conduct suits when United States is a party.</p> <p>195. Jurisdiction of circuit court to enjoin Comptroller.</p> <p>196. Where such proceedings must be brought.</p> <p>197. Sealed certificates of Comptroller competent evidence.</p> <p>198. Certified copy of organization certificate as evidence.</p>	<p>199-209. Tax on State bank circulation.</p> <p>210-211. Tax on United States and national bank notes.</p> <p>212. Restrictions on notes less than one dollar.</p> <p>213-223. Legal tender.</p> <p>224-229. Government depositories.</p> <p>230-239. Forgeries, frauds, etc.</p> <p>240-253. Currency act March 14, 1900.</p> <p>254-257. Act March 4, 1907.</p>
---	---

ALL SUITS UNDER BANKING LAW IN WHICH THE UNITED STATES OR ANY OF ITS OFFICERS OR AGENTS ARE PARTIES TO BE CONDUCTED BY DISTRICT ATTORNEYS UNDER THE SUPERVISION OF THE SOLICITOR OF THE TREASURY.

194. Sec. 380.—All suits and proceedings arising out of the provisions of law governing national banking associations, in which the United States or any of its officers or agents shall be parties, shall be conducted by the district attorneys of the several districts under the direction and supervision of the Solicitor of the Treasury. Act Feb. 25, 1863, c. 58, sec. 55; 12 Stat. L., 680. Act June 3, 1864, c. 106, sec. 56; 13 Stat. L., 116.

NOTE.—The United States Supreme Court decided in the case of *Gibson v. Peters* (150 U. S., 342) that a district attorney could not receive any compensation for services in conducting a suit arising out of the provisions of the national banking laws in which the United States or any of its officers or agents are parties.

JURISDICTION OF CIRCUIT COURTS TO ENJOIN COMPTROLLER.

195. Sec. 629 [as amended 1875].—The circuit courts shall have original jurisdiction of all suits brought by any banking association established in the district for which the court is held, under the provisions of Title “THE NATIONAL BANKS,” to enjoin the Comptroller of the Currency, or any receiver acting under his direction, as provided by said Title. Act June 3, 1864, c. 106, secs. 50, 57; 13 Stat. L., 115, 116. Act Feb. 18, 1875, c. 80; 18 Stat. L., 318.

NOTE.—Proceedings to enjoin Comptroller authorized by section 5237.

WHERE SUCH PROCEEDINGS MUST BE BROUGHT.

196. Sec. 736.—All proceedings by any national banking association to enjoin the Comptroller of the Currency, under the provisions of any law relating to national banking associations, shall be had in the district where such association is located. Act June 3, 1864, c. 106, secs. 50, 57; 13 Stat. L., 115, 116.

SEALED CERTIFICATES OF COMPTROLLER COMPETENT EVIDENCE.

Act June 3, 1864, c. 106, sec. 2; 13 Stat. L., 100. **197. Sec. 884.**—Every certificate, assignment, and conveyance executed by the Comptroller of the Currency, in pursuance of law, and sealed with his seal of office, shall be received in evidence in all places and courts; and all copies of papers in his office, certified by him and authenticated by the said seal, shall in all cases be evidence equally with the originals. An impression of such seal directly on the paper shall be as valid as if made on wax or wafer.

CERTIFIED COPY OF ORGANIZATION CERTIFICATE AS EVIDENCE.

Act June 3, 1864, c. 106, sec. 6; 13 Stat. L., 101. **198. Sec. 885.**—Copies of the organization certificate of any national banking association, duly certified by the Comptroller of the Currency, and authenticated by his seal of office, shall be evidence in all courts and places within the jurisdiction of the United States of the existence of the association, and of every matter which could be proved by the production of the original certificate.

TAX ON STATE BANK CIRCULATION.

- | | |
|--|--|
| <p>199. 3408. Tax on circulation.</p> <p>200. 3411. Circulation; when exempted from tax.</p> <p>201. 3412, 3413. Superseded by act February 8, 1875.</p> <p>202. Act February 8, 1875. Tax on circulation of banks other than national.</p> <p>203. Act February 8, 1875. Tax on notes of State banks, municipal corporations, etc.</p> | <p>204. Act February 8, 1875. Banks' returns, payment of tax, penalties.</p> <p>205. 3414. Semiannual return by banks.</p> <p>206. 3415. Failure to make return. Commissioner to estimate.</p> <p>207. 3416. State banks converted into national banks. Returns; how made.</p> <p>208. 3417. Tax provisions restricted.</p> <p>209. Act March 1, 1879. Taxes on insolvent banks.</p> |
|--|--|

TAX ON CIRCULATION.

Act June 30, 1864, sec. 110; 13 Stat. L., 277. **199. Sec. 3408.**—There shall be levied, collected and paid, as hereafter provided.

Act July 13, 1866, sec. 9; 14 Stat. L., 137, 146. **First. * * ***

Act June 6, 1872, sec. 37; 17 Stat. L., 625. **Second. * * ***

Third. A tax of one-twelfth of one per centum each month upon the average amount of circulation issued by any bank, association, corporation, company or person, including as circulation all certified checks and all notes and other obligations calculated or intended to circulate or to be used as money, but not including that in the vault of the bank, or redeemed and on deposit for said bank; and an additional tax of one-sixth of one per centum each month upon the average amount of such circulation, issued as aforesaid, beyond the amount of ninety per centum of the capital of any such bank, association, corporation, company, or person.

In the case of banks with branches, the tax herein provided shall be assessed upon the circulation of each branch

severally, and the amount of capital of each branch shall be considered to be the amount allotted to it.

NOTE.—The first and second clauses in this section related to taxes on deposits and capital stock and were repealed by act of March 3, 1883.

CIRCULATION WHEN EXEMPTED FROM TAX.

200. Sec. 3411.—Whenever the outstanding circulation of any bank, association, corporation, company, or person is reduced to an amount not exceeding five per centum of the chartered or declared capital existing at the time the same was issued, said circulation shall be free from taxation; and whenever any bank which has ceased to issue notes for circulation deposits in the Treasury of the United States, in lawful money, the amount of its outstanding circulation, to be redeemed at par, under such regulations as the Secretary of the Treasury shall prescribe, it shall be exempt from any tax upon such circulation.

Act Mar. 3, 1865, c. 78, sec. 14; 13 Stat. L., 486. Act July 13, 1866, c. 184, sec. 9; 14 Stat. L., 146.

201. Secs. 3412, 3413.

Superseded by act February 8, 1875.

TAX ON CIRCULATION OF BANKS OTHER THAN NATIONAL BANKS. ACT FEBRUARY 8, 1875.

202. Sec. 19.—That every person, firm, association, other than national-bank associations, and every corporation, State bank, or State banking association shall pay a tax of ten per centum on the amount of their own notes used for circulation and paid out by them.

Act Feb. 8, 1875, c. 36, sec. 10; 18 Stat. L., 311.

TAX ON NOTES OF STATE BANKS, MUNICIPAL CORPORATIONS, ETC., USED AS CIRCULATION AND PAID OUT BY BANKS. ACT FEBRUARY 8, 1875.

203. Sec. 20.—That every such person, firm, association, corporation, State bank, or State banking association, and also every national banking association, shall pay a like tax of ten per centum on the amount of notes of any person, firm, association other than a national banking association, or of any corporation, State bank, or State banking association, or of any town, city, or municipal corporation, used for circulation and paid out by them.

Act Feb. 8, 1875, c. 36; sec. 20; 18 Stat. L., 311.

BANKS' RETURNS; PAYMENT OF TAX PENALTIES. ACT FEBRUARY 8, 1875.

204. Sec. 21.—That the amount of such circulating notes, and of the tax due thereon, shall be returned, and the tax paid at the same time, and in the same manner, and with like penalties for failure to return and pay the same, as provided by law for the return and payment of taxes on deposits, capital, and circulation imposed by the existing provisions of internal-revenue law.

Act Feb. 8, 1875, sec. 21; 18 Stat. L., 311.

SEMIANNUAL RETURN BY BANKS.

205. Sec. 3414.—A true and complete return of the monthly amount of circulation [of deposits, and of capital], as aforesaid, and of the monthly amount of notes of persons, town, city, or municipal corporations, State banks, or State banking associations paid out as aforesaid

Act June 30, 1864, c. 173, sec. 110; 13 Stat. L., 278. Act July 13, 1866, c. 184, sec. 9; 14 Stat. L., 147.

Act Mar. 26,
1867, c. 8, sec.
2; 15 Stat L.,
6.

Act June 6,
1872, c. 315,
sec. 37; 17
Stat. L., 256.

Act Dec. 24,
1872, c. 13,
sec. 5; 17
Stat. L., 403.

for the previous six months, shall be made and rendered in duplicate on the first day of December and the first day of June, by each of such banks, associations, corporations, companies, or persons, with a declaration annexed thereto, under the oath of such person, or of the president or cashier of such bank, association, corporation, or company, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, that the same contains a true and faithful statement of the amounts subject to tax, as aforesaid; and one copy shall be transmitted to the collector of the district in which any such bank, association, corporation, or company is situated, or in which such person has his place of business, and one copy to the Commissioner of Internal Revenue.

NOTE.—Italicized words repealed by act March 3, 1883. "That the taxes herein specified imposed by the laws now in force be, and the same are hereby, repealed, as hereinafter provided, namely: On capital and deposits of banks, bankers, and national banking associations, except such taxes as are now due and payable."

FAILURE TO MAKE RETURN. COMMISSIONER TO ESTIMATE.

Act June 30,
1864, c. 173,
sec. 110; 13
Stat. L., 278.

Act July 13,
1866, c. 184,
sec. 9; 14
Stat. L., 146.

Act Dec. 24,
1872, c. 13,
sec. 2; 17
Stat. L., 402.

206. Sec. 3415.—In default of the returns provided in the preceding section, the amount of circulation [*deposit, capital*], and notes of persons, town, city, and municipal corporations, State banks, and State banking associations paid out, as aforesaid, shall be estimated by the Commissioner of Internal Revenue, upon the best information he can obtain. And for any refusal or neglect to make return and payment any such bank, association, corporation, company, or person so in default shall pay a penalty of two hundred dollars, besides the additional penalty and forfeitures provided in other cases.

NOTE.—See note under preceding section.

STATE BANKS CONVERTED INTO NATIONAL BANKS; RETURNS, HOW MADE.

Act Mar. 3,
1865, c. 78,
sec. 14; 13
Stat. L., 486.

Act July 13,
1866, c. 184,
sec. 9; 14
Stat. L., 146.

207. Sec. 3416.—Whenever any State bank or banking association has been converted into a national banking association, and such national banking association has assumed the liabilities of such State bank or banking association, including the redemption of its bills, by any agreement or understanding whatever with the representatives of such State bank or banking association, such national banking association shall be held to make the required return and payment on the circulation outstanding, so long as such circulation shall exceed five per centum of the capital before such conversion of such State bank or banking association.

TAX PROVISIONS RESTRICTED.

Act June 30,
1864, c. 173,
sec. 110; 13
Stat. L., 278.

Act July 13,
1866, c. 184,
sec. 0; 14
Stat. L., 146.

208. Sec. 3417 [as amended 1875].—The provisions of this chapter relating to the tax on the [*deposits, capital, and*] circulation of banks and to their returns, except as contained in sections thirty-four hundred and ten, thirty-four hundred and eleven, thirty-four hundred and twelve,

thirty-four hundred and thirteen, and thirty-four hundred and sixteen, and such parts of sections thirty-four hundred and fourteen and thirty-four hundred and fifteen as relate to the tax of ten per centum on certain notes, shall not apply to associations which are taxed under and by virtue of Title "NATIONAL BANKS."

Act Feb. 18, 1875, c. 80; 19 Stat. L., 319.

NOTE.—See note under section 3414 stating that taxes on deposits and capital were repealed by act March 3, 1883.

TAXES ON INSOLVENT BANKS. ACT MARCH 1, 1879.

209. Sec. 22.—That whenever and after any bank has ceased to do business by reason of insolvency or bankruptcy, no tax shall be assessed or collected, or paid into the Treasury of the United States, on account of such bank, which shall diminish the assets thereof necessary for the full payment of all its depositors; and such tax shall be abated from such national banks as are found by the Comptroller of the Currency to be insolvent; and the Commissioner of Internal Revenue, when the facts shall so appear to him, is authorized to remit so much of said tax against insolvent State and savings banks as shall be found to affect the claims of their depositors.

Act Mar. 1, 1879, c. 125, sec. 22; 20 Stat. L., 351.

NOTE.—Part of section omitted superseded by act of March 3, 1883.

TAX ON UNITED STATES AND NATIONAL-BANK NOTES.

210. 3701. Obligations of the United States exempt from taxation.

211. Act August 13, 1894. National-bank notes and notes and certificates of the United States circulating as currency subject to State taxation.

OBLIGATIONS OF UNITED STATES EXEMPT FROM TAXATION.

210. Sec. 3701.—All stocks, bonds, Treasury notes, and other obligations of the United States shall be exempt from taxation by or under State or municipal or local authority.

Act Feb. 25, 1862, c. 33, sec. 2; 12 Stat. L., 346.

Act Mar. 3, 1863, c. 73, sec. 1; 12 Stat. L., 710. Act Mar. 3, 1864, c. 17, sec. 1; 13 Stat. L., 13. Act June 30, 1864, c. 172, sec. 1; 13 Stat. L., 218. Act Jan. 23, 1865, c. 22, sec. 1; 13 Stat. L., 425. Act Mar. 3, 1865, c. 77, sec. 2; 13 Stat. L., 469. Act July 14, 1870, c. 256, sec. 1; 16 Stat. L., 272.

NATIONAL-BANK NOTES AND NOTES AND CERTIFICATES OF THE UNITED STATES CIRCULATING AS CURRENCY SUBJECT TO STATE TAXATION. ACT AUGUST 13, 1894.

211. Sec. 1.—That circulating notes of national banking associations and United States legal-tender notes and other notes and certificates of the United States, payable on demand and circulating or intended to circulate as currency, and gold, silver, or other coin shall be subject to taxation as money on hand or on deposit under the laws of any State or Territory: *Provided*, That any such taxation shall be exercised in the same manner and at the same rate that any such State or Territory shall tax

Act Aug. 13, 1894, sec. 1; 28 Stat. L., 278.

money or currency circulating as money within its jurisdiction.

Act Aug. 13, 1894, sec. 2; 278. Stat. L., 278. SEC. 2. That the provisions of this act shall not be deemed or held to change existing laws in respect of the taxation of national banking associations.

RESTRICTIONS ON NOTES LESS THAN ONE DOLLAR.

Act July 17, 1862, c. 196, sec. 2; 12 Stat. L., 592. 212. Sec. 3583.—No person shall make, issue, circulate, or pay out any note, check, memorandum, token, or other obligation for a less sum than one dollar, intended to circulate as money or to be received or used in lieu of lawful money of the United States; and every person so offending shall be fined not more than five hundred dollars or imprisoned not more than six months, or both, at the discretion of the court.

LEGAL TENDER.

- 213. 3584. Foreign coins.
- 214. 3585. Gold coin of the United States.
- 215. 3586. Superseded by act February 28, 1878, and act June 9, 1879.
- 216. Act February 28, 1878. Authorizing coinage of standard silver dollars and making them legal tender.
- 217. Act June 9, 1879. Subsidiary silver coins.
- 218. 3587. Minor coins.
- 219. 3588. United States notes.
- 220. 3589. Demand Treasury notes.
- 221. 3590. Interest-bearing notes.
- 222. 5182. See section 5182 under national-bank act.
- 223. Act July 12, 1882. Gold certificates.

FOREIGN COINS.

Act Feb. 21, 1857, c. 56, sec. 3; 11 Stat. L., 163. 213. Sec. 3584.—No foreign gold or silver coins shall be a legal tender in payment of debts.

GOLD COIN OF THE UNITED STATES.

Act Feb. 12, 1873, c. 131, sec. 14; 17 Stat. L., 426. 214. Sec. 3585.—The gold coins of the United States shall be a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided by law for the single piece, and when reduced in weight below such standard and tolerance, shall be a legal tender at valuation in proportion to their actual weight.

215. Sec. 3586.—

Superseded by act February 28, 1878, and act June 9, 1879.

AUTHORIZING COINAGE OF STANDARD SILVER DOLLARS AND MAKING THEM LEGAL TENDER. ACT OF FEBRUARY 28, 1878.

Act Feb. 28, 1878, c. 20, sec. 1; 20 Stat. L., 25. 216. Sec. 1.—That there shall be coined at the several mints of the United States, silver dollars of the weight of 412½ grains Troy of standard silver * * *; which coins together with all silver dollars heretofore coined by the United States, of like weight and fineness, shall be a legal tender, at their nominal value, for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

SUBSIDIARY SILVER COINS. ACT OF JUNE 9, 1879.

217. Sec. 3.—That the present silver coins of the United States of smaller denominations than one dollar shall hereafter be a legal tender in all sums not exceeding ten dollars in full payment of all dues public and private. Act June 9, 1879, c. 12, sec. 3; 21 Stat. L., 8.

MINOR COINS.

218. Sec. 3587.—The minor coins of the United States shall be a legal tender, at their nominal value, for any amount not exceeding twenty-five cents in any one payment. Act Feb. 12, 1873, c. 131, sec. 16; 17 Stat. L., 427.

UNITED STATES NOTES.

219. Sec. 3588.—United States notes shall be lawful money, and a legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt. Act Feb. 25, 1862, c. 33 sec. 1; 12 Stat. L., 345. Act July 11, 1862, c. 142, sec. 1; 12 Stat. L., 823. Act Mar. 3, 1863, c. 73, sec. 3; 12 Stat. L., 711.

DEMAND TREASURY NOTES.

220. Sec. 3589.—Demand Treasury notes authorized by the act of July 17, 1861, chapter 5, and the act of February 12, 1862, chapter 20, shall be lawful money and a legal tender in like manner as United States notes. Act July 17, 1861, c. 5, sec. 1; 12 Stat. L., 259. Act Feb. 12, 1862, c. 20; 12 Stat. L., 338. Act Mar. 17, 1862, c. 45, sec. 2; 12 Stat. L., 370.

INTEREST-BEARING NOTES.

221. Sec. 3590.—Treasury notes issued under the authority of the acts of March 3, 1863, chapter 73, and June 30, 1864, chapter 172, shall be legal tender to the same extent as United States notes, for their face value, excluding interest: *Provided*, That Treasury notes issued under the act last named shall not be a legal tender in payment or redemption of any notes issued by any bank, banking association, or banker, calculated and intended to circulate as money. Act Mar. 3, 1863, c. 73, sec. 2; 12 Stat. L., 710. Act June 30, 1864, c. 172, sec. 2; 13 Stat. L., 218.

FOR WHAT DEMANDS NATIONAL-BANK NOTES MAY BE RECEIVED.

222. Sec. 5182.—

NOTE.—See section 5182, National-Bank Act, page 39, ante.

GOLD CERTIFICATES. ACT JULY 12, 1882.

223. Sec. 12.—That the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer or assistant treasurers of the United States, in sums of not less than twenty dollars, and to issue certificates therefor in denominations of not less than twenty dollars each, corresponding with the denominations of United States notes. The coin deposited for or representing the certificates of deposit shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be re-issued; and such certificates, as also silver certificates, when held by any national banking association, shall be counted Act July 12, 1882, sec. 12; 22 Stat. L., 166.

as part of its lawful reserve; and no national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing-house balances: *Provided*, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below one hundred millions of dollars; and the provisions of section fifty-two hundred and seven of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued.

NOTE.—See section 6 of the Currency Act of March 14, 1900, as amended March 4, 1907, post, page 97, for additional provisions relating to gold certificates. Gold and silver certificates are not legal tender, but are receivable for all public dues.

GOVERNMENT DEPOSITARIES.

- | | |
|---|--|
| <p>224. 3620. Duty of disbursing officers.</p> <p>225. 3847. Provisions for deposits by certain postmasters.</p> <p>226. 4046. Penalty for misapplication of money-order funds.</p> <p>227. 5153. See section 5153 under national-bank act.</p> | <p>228. 5488. Penalty for unauthorized deposit of public money.</p> <p>229. 5497. Penalty for unauthorized receipt or use of public money.</p> |
|---|--|

DUTY OF DISBURSING OFFICERS.

224. Sec. 3620 [as amended 1877].—It shall be the duty of every disbursing officer having any public money intrusted to him for disbursement to deposit the same with the Treasurer or some one of the assistant treasurers of the United States, and to draw for the same only as it may be required for payments to be made by him in pursuance of law; and draw for the same only in favor of the persons to whom payment is made, and all transfers from the Treasurer of the United States to a disbursing officer shall be by draft or warrant on the Treasury or an assistant treasurer of the United States. In places, however, where there is no Treasurer or assistant treasurer, the Secretary of the Treasury may, when he deems it essential to the public interest, specially authorize in writing the deposit of such public money in any other public depository, or, in writing, authorize the same to be kept in any other manner and under such rules and regulations as he may deem most safe and effectual to facilitate the payments to public creditors.

PROVISIONS FOR DEPOSITS BY CERTAIN POSTMASTERS.

225. Sec. 3847.—Any postmaster, having public money belonging to the Government, at an office within a county where there are no designated depositaries, treasurers of mints, or Treasurer or assistant treasurers of the United States may deposit the same, at his own risk and in his official capacity, in any national bank in the town, city, or

Act June 14,
1866, c. 122,
sec. 1: 14
Stat. L., 64.
Act Feb. 27,
1877, c. 69,
sec. 1; 19
Stat. L., 249.

Act Mar. 3,
1873, c. 272,
17 Stat. L.,
604.

county where the said postmaster resides; but no authority or permission is or shall be given for the demand or receipt by the postmaster, or any other person, of interest, directly or indirectly, on any deposit made as herein described; and every postmaster who makes any such deposit shall report quarterly to the Postmaster-General the name of the bank where such deposits have been made, and also state the amount which may stand at the time to his credit.

PENALTY FOR MISAPPLICATION OF MONEY-ORDER FUNDS.

226. Sec. 4046.—Every postmaster, assistant, clerk, or other person employed in or connected with the business or operations of any money-order office who converts to his own use, in any way whatever, or loans, or deposits in any bank, except as authorized by this Title,^a or exchanges for other funds, any portion of the money-order funds, shall be deemed guilty of embezzlement, and any such person, as well as every other person advising or participating therein, shall, for every such offense, be imprisoned for not less than six months nor more than ten years, and be fined in a sum equal to the amount embezzled; and any failure to pay over or produce any money-order funds intrusted to such person shall be taken to be prima facie evidence of embezzlement; and upon the trial of any indictment against any person for such embezzlement it shall be prima facie evidence of a balance against him to produce a transcript from the money-order account books of the Sixth Auditor. But nothing herein contained shall be construed to prohibit any postmaster depositing, under the direction of the Postmaster-General, in a national bank designated by the Secretary of the Treasury for that purpose, to his own credit as postmaster, any money-order or other funds in his charge, nor prevent his negotiating drafts or other evidences of debt through such bank, or through United States disbursing officer, or otherwise, when instructed or required to do so by the Postmaster-General for the purpose of remitting surplus money-order funds from one post-office to another, to be used in payment of money-orders. Disbursing officers of the United States shall issue, under regulations to be prescribed by the Secretary of the Treasury, duplicates of lost checks drawn by them in favor of any postmaster on account of money-order or other public funds received by them from some other postmaster.

Act June 8,
1872, c. 335,
sec. 122; 17
Stat. L., 290.
Act Mar. 3,
1873, c. 272;
17 Stat. L.,
604.

NATIONAL BANKING ASSOCIATIONS TO BE DEPOSITARIES OF PUBLIC MONEYS.

227. Sec. 5153 [as amended 1907].—

NOTE.—See section 5153 under “National-bank act.”

^a “This Title” The Postal Service.

PENALTY FOR UNAUTHORIZED DEPOSIT OF PUBLIC MONEY.

Act June 14, 1866, c. 122, sec. 2; 14 Stat. L., 64.

228. Sec. 5488.—Every disbursing officer of the United States who deposits any public money intrusted to him in any place or in any manner, except as authorized by law, or converts to his own use in any way whatever, or loans with or without interest, or for any purpose not prescribed by law withdraws from the Treasurer or any assistant treasurer, or any authorized depository, or for any purpose not prescribed by law transfers or applies any portion of the public money intrusted to him, is, in every such act, deemed guilty of an embezzlement of the money so deposited, converted, loaned, withdrawn, transferred, or applied; and shall be punished by imprisonment with hard labor for a term not less than one year nor more than ten years, or by a fine of not more than the amount embezzled or less than one thousand dollars, or by both such fine and imprisonment.

NOTE.—Sections 5489 to 5496 do not refer to national banks.

PENALTY FOR UNAUTHORIZED RECEIPT OR USE OF PUBLIC MONEY.

Act June 14, 1866, c. 122, sec. 3; 14 Stat. L., 65. Act Feb. 3, 1879, c. 42; 20 Stat. L., 280.

229. Sec. 5497 [as amended 1879].—Every banker, broker, or other person not an authorized depository of public moneys, who knowingly receives from any disbursing officer, or collector of internal revenue, or other agent of the United States, any public money on deposit, or by way of loan or accommodation, with or without interest, or otherwise than in payment of a debt against the United States, or who uses, transfers, converts, appropriates, or applies any portion of the public money for any purpose not prescribed by law, and every president, cashier, teller, director, or other officer of any bank or banking association, who violates any of the provisions of this section, is guilty of an act of embezzlement of the public money so deposited, loaned, transferred, used, converted, appropriated, or applied, and shall be punished as prescribed in section fifty-four hundred and eighty-eight.
* * *

NOTE.—For duties and liabilities of depositaries see note under sec. 5153, page 25, ante.

FORGERIES, FRAUDS, ETC.

- | | |
|--|---|
| <p>230. 5413. Obligations of the United States defined.</p> <p>231. 5414. Forging or counterfeiting United States securities.</p> <p>232. 5415. Counterfeiting national-bank notes.</p> <p>233. 5430. Using plates to print notes without authority.</p> <p>234. 5431. Penalty for passing counterfeit circulation.</p> <p>235. 5432. Penalty for taking unauthorized impression of tools.</p> | <p>236. 5433. Penalty for having such impressions.</p> <p>237. 5434. Penalty for dealing in counterfeit circulation.</p> <p>238. 5437. Issuing circulation of expired associations; penalty therefor.</p> <p>239. Act June 30, 1876. Fraudulent notes to be so marked by United States officers and officers of national banks.</p> |
|--|---|

OBLIGATIONS OF THE UNITED STATES DEFINED.

230. Sec. 5413 [as amended 1875, 1877].—The words “obligation or other security of the United States” shall be held to mean all bonds, certificates of indebtedness, national-bank currency, coupons, United States notes, Treasury notes, fractional notes, certificates of deposit, bills, checks, or drafts for money drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, which have been or may be issued under any act of Congress.

Act June 30,
1864, c. 172,
sec. 13; 13
Stat. L., 222.
Act Feb. 18,
1875, c. 80; 18
Stat. L., 320.
Act Feb. 27,
1877, c. 69; 19
Stat. L., 253.

FORGING OR COUNTERFEITING UNITED STATES SECURITIES.

231. Sec. 5414.—Every person who, with intent to defraud, falsely makes, forges, counterfeits, or alters any obligation or security of the United States shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor not more than fifteen years.

Act June 30,
1864, c. 172,
sec. 10; 13
Stat. L., 221.

COUNTERFEITING NATIONAL-BANK NOTES.

232. Sec. 5415.—Every person who falsely makes, forges, or counterfeits, or causes or procures to be made, forged, or counterfeited, or willingly aids or assists in falsely making, forging, or counterfeiting, any note in imitation of, or purporting to be in imitation of, the circulating notes issued by any banking association now or hereafter authorized and acting under the laws of the United States; or who passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note purporting to be issued by any such association doing a banking business, knowing the same to be falsely made, forged, or counterfeited, or who falsely alters, or causes or procures to be falsely altered, or willingly aids or assists in falsely altering any such circulating notes, or passes, utters, or publishes, or attempts to pass, utter, or publish as true, any falsely altered or spurious circulating note issue, or purporting to have been issued, by any such banking association, knowing the same to be falsely altered or spurious, shall be imprisoned at hard labor not less than five years nor more than fifteen years, and fined not more than one thousand dollars.

Act Feb. 25,
1863, c. 58,
sec. 57; 12
Stat. L., 680.
Act June 3,
1864, c. 106,
sec. 59; 13
Stat. L., 117.

NOTE.—Sections 5416 to 5429, inclusive, do not refer to national-bank circulation.

USING PLATES TO PRINT NOTES WITHOUT AUTHORITY.

233. Sec. 5430.—Every person having control, custody, or possession of any plate, or any part thereof, from which has been printed, or which may be prepared by direction of the Secretary of the Treasury for the purpose of printing, any obligation or other security of the United States, who uses such plate, or knowingly suffers the same to be used for the purpose of printing any such or similar obligation, or other security, or any part

Act June 30,
1864, c. 172,
sec. 11; 13
Stat. L., 221.

thereof, except as may be printed for the use of the United States by order of the proper officer thereof; and every person who engraves, or causes or procures to be engraved, or assists in engraving, any plate in the likeness of any plate designed for the printing of such obligation or other security, or who sells any such plate, or who brings into the United States from any foreign place any such plate, except under the direction of the Secretary of the Treasury or other proper officer, or with any other intent, in either case, than that such plate be used for the printing of the obligations or other securities of the United States; or who has in his control, custody, or possession any metallic plate engraved after the similitude of any plate from which any such obligation or other security has been printed, with intent to use such plate, or suffer the same to be used in forging or counterfeiting any such obligation or other security, or any part thereof; or who has in his possession or custody, except under authority from the Secretary of the Treasury or other proper officer, any obligation or other security, engraved and printed after the similitude of any obligation or other security issued under the authority of the United States, with intent to sell or otherwise use the same; and every person who prints, photographs, or in any other manner makes or executes, or causes to be printed, photographed, made, or executed, or aids in printing, photographing, making, or executing any engraving, photograph, print, or impression in the likeness of any such obligation or other security, or any part thereof, or who sells any such engraving, photograph, print, or impression, except to the United States, or who brings into the United States from any foreign place any such engraving, photograph, print, or impression, except by direction of some proper officer of the United States, or who has or retains in his control or possession, after a distinctive paper has been adopted by the Secretary of the Treasury for the obligations and other securities of the United States, any similar paper adapted to the making of any such obligation or other security, except under the authority of the Secretary of the Treasury or some other proper officer of the United States, shall be punished by a fine of not more than five thousand dollars, or by imprisonment at hard labor not more than fifteen years, or by both.

PENALTY FOR PASSING COUNTERFEIT CIRCULATION.

Act June 30,
1864, c. 172;
sec. 10; 13
Stat. L., 221.

234. Sec. 5431.—Every person who, with intent to defraud, passes, utters, publishes, or sells, or attempts to pass, utter, publish, or sell, or brings into the United States with intent to pass, publish, utter, or sell, or keeps in possession or conceals, with like intent, any falsely made, forged, counterfeited, or altered obligation, or other security of the United States, shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor not more than fifteen years.

PENALTY FOR TAKING UNAUTHORIZED IMPRESSION OF TOOLS.

235. Sec. 5432.—Every person who, without authority from the United States, takes, procures, or makes, upon lead, foil, wax, plaster, paper, or any other substance or material, an impression, stamp, or imprint of, from, or by the use of, any bedplate, bedpiece, die, roll, plate, seal, type, or other tool, implement, instrument, or thing used or fitted, or intended to be used, in printing, stamping, or impressing, or in making other tools, implements, instruments, or things, to be used, or fitted or intended to be used, in printing, stamping, or impressing any kind or description of obligation or other security of the United States, now authorized or hereafter to be authorized by the United States, or circulating note or evidence of debt of any banking association under the laws thereof, shall be punished by imprisonment at hard labor not more than ten years, or by a fine of not more than five thousand dollars, or both.

Act Feb. 5,
1867, c. 26,
sec. 4; 14
Stat. L., 383.

PENALTY FOR HAVING SUCH IMPRESSIONS.

236. Sec. 5433.—Every person who, with intent to defraud, has in his possession, keeping, custody, or control, without authority from the United States, any imprint, stamp, or impression, taken or made upon any substance or material whatsoever, of any tool, implement, instrument, or thing used, or fitted, or intended to be used for any of the purposes mentioned in the preceding section; or who, with intent to defraud, sells, gives, or delivers any such imprint, stamp, or impression to any other person, shall be punished by imprisonment at hard labor not more than ten years, or by a fine of not more than five thousand dollars.

Act Feb. 5,
1867, c. 26,
sec. 5; 14
Stat. L., 384.

PENALTY FOR DEALING IN COUNTERFEIT CIRCULATION.

237. Sec. 5434.—Every person who buys, sells, exchanges, transfers, receives, or delivers any false, forged, counterfeited, or altered obligation or other security of the United States, or circulating note of any banking association organized or acting under the laws thereof, which has been or may hereafter be issued by virtue of any act of Congress, with the intent that the same be passed, published, or used as true and genuine, shall be imprisoned at hard labor not more than ten years, or fined not more than five thousand dollars, or both.

Act Feb. 5,
1867, c. 26,
sec. 1; 14
Stat. L., 383.

NOTE.—Sections 5435 and 5436 do not refer to national-bank circulation.

ISSUING CIRCULATION OF EXPIRED ASSOCIATIONS, PENALTY THEREFOR.

238. Sec. 5437.—In all cases where the charter of any corporation which has been or may be created by act of Congress has expired or may hereafter expire, if any director, officer, or agent of the corporation, or any trustee thereof, or any agent of such trustee, or any person having in his possession or under his control the property of the

Act July 7,
1838, c. 185,
sec. 1; 5 Stat.
L., 297.

corporation for the purpose of paying or redeeming its notes and obligations, knowingly issues, reissues, or utters as money, or in any other way knowingly puts in circulation any bill, note, check, draft, or other security purporting to have been made by any such corporation whose charter has expired, or by any officer thereof, or purporting to have been made under authority derived therefrom, or if any person knowingly aids in any such act, he shall be punished by a fine of not more than ten thousand dollars, or by imprisonment not less than one year nor more than five years, or by both such fine and imprisonment. But nothing herein shall be construed to make it unlawful for any person, not being such director, officer, or agent of the corporation, or any trustee thereof, or any agent of such trustee, or any person having in his possession or under his control the property of the corporation for the purpose hereinbefore set forth, who has received or may hereafter receive such bill, note, check, draft, or other security, bona fide and in the ordinary transactions of business to utter as money and otherwise circulate the same.

FRAUDULENT NOTES TO BE SO MARKED BY UNITED STATES OFFICERS AND OFFICERS OF NATIONAL BANKS. ACT JUNE 30, 1876.

Act June 30,
1876, sec. 5;
19 Stat. L., 64.

239. Sec. 5.—That all United States officers charged with the receipt or disbursement of public moneys, and all officers of national banks, shall stamp or write in plain letters the word “counterfeit,” “altered,” or “worthless,” upon all fraudulent notes issued in the form of and intended to circulate as money which shall be presented at their places of business; and if such officer shall wrongfully stamp any genuine note of the United States, or of the national banks, they shall, upon presentation, redeem such notes at the face value thereof.

CURRENCY ACT, APPROVED MARCH 14, 1900.

- | | |
|---|--|
| <p>240. Section 1. Gold dollar declared to be standard unit of value.</p> <p>241. Sec. 2. Secretary of Treasury to set apart and maintain a gold reserve of one hundred and fifty million dollars in gold coin and bullion for the redemption of United States notes and notes issued under the act of July 14, 1890. May sell bonds to replenish reserve.</p> <p>242. Sec. 3. Silver dollar to remain legal tender.</p> <p>243. Sec. 4. Divisions of issue and redemption established.</p> <p>244. Sec. 5. When silver dollars are coined from bullion purchased under act of July 14, 1890, an equal amount of Treasury notes to be canceled and silver certificates issued.</p> | <p>245. Sec. 6. Issue of gold certificates. Issue of gold certificates payable to order.</p> <p>246. Sec. 7. Issue of silver certificates.</p> <p>247. Sec. 8. Subsidiary silver coinage.</p> <p>248. Sec. 9. Recoinage of uncurrent subsidiary silver coin.</p> <p>249. Sec. 10. Amends section 5138, Revised Statutes. (See said section under national-bank act.)</p> <p>250. Sec. 11. Refunding of United States bonds.</p> <p>251. Sec. 12. This section is inserted in national-bank act following section 5171, which it supersedes.</p> <p>252. Sec. 13. See sec. 214, Revised Statutes, under national bank act.</p> <p>253. Sec. 14. International bimetallism.</p> |
|---|--|

An Act To define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

GOLD DOLLAR DECLARED TO BE STANDARD UNIT OF VALUE.

240. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.* That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Act Mar. 14,
1900, sec. 1;
31 Stat. L., 45.

SECRETARY OF TREASURY TO SET APART AND MAINTAIN A GOLD RESERVE OF ONE HUNDRED AND FIFTY MILLION DOLLARS IN GOLD COIN AND BULLION FOR THE REDEMPTION OF UNITED STATES NOTES AND NOTES ISSUED UNDER ACT OF JULY 14, 1890. MAY SELL BONDS TO REPLENISH RESERVE.

241. Sec. 2.—That United States notes, and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple

Act Mar. 14,
1900, sec. 2;
31 Stat. L., 45.

thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

SILVER DOLLAR TO REMAIN LEGAL TENDER.

Act Mar. 14, 1900, sec. 3; 31 Stat. L., 46. **242. Sec. 3.**—That nothing contained in this Act shall be construed to affect the legal-tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

DIVISIONS OF ISSUE AND REDEMPTION ESTABLISHED.

Act Mar. 14, 1900, sec. 4; 31 Stat. L., 46. **243. Sec. 4.**—That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

WHEN SILVER DOLLARS ARE COINED FROM BULLION PURCHASED UNDER ACT OF JULY 14, 1890, AN EQUAL AMOUNT OF TREASURY NOTES TO BE CANCELED AND SILVER CERTIFICATES ISSUED.

244. Sec. 5.—That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety, and June thirteenth, eighteen hundred and ninety-eight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this Act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

Act Mar. 14,
1900, sec. 5;
31 Stat. L., 47.

ISSUE OF GOLD CERTIFICATES. ISSUE OF GOLD CERTIFICATES PAYABLE TO ORDER.

245. Sec. 6 [as amended by acts of March 4, 1907 and March 2, 1911].—That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the Treasurer or any assistant treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than ten dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve: *Provided*, That whenever and so long as the gold coin and bullion held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended: *And provided further*. That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for: *And provided further*, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less: *And provided further*, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order. *And provided further*, That the Secretary of the Treasury may, in his discretion, receive, with the assistant treasurer in New York and the assistant treasurer in San Francisco, deposits of foreign gold coin at their bullion value in amounts of not less than one

Act Mar. 14,
1900, sec. 6;
31 Stat. L., 47.
Act Mar. 4,
1907, sec. 1;
34 Stat. L.,
1289.

thousand dollars in value and issue gold certificates therefor of the description herein authorized: *And provided* **Act Mar. 2, 1911.** *further*, That the Secretary of the Treasury may, in his discretion, receive, with the Treasurer or any assistant treasurer of the United States, deposits of gold bullion bearing the stamp of the coinage mints of the United States, or the assay office in New York, certifying their weight, fineness, and value, in amounts of not less than one thousand dollars in value, and issue gold certificates therefor of the description herein authorized. But the amount of gold bullion and foreign coin so held shall not at any time exceed one-third of the total amount of gold certificates at such time outstanding. And section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.

ISSUE OF SILVER CERTIFICATES.

Act Mar. 14, 1900, sec. 7; 31 Stat. L., 47. **246. Sec. 7.**—That hereafter silver certificates shall be issued only of denominations of ten dollars and under except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed, be retired and canceled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of less denomination than ten dollars shall from time to time be retired and canceled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and canceled.

NOTE.—The act of February 28, 1878, authorized the issue of silver certificates in sums of not less than ten dollars. The act of March 3, 1887, authorized the issue of one, two, and five dollar certificates. This section supersedes these acts as to all new issues.

SUBSIDIARY SILVER COINAGE.

Act Mar. 14, 1900, sec. 8; 31 Stat. L., 47. **247. Sec. 8.**—That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: *Provided*, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars. Whenever any silver bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

RECOINAGE OF UNCURRENT SUBSIDIARY SILVER COIN.

248. Sec. 9.—That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.

Act Mar. 14,
1900, sec. 9;
31 Stat. L., 48.

249. Sec. 10.—

Amends section fifty-one hundred and thirty-eight, Revised Statutes. (See said section under National-bank act.)

REFUNDING OF UNITED STATES BONDS.

250. Sec. 11.—That the Secretary of the Treasury is hereby authorized to receive at the Treasury any of the outstanding bonds of the United States bearing interest at five per centum per annum, payable February first, nineteen hundred and four, and any bonds of the United States bearing interest at four per centum per annum, payable July first, nineteen hundred and seven, and any bonds of the United States bearing interest at three per centum per annum, payable August first, nineteen hundred and eight, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of two per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue, and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: *Provided*, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of two and one-quarter per centum per annum; and in consideration of the reduction of interest effected, the Secretary of the Treasury is authorized to pay to the holders of the outstanding bonds surrendered for exchange, out of any money in the Treasury not otherwise appropriated, a sum not greater than the difference between their present worth, computed as aforesaid, and their par value, and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section thirty-six hundred and ninety-four of the Revised Statutes: *And provided further*, That the two per centum bonds to be issued under the provisions of this act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall

Act Mar. 14,
1900, sec. 11;
31 Stat. L., 48.

be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the Treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this Act, a sum not exceeding one-fifteenth of one per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

251. Sec. 12.—

This section is inserted in the national-bank act following section fifty-one hundred and seventy-one, which it supersedes.

252. Sec. 13.—

See sections 5214, Revised Statutes.

INTERNATIONAL BIMETALLISM.

Act Mar. 14, 1900, sec. 14; 31 Stat. L., 49.

253. Sec. 14.—That the provisions of this Act are not intended to preclude the accomplishment of international bimetallism whenever conditions shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver.

ACT MARCH 4, 1907.

- 254. Sec. 1. Amends section 6 of act of March 14, 1900.
- 255. Sec. 2. Issue of Treasury notes.
- 256. Sec. 3. Amends section 5153 of the Revised Statutes.

257. Sec. 4. Amends section 9 of act of July 12, 1882. The amended section follows section 5167 of the Revised Statutes.

254. Sec. 1, Act March 4, 1907.

Amends section 6 of act of March 14, 1900. This amended section is incorporated in said act, page 97, ante.

ISSUE OF TREASURY NOTES. ACT MARCH 4, 1907.

Act Mar. 4, 1907, sec. 2; 34 Stat. L., 1289.

255. Sec. 2.—That whenever and so long as the outstanding silver certificates of the denominations of one dollar, two dollars, and five dollars, issued under the provisions of section seven of an Act entitled "An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," approved March fourteenth, nineteen hundred, shall be, in the opinion of the Secretary of the Treasury, insufficient to meet the public demand therefor, he is hereby authorized to issue United States notes of the denominations of one dollar, two dollars, and five dollars, and upon the issue of United States notes of such denominations an equal amount of United States notes of higher denominations shall be retired and canceled: *Provided, however,* That the aggregate amount of United States notes at any time outstanding shall remain as at present fixed by law: *And pro-*

vided further, That nothing in this Act shall be construed as affecting the right of any national bank to issue one-third in amount of its circulating notes of the denomination of five dollars, as now provided by law.

256. Sec. 3.—

Amends section 5153, Revised Statutes, page 25, ante.

257. Sec. 4.—

Amends section 9 of act of July 12, 1882, as amended by act of March 14, 1900.

NOTE.—This section was further amended by section 10 of act of May 30, 1908, as set forth following Revised Statutes, 5167, page 34, ante.

TARIFF ACT APPROVED AUGUST 5, 1909.

258. Sec. 38.—Corporation tax.

259. Sec. 39.—Panama bonds.

NOTE.—Other sections relate to customs duties and internal revenue.

EXCISE TAX ON CORPORATIONS.

258. Sec. 38.—That every corporation, joint stock company or association, organized for profit and having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States or of any State or Territory of the United States or under the acts of Congress applicable to Alaska or the District of Columbia, or now or hereafter organized under the laws of any foreign country and engaged in business in any State or Territory of the United States or in Alaska or in the District of Columbia, shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint stock company or association, or insurance company, equivalent to one per centum upon the entire net income over and above five thousand dollars received by it from all sources during such year, exclusive of amounts received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed; or if organized under the laws of any foreign country, upon the amount of net income over and above five thousand dollars received by it from business transacted and capital invested within the United States and its Territories, Alaska, and the District of Columbia during such year, exclusive of amounts so received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed: *Provided, however*, That nothing in this section contained shall apply to labor, agricultural or horticultural organizations, or to fraternal beneficiary societies, orders, or associations operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies,

Act Aug. 5,
1909, sec. 38;
36 Stat. L., 112.

orders, or associations, and dependents of such members, nor to domestic building and loan associations, organized and operated exclusively for the mutual benefit of their members, nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual.

Second. Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint stock company or association, or insurance company, received within the year from all sources, (first) all the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties, including all charges such as rentals or franchise payments, required to be made as a condition to the continued use or possession of property; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums other than dividends, paid within the year on policy and annuity contracts and the net addition, if any, required by law to be made within the year to reserve funds; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year, and in the case of a bank, banking association, or trust company, all interest actually paid by it within the year on deposits; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof, or imposed by the government of any foreign country as a condition to carrying on business therein; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed: *Provided*, That in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, such net income shall be ascertained by deducting from the gross amount of its income received within the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States and its Territories, Alaska, and the District of Columbia, including all charges such as rentals or franchise payments required to be made as a condition to the continued use or possession of property; (second) all losses actually

sustained within the year in business conducted by it within the United States or its Territories, Alaska, or the District of Columbia not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums other than dividends, paid within the year on policy and annuity contracts and the net addition, if any, required by law to be made within the year to reserve funds; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded or other indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia bears to the gross amount of its income derived from all sources within and without the United States; (fourth) the sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, and insurance companies, subject to the tax hereby imposed. In the case of assessment insurance companies the actual deposit of sums with State or Territorial officers, pursuant to law, as additions to guaranty or reserve funds shall be treated as being payments required by law to reserve funds.

Third. There shall be deducted from the amount of the net income of each of such corporations, joint stock companies or associations, or insurance companies, ascertained as provided in the foregoing paragraphs of this section, the sum of five thousand dollars, and said tax shall be computed upon the remainder of said net income of such corporation, joint stock company or association, or insurance company, for the year ending December thirty-first, nineteen hundred and nine, and for each calendar year thereafter; and on or before the first day of March, nineteen hundred and ten, and the first day of March in each year thereafter, a true and accurate return under oath or affirmation of its president, vice-president, or other principal officer, and its treasurer or assistant treasurer, shall be made by each of the corporations, joint stock companies or associations, and insurance companies, subject to the tax imposed by this section, to the collector of internal revenue for the district in which such corporation, joint stock company or association, or insurance company has its principal place of business, or, in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, in the place where its principal business is carried on within the United States, in such form as the Commissioner of Internal Revenue, with the ap-

proval of the Secretary of the Treasury, shall prescribe, setting forth (first) the total amount of the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year; (second) the total amount of the bonded and other indebtedness of such corporation, joint stock company or association, or insurance company at the close of the year; (third) the gross amount of the income of such corporation, joint stock company or association, or insurance company, received during such year from all sources, and if organized under the laws of a foreign country the gross amount of its income received within the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia; also the amount received by such corporation, joint stock company or association, or insurance company, within the year by way of dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax imposed by this section; (fourth) the total amount of all the ordinary and necessary expenses actually paid out of earnings in the maintenance and operation of the business and properties of such corporation, joint stock company or association, or insurance company, within the year, stating separately all charges such as rentals or franchise payments required to be made as a condition to the continued use or possession of property, and if organized under the laws of a foreign country the amount so paid in the maintenance and operation of its business within the United States and its Territories, Alaska, and the District of Columbia; (fifth) the total amount of all losses actually sustained during the year and not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums other than dividends, paid within the year on policy and annuity contracts and the net addition, if any, required by law to be made within the year to reserve funds; and in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, all losses actually sustained by it during the year in business conducted by it within the United States or its Territories, Alaska, and the District of Columbia, not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums other than dividends, paid within the year on policy and annuity contracts and the net addition, if any, required by law to be made within the year to reserve fund; (sixth) the amount of interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not

exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year, and in the case of a bank, banking association, or trust company, stating separately all interest paid by it within the year on deposits; or in case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the proportion of its paid-up capital stock outstanding at the close of the year, which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, bears to the gross amount of its income derived from all sources within and without the United States; (seventh) the amount paid by it within the year for taxes imposed under the authority of the United States or any State or Territory thereof, and separately the amount so paid by it for taxes imposed by the government of any foreign country as a condition to carrying on business therein; (eighth) the net income of such corporation, joint stock company or association, or insurance company, after making the deductions in this section authorized. All such returns shall as received be transmitted forthwith by the collector to the Commissioner of Internal Revenue.

Fourth. Whenever evidence shall be produced before the Commissioner of Internal Revenue which in the opinion of the commissioner justifies the belief that the return made by any corporation, joint stock company or association, or insurance company, is incorrect, or whenever any collector shall report to the Commissioner of Internal Revenue that any corporation, joint stock company or association, or insurance company has failed to make a return as required by law, the Commissioner of Internal Revenue may require from the corporation, joint stock company or association, or insurance company making such return, such further information with reference to its capital, income, losses, and expenditures as he may deem expedient; and the Commissioner of Internal Revenue, for the purpose of ascertaining the correctness of such return or for the purpose of making a return where none has been made, is hereby authorized, by any regularly appointed revenue agent specially designated by him for that purpose, to examine any books and papers bearing upon the matters required to be included in the return of such corporation, joint stock company or association, or insurance company, and to require the attendance of any officer or employee of such corporation, joint stock company or association, or insurance company, and to take his testimony with reference to the matter required by law to be

included in such return, with power to administer oaths to such person or persons; and the Commissioner of Internal Revenue may also invoke the aid of any court of the United States having jurisdiction to require the attendance of such officers or employees and the production of such books and papers. Upon the information so acquired the Commissioner of Internal Revenue may amend any return or make a return where none has been made. All proceedings taken by the Commissioner of Internal Revenue under the provisions of this section shall be subject to the approval of the Secretary of the Treasury.

Fifth. All returns shall be retained by the Commissioner of Internal Revenue, who shall make assessments thereon; and in case of any return made with false or fraudulent intent, he shall add one hundred per centum of such tax, and in case of a refusal or neglect to make a return or to verify the same as aforesaid he shall add fifty per centum of such tax. In case of neglect occasioned by the sickness or absence of an officer of such corporation, joint stock company or association, or insurance company, required to make said return, or for other sufficient reason, the collector may allow such further time for making and delivering such return as he may deem necessary, not exceeding thirty days. The amount so added to the tax shall be collected at the same time and in the same manner as the tax originally assessed, unless the refusal, neglect, or falsity is discovered after the date for payment of said taxes, in which case the amount so added shall be paid by the delinquent corporation, joint stock company or association, or insurance company, immediately upon notice given by the collector. All assessments shall be made and the several corporations, joint stock companies or associations, or insurance companies, shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said assessments shall be paid on or before the thirtieth day of June, except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as above provided for, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the thirtieth day of June in any year, and for ten days after notice and demand thereof by the collector, there shall be added the sum of five per centum on the amount of tax unpaid and interest at the rate of one per centum per month upon said tax from the time the same becomes due.

Sixth. When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such.

Seventh. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or make known in any manner whatever not provided by law to any person any information obtained by him in the discharge of his official duty, or to divulge or make known in any manner not provided by law any document received, evidence taken, or report made under this section except upon the special direction of the President; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both, at the discretion of the court.

Eighth. If any of the corporations, joint stock companies or associations, or insurance companies aforesaid, shall refuse or neglect to make a return at the time or times hereinbefore specified in each year, or shall render a false or fraudulent return, such corporation, joint stock company or association, or insurance company, shall be liable to a penalty of not less than one thousand dollars and not exceeding ten thousand dollars.

Any person authorized by law to make, render, sign, or verify any return who makes any false or fraudulent return, or statement, with intent to defeat or evade the assessment required by this section to be made, shall be guilty of a misdemeanor, and shall be fined not exceeding one thousand dollars or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

All laws relating to the collection, remission, and refund of internal-revenue taxes, so far as applicable to and not inconsistent with the provisions of this section, are hereby extended and made applicable to the tax imposed by this section.

Jurisdiction is hereby conferred upon the circuit and district courts of the United States for the district within which any person summoned under this section to appear to testify or to produce books, as aforesaid, shall reside, to compel such attendance, production of books, and testimony by appropriate process.

PANAMA CANAL BONDS—ADDITIONAL ISSUE AUTHORIZED AT RATE OF INTEREST NOT TO EXCEED 3 PER CENT PER ANNUM.

259. Sec. 39.—That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time, as the proceeds may be required Act Aug. 5, 1909, sec. 39; 36 Stat. L., 117.

to defray expenditures on account of the Panama Canal and to reimburse the Treasury for such expenditures already made and not covered by previous issues of bonds, the sum of two hundred and ninety million five hundred and sixty-nine thousand dollars (which sum together with the eighty-four million six hundred and thirty-one thousand nine hundred dollars already borrowed upon issues of two per cent bonds under section eight of the Act of June twenty-eight, nineteen hundred and two, equals the estimate of the Isthmian Canal Commission to cover the entire cost of the Canal from its inception to its completion), and to prepare and issue therefor coupon or registered bonds of the United States in such form as he may prescribe, and in denominations of one hundred dollars, five hundred dollars, and one thousand dollars, payable fifty years from the date of issue, and bearing interest payable quarterly in gold coin at a rate not exceeding three per centum per annum; and the bonds herein authorized shall be exempt from all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: Provided, That said bonds may be disposed of by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, giving to all citizens of the United States an equal opportunity to subscribe therefor, but no commissions shall be allowed or paid thereon; and a sum not exceeding one-tenth of one per centum of the amount of the bonds herein authorized is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same; and the authority contained in section eight of the Act of June twenty-eight, nineteen hundred and two, for the issue of bonds bearing interest at two per centum per annum, is hereby repealed.

PANAMA CANAL BONDS ISSUED UNDER ACT OF AUGUST 5, 1909, NOT RECEIVABLE AS SECURITY FOR THE ISSUE OF CIRCULATING NOTES TO NATIONAL BANKS.

Act. Mar. 2, 1911. **260.** *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury be, and he is hereby, authorized to insert in the bonds to be issued by him under section thirty-nine of an Act entitled "An Act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August fifth, nineteen hundred and nine, a provision that such bonds shall not be receivable by the Treasurer of the United States as security for the issue of circulating notes to national banks; and the bonds containing such provision shall not be receivable for that purpose.

ACT MARCH 2, 1911.

CERTIFIED CHECKS DRAWN ON NATIONAL AND STATE BANKS RECEIVABLE FOR DUTIES ON IMPORTS AND INTERNAL TAXES.

261. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it shall be lawful for collectors of cus- Act Mar. 2,
1911. toms and of internal revenue to receive for duties on imports and internal taxes certified checks drawn on national and State banks, and trust companies during such time and under such regulations as the Secretary of the Treasury may prescribe. No person, however, who may be indebted to the United States on account of duties on imports or internal taxes who shall have tendered a certified check or checks as provisional payment for such duties or taxes, in accordance with the terms of this Act, shall be released from the obligation to make ultimate payment thereof until such certified check so received has been duly paid; and if any such check so received is not duly paid by the bank on which it is drawn and so certifying, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of such bank; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

Sec. 2. That this Act shall be effective on and after June first, nineteen hundred and eleven.

CHAPTER VII.

SPECIAL ACTS RELATING TO NATIONAL BANKS.

- | | |
|---|---|
| 262. Act May 2, 1890. Qualifications of directors in Oklahoma. | 265. Act April 30, 1900. National banking laws applicable to Hawaii. |
| 263. Act May 2, 1890. National banking laws extended to Indian Territory. | 266. Special acts authorizing change of name or location of national banks. |
| 264. Act April 12, 1900. National banking laws applicable to Porto Rico. | |

QUALIFICATIONS OF DIRECTORS IN OKLAHOMA. ACT MAY 2, 1890.

Act May 2, 1890, sec. 17; 26 Stat. L., 89. **262. Sec. 17.**—That the provisions of Title sixty-two of the Revised Statutes of the United States relating to national banks, and all amendments thereto, shall have the same force and effect in the Territory of Oklahoma as elsewhere in the United States:

Act Apr. 12, 1900, sec. 14; 31 Stat. L., 80. *“Provided, That persons otherwise qualified to act as directors shall not be required to have resided in said Territory for more than three months immediately preceding their election as such.”*

NATIONAL BANKING LAWS EXTENDED TO INDIAN TERRITORY. ACT MAY 2, 1890.

263. Sec. 31.—* * * That all laws relating to national banking associations shall have the same force and effect in Indian Territory as elsewhere in the United States.

NOTE.—The act of May 2, 1890, is “An act to provide a temporary government for the Territory of Oklahoma, to enlarge the jurisdiction of the United States court in the Indian Territory, and for other purposes.” Sections 17 and 31 are the only sections which relate to national banks.

NATIONAL BANKING LAWS APPLICABLE TO PORTO RICO. ACT APRIL 12, 1900.

Act May 2, 1890, sec. 31; 26 Stat. L., 96. **264. Sec. 14.**—That the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Porto Rico as in the United States, except the internal-revenue laws, which, in view of the provisions of section 3, shall not have force and effect in Porto Rico.

NOTE.—The Attorney-General of the United States in an opinion rendered June 2, 1900, held “There seems to be in the structure of the national banking laws no general provisions which can not be carried into force and effect in Porto Rico equally with all of the various States and Territories to which the laws were originally applied. I can find no reason to hold that the statutes relative to the organization and powers of national banks have

not, by section 14 of the Porto Rican act, above referred to, been extended to that island. The language of that section is broad enough, and in my opinion does, authorize the organization and carrying on of national banks in Porto Rico."

**NATIONAL BANKING LAWS APPLICABLE TO HAWAII.
ACT APRIL 30, 1900.**

265. Sec. 5.—That the Constitution, and except as herein otherwise provided, all the laws of the United States which are not locally inapplicable, shall have the same force and effect within the said Territory as elsewhere in the United States: *Provided*, That sections eighteen hundred and fifty and eighteen hundred and ninety of the Revised Statutes of the United States shall not apply to the Territory of Hawaii. Act Apr. 30,
1900, sec. 5;
31 Stat. L.
141.

NOTE.—The Attorney-General of the United States in an opinion rendered June 23, 1900, held: "That the act of April 30, 1900, * * * extended the national banking acts to the Territory of Hawaii, and would authorize the Comptroller to grant permission for the organization of national banks therein. (See my opinion of June 2, 1900, relative to the same question as applied to Porto Rico.) But I do not think that the provisions of section 5154 apply to banks existing in Hawaii prior to the passage of the act of April 30, 1900. Sections 5154 and 5155 seem, by their especial terms, to refer only to banking institutions organized under special or general laws of a State, and do not seem to apply at all to banks organized under the laws of any Territory. I think the object of these two sections was to enable the banks that were previously strictly State institutions to become national corporations, and the operation of the act in that respect is to be so restricted."

SPECIAL ACTS AUTHORIZING CHANGE OF NAME OR LOCATION. ACT JUNE 7, 1872.

266. Sec. 1.—That The First National Bank of Annapolis, now located in the city of Annapolis and State of Maryland, is hereby authorized to change its location to the city of Baltimore, in said State. Whenever the stockholders representing three-fourths of the capital of said bank, at a meeting called for that purpose, determine to make such change, the president and cashier shall execute a certificate, under the corporate seal of the bank, specifying such determination, and shall cause the same to be recorded in the office of the Comptroller of the Currency, and thereupon such change of location shall be effected, and the operations of discount and deposit of said bank shall be carried on in the city of Baltimore. Act June 7,
1872, sec. 1;
17 Stat. L.,
281.

Sec. 2. That nothing in this act contained shall be so construed as in any manner to release the said bank from any liability or affect any action or proceeding in law in which the said bank may be a party or interested. And when such change shall have been determined upon, as aforesaid, notice thereof, and of such change, shall be published in two weekly papers in the city of Annapolis not less than four weeks. Act June 7,
1872, sec. 2;
17 Stat. L.,
282.

Sec. 3. That whenever the location of said bank shall have been changed from the city of Annapolis to the city of Baltimore, in accordance with the first section of this Act June 7,
1872, sec. 3;
17 Stat. L.,
282.

act, its name shall be changed to The Traders' National Bank of Baltimore, if the board of directors of said bank shall accept the new name by resolution of the board, and cause a copy of such resolution, duly authenticated, to be filed with the Comptroller of the Currency.

Act June 7;
1872, sec. 4;
17 Stat. L.,
282.

SEC. 4. That all the debts, demands, liabilities, rights, privileges, and powers of The First National Bank of Annapolis shall devolve upon The Traders' National Bank of Baltimore whenever such change of name is effected.

Act June 7;
1872, sec. 5;
17 Stat. L.,
282.

SEC. 5. That this act shall take effect and be in force from and after its passage.

NOTE.—Acts of a similar nature to the one preceding have been enacted by Congress for the following purposes:

Authorizing The Manufacturers' National Bank of New York to change its location from the city of New York to the city of Brooklyn. (Approved July 27, 1868.)

Authorizing The City National Bank of New Orleans, Louisiana, to change its name to The Germania National Bank of New Orleans. (Approved March 1, 1869.)

Authorizing The Second National Bank of Plattsburgh, New York, to change its name to The Vilas National Bank of Plattsburgh. (Approved March 1, 1869.)

Authorizing The First National Bank of Delhi, New York, to change its location and name to The First National Bank of Port Jervis, New York. (Approved May 5, 1870.)

Authorizing The First National Bank of Fort Smith, Arkansas, to change its location and name to the First National Bank of Camden, Arkansas. (Approved July 1, 1870.)

Authorizing the Jersey Shore National Bank, Pennsylvania, to change its location and name to The Williamsport National Bank, Pennsylvania. (Approved December 22, 1870.)

Authorizing the Worcester County National Bank of Blackstone, Massachusetts, to change its location and name to The Franklin National Bank, Massachusetts. (Approved February 9, 1871.)

Authorizing The Farmers' National Bank of Fort Edward, New York, to change its location and name to The North Granville National Bank, New York. (Approved February 18, 1871.)

Authorizing The Worthington National Bank of Cooperstown, New York, to change its location and name to The First National Bank of Oneonta, New York. (Approved February 27, 1871.)

Authorizing The Warren National Bank of South Danvers, Massachusetts, to change its name to The Warren National Bank of Peabody, Massachusetts. (Approved March 12, 1872.)

Authorizing the First National Bank of Seneca, Illinois, to change its location and name to The First National Bank of Morris, Illinois. (Two acts, approved April 5, 1872, and June 18, 1874.)

Authorizing The Railroad National Bank of Lowell, Massachusetts, to change its location and name to The Railroad National Bank of Boston, Massachusetts. (Approved May 31, 1872.)

Authorizing The National Bank of Lyons, Michigan, to change its location and name to The Second National Bank of Ionia, Michigan. (Approved December 24, 1872.)

Authorizing The East Chester National Bank of Mount Vernon, New York, to change its location and name to The German National Bank of Evansville, Indiana. (Approved January 11, 1873.)

Authorizing The First National Bank of Newnan, Georgia, to change its location and name to The National Bank of Commerce, Atlanta, Georgia. (Approved January 23, 1873.)

Authorizing The First National Bank of Watkins, New York, to change its location and name to The First National Bank of Penn Yan, New York. (Approved February 19, 1873.)

Authorizing The National Bank of Springfield, Missouri, to change its name to The First National Bank of Springfield, Missouri. (Approved March 3, 1873.)

Authorizing The Kansas Valley National Bank of Topeka, Kansas, to change its name to The First National Bank of Topeka, Kansas. (Approved March 3, 1873.)

Authorizing The First National Bank of Saint Anthony, Minnesota, to change its location and name to The Merchants' National Bank of Minneapolis, Minnesota. (Approved January 8, 1874.)

Authorizing The Second National Bank of Havana, New York, to change its name to The Havana National Bank of Havana, New York. (Approved January 9, 1874.)

Authorizing The Passaic County National Bank of Paterson, New Jersey, to change its name to The Second National Bank of Paterson, New Jersey. (Approved April 15, 1874.)

Authorizing The Citizens' National Bank of Hagerstown, Maryland, to change its location and name to The Citizens' National Bank of Washington City, District of Columbia. (Approved May 1, 1874.)

Authorizing The Irasburg National Bank of Orleans, at Irasburg, Vermont, to change its location and name to The Barton National Bank, Vermont. (Approved June 3, 1874.)

Authorizing The Farmers' National Bank of Greensburg, Pennsylvania, to change its location and name to The Fifth National Bank of Pittsburg, Pennsylvania. (Approved June 23, 1874.)

Authorizing The Citizens' National Bank of Sanbornton, New Hampshire, to change its name to The Citizens' National Bank of Tilton, New Hampshire. (Approved February 19, 1875.)

Authorizing the Second National Bank of Jamestown, New York, to change its name to The City National Bank of Jamestown, New York. (Approved March 3, 1875.)

Authorizing The Second National Bank of Watkins, New York, to change its name to The Watkins National Bank, New York. (Approved March 3, 1875.)

Authorizing The Slater National Bank of North Providence, Rhode Island, to change its name to The Slater National Bank of Pawtucket, Rhode Island. (Approved March 3, 1875.)

Authorizing The Auburn City National Bank of Auburn, New York, to be consolidated with The First National Bank of Auburn, New York. (Approved March 3, 1875.)

Authorizing The Miners' National Bank of Braidwood, Illinois, to change its location and name to The Commercial National Bank of Wilmington, Illinois. (Approved January 31, 1878.)

Authorizing The Windham National Bank, Windham, Connecticut, to change its location to the village of Willimantic, Connecticut. (Approved February 10, 1879.)

Authorizing the National Bank of Commerce of Cincinnati, Ohio, to change its name to The National Lafayette and Bank of Commerce. (Approved April 29, 1879.)

Authorizing the City National Bank of Manchester, New Hampshire, to change its name to The Merchants' National Bank of Manchester. (Approved June 11, 1880.)

Authorizing The Blue Hill National Bank of Dorchester, Massachusetts, to change its location and name to the Blue Hill National Bank of Milton, Massachusetts. (Approved January 13, 1881.)

Authorizing The First National Bank of Meriden, West Meriden, Connecticut, to change its name to The First National Bank of Meriden, Connecticut. (Approved March 1, 1881.)

Authorizing The National Mechanics' Banking Association of New York, New York, to change its name to Wall Street National Bank. (Approved February 14, 1882.)

Authorizing The Lancaster National Bank of Lancaster, Massachusetts, to change its location and name to The Lancaster Na-

tional Bank of Clinton, Massachusetts. (Approved February 25, 1882.)

Authorizing the National Bank of Kutztown, Pennsylvania, to change its location and name to The Keystone National Bank of Reading, Pennsylvania. (Approved June 27, 1882.)

Joint resolution authorizing The National Bank of Winterset, Iowa, to change its name to The First National Bank of Winterset, Iowa. (Approved January 18, 1883.)

Authorizing The Second National Bank of Xenia, Ohio, to increase its capital stock. (Approved February 17, 1883.)

Authorizing The First National Bank of West Greenville, Pennsylvania, to change its name to The First National Bank of Greenville, Pennsylvania. (Approved February 26, 1883.)

Authorizing The West Waterville National Bank of Oakland, Maine, to change its title to The Messalonskee National Bank of Oakland, Maine. (Approved April 15, 1884.)

Authorizing the Hillsborough National Bank, of Hillsboro, Ohio, to change its name to The First National Bank of Hillsborough, Ohio. (Approved December 18, 1884.)

Authorizing The Slater National Bank of North Providence, Rhode Island, to change its name. (Approved January 8, 1885.)

Authorizing the First National Bank of Omaha, Nebraska, to increase its capital stock. (Approved January 10, 1885.)

Authorizing The National Bank of Bloomington, Illinois, to change its name to the First National Bank of Bloomington, Illinois. (Approved January 27, 1885.)

Authorizing The Manufacturers' National Bank of New York to change its name to The Manufacturers' National Bank of Brooklyn, New York. (Approved February 20, 1885.)

Authorizing The Commercial National Bank of Chicago, Illinois, to increase its capital stock. (Approved February 28, 1885.)

Authorizing The First National Bank of Larned, Kansas, to increase its capital stock. (Approved March 3, 1885.)

Authorizing The First National Bank of Fort Benton, Montana, to change its location and name. (Approved December 18, 1890.)

Authorizing the National Safe Deposit Company of Washington to change its title to "The National Safe Deposit Savings and Trust Company of the District of Columbia." (Approved February 18, 1892.)

Authorizing a national bank of Chicago, Illinois, to establish a branch office upon the grounds of the World's Columbian Exposition. (Approved May 12, 1892.)

Authorizing The First National Bank of Sprague, Washington, to change its location and name. (Approved March 20, 1896.)

Authorizing the Interstate National Bank of Kansas City, Kansas, to change its location. (Approved March 2, 1897.)

Authorizing any bank or trust company located in the State of Missouri to conduct a banking office on the Louisiana Exposition grounds at St. Louis, Mo. (Approved March 3, 1901.)

Authorizing The American National Bank of Graham, Virginia, to change its location and name. (Approved February 15, 1906.)

Authorizing the National Safe Deposit Savings and Trust Company of the District of Columbia to change its title to "National Savings and Trust Company." (Approved Jan. 31, 1907.)

CHAPTER VIII.

OPINIONS OF THE ATTORNEY-GENERAL.

- | | |
|--|---|
| 267. Opinion of Attorney-General of United States on Oklahoma deposit guarantee law. | 269. Opinion of Attorney-General of the United States on power of a national bank to enter into a contract with an insurance company guaranteeing the solvency of the bank. |
| 268. Opinion of Attorney-General of United States on Kansas deposit guarantee law. | |

THE OKLAHOMA DEPOSIT GUARANTEE LAW.

267. The Attorney-General of the United States, in an opinion rendered July 28, 1908, said:

The business of insuring deposits is a wholly separate business from that of banking * * *. A national bank has no power to guarantee the obligations of a third party, unless in connection with the sale or transfer of its own property and as an incident to the business of the bank * * *.

But a contract guaranteeing the payment by another corporation or individual of obligations in nowise connected with the business of the bank is entirely ultra vires. I hold * * * that it is illegal for the officers of a national bank to enter into any such agreement as that contemplated by section 4 of the Oklahoma statutes, and any willful action to this effect on the part of any national bank is sufficient cause for the forfeiture of charter.

THE KANSAS DEPOSIT GUARANTEE LAW.

268. The Attorney General of the United States, in an opinion rendered April 6, 1909, said:

The question of the power of a national bank to avail of the invitation extended to it by this act involves primarily a consideration of the nature of the agreement contemplated by it. Attorney General Bonaparte, in an opinion rendered to the Secretary of the Treasury, under date of July 28, 1908, considering an act of the Legislature of the State of Oklahoma (27 Op. A. G., p. 38), determined that a national bank could not lawfully enter into the plan or scheme contemplated by that act, because it involved essentially a guaranty to the depositors of all State banks in Oklahoma, and other national banks in that State which might accept the terms of the law, that their respective depositors should be paid in full; a contract which he deemed to be clearly ultra vires.

The act now under consideration attempts to avoid this objection by limiting the amount for which any bank may become liable, but within such limitation the same principle is involved, for to the extent of the contribution and liability required by the statute each bank becomes liable to creditors of the other banks which are parties to the plan. But even if a proper construction of the act would, as contended, make it a guaranty by each bank of payments to its own depositors, and not a general guaranty

within the limits of contribution prescribed by the act, of all deposits in all the banks which are parties to the scheme, nevertheless I am strongly of the opinion that a national bank is without corporate power to expend its moneys for the purpose of providing insurance that its depositors shall be paid in full. It may, of course, insure its own property against loss or destruction; it may insure itself against loss of property through theft or other dishonesty, but the application of its funds for the purpose of securing a collateral guaranty by third parties that it will pay in full its debts to its depositors is, it appears to me, beyond its corporate power.

Such contract would fall within the principles asserted in *Commercial National Bank v. Pirie* (82 Fed., 799), *Bowen v. Needles National Bank* (94 Fed., 925), for if, as is well established, a national bank has no power to guarantee the obligation of another, it certainly has no power to employ another to guarantee its own obligation to a third person.

POWER OF NATIONAL BANK TO ENTER INTO A CONTRACT WITH AN INSURANCE COMPANY GUARANTEEING THE SOLVENCY OF THE BANK.

269. The Attorney General of the United States in an opinion rendered May 7, 1909, said:

Replying to yours of the 29th ultimo, in which, at the request of the Comptroller of the Currency, you ask for an opinion as to the power of a national bank to enter into a contract with an insurance company guaranteeing the solvency of the bank, and transmitting to me a form of policy which is proposed to be issued by an insurance company proposed to be organized, I beg to say that, as a general principle, I have no doubt that it is entirely within the powers of a national bank to contract for the insurance of its assets against loss. The form of the proposed policy submitted in your letter is somewhat peculiar. It purports to insure to the bank the payment of "a sum of money sufficient to indemnify the bank for any and all losses suffered by it by reason of theft, embezzlement, losses in realizing upon loans and investments, shrinkage in value of assets or otherwise, in an amount equal to but not exceeding the net excess of its obligations, other than by reason of the stock of the bank, over the total aggregate value of the assets of the bank thus reduced by such losses; provided that there shall be included in the assets of the bank all net sums which have been realized by reason of the additional liability of the stockholders of the bank."

Such contract is, in effect, an agreement to pay to the bank any deficiency in its assets upon ultimate realization necessary to enable it to pay all of its liabilities of every kind. The policy is to run for a period of three months, but to be renewable thereafter for periods of three months each with the consent of the insurance company, and at such premiums as the insurance company may fix at least one month before the expiration of the then current term of the insurance, the premium in every case to be a percentage of the average indebtedness of the bank during the period covered by such renewal, with the provision that, if such rate shall be in excess of one-sixteenth of 1 per cent upon such average indebtedness, then and in such event the insurance company shall be liable to account to the bank for the application of such premium paid by the bank in excess of one-sixteenth of 1 per cent, "which excess shall be applicable only to the payment of actual losses incurred by the company by reason of claims under this and similar policies, and any excess over such extra claims shall be divided pro rata among the banks paying such extra rate of premium as a participation in the profits during which period such extra rate of premium has been paid."

It is somewhat uncertain precisely what this paragraph means and what its effect may be. It seems to me to be objectionable as committing the bank to a profit-sharing feature, which might be contended to entail a corresponding liability for losses; and, as the attorney for the promoters of the proposed insurance company informs me that this is not regarded as an essential part of the plan, I should advise that it had better be eliminated from the policy.

Another provision contained in the policy subjects the bank to a periodical examination by the examiners of the insurance company without notice and at such times as the company may elect, one of such examinations to be within each period of six months covered by the policy and all renewals thereof. This period is probably inadvertently placed at six months, as the policy is proposed to be written for periods of three months only. Aside from that, I very much question the legality of this clause, or at least its enforceability. Section 5241 of the Revised Statutes provides that, "No association shall be subject to any visitorial powers other than such as are authorized by this title, or are vested in the courts of justice."

While this statute does not prohibit the bank from permitting an examination of its books, in my opinion it does operate to prohibit it from obligating itself to permit such examination; and if the covenant to insure can be considered as in any respect dependent upon this agreement to permit examinations, it might be vitiated by the unlawful provision. I should advise that the clause be reframed so as to make it clear that the agreement to insure is not dependent upon the failure to permit the examination, although it might be stipulated that in case, at any time, the examiner of the company should not be allowed access to the books of the bank for the purpose of making an examination the company should have the option, upon reasonable notice, to terminate the contract.

In my opinion, therefore, it is a matter for the discretion of the directors and officers of a bank to determine whether or not they will enter into any such contract in any given instance, this discretion to be exercised in view of the solvency and general financial condition of the company making the insurance and the reasonableness of the rate of premium; and the form of the policy being modified to conform to the foregoing suggestions, I see no legal reason why a bank may not enter into it.

CODE OF THE DISTRICT OF COLUMBIA.

CHAPTER 18.

CORPORATIONS.

Subchapter IV.—Manufacturing, Agricultural, Mining, Mechanical, Insurance, Mercantile, Transportation, Market, and Savings Bank Corporations.

Sec. 605. Certificate.	Sec. 626. Pledges of stock.
Sec. 606. Certificate.	Sec. 627. Stock book.
Sec. 607. Signers incorporated.	Sec. 628. Stock book.
Sec. 608. Trustees.	Sec. 629. Transfers.
Sec. 609. Elections.	Sec. 630. Transfers.
Sec. 610. Elections.	Sec. 631. Inspection of books.
Sec. 611. Officers.	Sec. 632. Inspection of books
Sec. 612. By-laws.	Sec. 633. Increase or diminution of stock.
Sec. 613. Calls.	Sec. 634. Increase or diminution of stock.
Sec. 614. Stock.	Sec. 635. Increase or diminution of stock.
Sec. 615. Liability of stockholders.	Sec. 636. Increase or diminution of stock.
Sec. 616. Payments on capital stock.	Sec. 637. Increase or diminution of stock.
Sec. 617. Annual reports.	Sec. 638. Increase or diminution of stock.
Sec. 618. Penalty for failure.	Sec. 639. Increase or diminution of stock.
Sec. 619. False report.	Sec. 640. Copy of certificate to be evidence.
Sec. 620. Stock of other companies not to be bought.	
Sec. 621. Loans to stockholders.	
Sec. 622. Dividends.	
Sec. 623. Dividends.	
Sec. 624. Executors, and so forth, not personally liable.	
Sec. 625. Executors, and so forth, may vote.	

Act June 17, 1870, sec. 2; 16 Stat. L., 153; sec. 553, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 605; 31 Stat. L., 1284.
Act June 30, 1902, sec. 605; 32 Stat. L., 533.

SEC. 605. CERTIFICATE.—Any three or more persons who desire to form a company for the purpose of carrying on any enterprise or business which may be lawfully conducted by an individual, excepting banks of circulation or discount, railroads, and such other enterprise or business as may be otherwise specially provided for in this Code, may make, sign, and acknowledge, before some officer competent to take the acknowledgment of deeds, and file in the office of the recorder of deeds, a certificate in writing: *Provided*, That nothing herein contained shall be held to authorize the organization of corporations to buy, sell, or deal in real estate, except corporations to transact the business ordinarily carried on by real estate agents or brokers.

Act June 17, 1870, sec. 2; 16 Stat. L., 153; sec. 553, Rev. Stat. of District of Columbia.
Act Mar. 3, 1901, sec. 606; 31 Stat. L., 1286.

SEC. 606. IN SUCH CERTIFICATE SHALL BE STATED—
First. The corporate name of the company and the object for which it is formed.
Second. The term of its existence, which may be perpetual.
Third. The amount of the capital stock of the company and the number of shares of which said stock shall consist.

Fourth. The number of trustees who shall manage the concerns of the company for the first year and their names.

Fifth. The name of the place in the District in which the operations of the company are to be carried on.

SEC. 607. SIGNERS INCORPORATED.—When the certificate shall have been filed, in accordance with the provisions of the preceding section, the persons who shall have signed and acknowledged the same and their successors shall be a body politic and corporate in fact and in name, by the name stated in such certificate, and by that name have succession and be capable of suing and being sued in any court of law or equity in the District; and they and their successors may have a common seal and make and alter the same at pleasure, and they shall by their corporate name be capable in law of purchasing, holding, and conveying any real or personal estate whatever which may be necessary to enable the company to carry on its operations named in such certificate, but shall not mortgage such estate or give any lien thereon, except in pursuance of a vote of the stockholders of the company.

SEC. 608. TRUSTEES.—The stock, property, and concerns of such company shall be managed by not less than three nor more than fifteen trustees, who shall, respectively, be stockholders, and a majority citizens of the District, and shall, except for the first year, be annually elected by the stockholders, at such time and place as shall be determined by the by-laws of the company.

SEC. 609. ELECTIONS.—Public notice of the time and place of holding such election shall be published not less than thirty days previous thereto in some newspaper printed and published in the District, and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy. All the elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in the company, and the persons receiving the greatest number of votes shall be trustees; and when any vacancy shall happen among the trustees it shall be filled for the remainder of the year in such manner as may be provided by the by-laws of the company.

SEC. 610.—In case it shall happen at any time that an election of trustees shall not be made on the day designated by the by-laws of said company when it ought to have been made, the company shall not for that reason be dissolved, but it shall be lawful on any other day to hold an election for trustees, in such manner as shall be provided by the by-laws, and all acts of trustees shall be valid and binding as against said company until their successors shall be elected.

Act May 5,
1870, sec. 4;
16 Stat. L.,
102; sec. 554,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 607;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 4;
16 Stat. L.,
102; sec. 555,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 608;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 4;
16 Stat. L.,
103; sec. 556,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 609;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 557,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 610;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 558,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 611;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 559,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 612;
31 Stat. L.,
1285.

Act May 5,
1870, sec. 560,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 613;
31 Stat. L.,
1286.

Act May 5,
1870, sec. 561,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 614;
31 Stat. L.,
1286.

Act May 5,
1870, sec. 562,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 615;
31 Stat. L.,
1286.

Act May 5,
1870, sec. 563,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 616;
31 Stat. L.,
1286.

SEC. 611. OFFICERS.—There shall be a president of the company, who shall be designated from the trustees; and also such subordinate officers as may be elected or appointed, and who may be required to give security for the faithful performance of the duties of their office, as the company by its by-laws may require.

SEC. 612. BY-LAWS.—The trustees shall have power to make such prudential by-laws as they deem proper for the management and disposal of the stock and business affairs of such company, not inconsistent with the laws of the District and the Constitution of the United States, and prescribing the duties of officers, artificers, and servants that may be employed, for the appointment of all officers, and for carrying on all kinds of business within the objects and purposes of such company.

SEC. 613. CALLS.—No company incorporated under this subchapter shall be authorized to transact any business until ten per centum of the capital stock shall have been actually paid in, either in money or in property at its actual value; and it shall be lawful for the trustees to call in and demand from the stockholders the residue of their subscriptions in money or property at such times and in such installments as the trustees shall deem proper, under the penalty of forfeiting the shares of stock subscribed for and all previous payments made thereon, if payment shall not be made by the stockholder within sixty days after a personal demand or a notice requiring such payment shall have been published for six successive weeks in a newspaper in the District.

SEC. 614. STOCK.—The stock of such company shall be deemed personal estate and shall be transferable in such manner as shall be prescribed by the by-laws of the company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in or the shares shall have been declared forfeited for nonpayment.

SEC. 615. LIABILITY OF STOCKHOLDERS.—All the stockholders of every company incorporated under this subchapter shall be severally individually liable to the creditors of the company in which they are stockholders for the unpaid amount due upon the shares of stock held by them, respectively, for all debts and contracts made by such company, until the whole amount of capital stock, fixed and limited by such company, shall have been paid in, and a certificate thereof shall have been made and recorded, as prescribed in the following section.

SEC. 616. PAYMENTS ON CAPITAL STOCK.—The president and a majority of the trustees, within thirty days after the payment of the last installment of the capital stock so fixed and limited, shall make a certificate stating the amount of the capital so fixed and paid in, which certificate shall be signed and sworn to by the president and a

majority of the trustees; and they shall within the said thirty days record the same in the office of the recorder of deeds of the District.

SEC. 617. ANNUAL REPORTS.—Every such company shall annually, except insurance companies, within twenty days from the first of January, make a report, which shall be published in a newspaper in the District, which shall state the amount of capital and of the proportion actually paid and the amount of existing debts, which report shall be signed by the president and a majority of the trustees, and shall be verified by the oath of the president or secretary of the company, and filed in the office of the recorder of deeds of the District.

SEC. 618. PENALTY FOR FAILURE.—If any company fails to comply with the provisions of the preceding section, any creditor of the corporation or other person interested may by petition for mandamus against the corporation and its proper officers compel such publication to be made, and in such case the court shall require the corporation or the officers at fault to pay all the expenses of the proceeding, including counsel fees.

SEC. 619. FALSE REPORT.—If any certificate or report made or public notice given by the officers of any company in the pursuance of the provisions of this subchapter shall be false in any material representation, all the officers who have signed the same, knowing it to be false, shall be jointly and severally liable for all debts of the company contracted while they are stockholders or officers thereof.

SEC. 620. STOCK OF OTHER COMPANIES NOT TO BE BOUGHT.—It shall not be lawful for any company to use any of their funds in the purchase of any stock in any other corporation.

SEC. 621. LOANS TO STOCKHOLDERS.—No loan of money shall be made by any company upon the security, in whole or in part, of its own stock; and if any such loan shall be made, the trustee or officer authorizing the same shall be responsible to the corporation therefor: *Provided*, That nothing herein contained shall be held to release the borrower in such a case from liability to the corporation.

SEC. 622. DIVIDENDS.—If the trustees of any company shall declare and pay any dividend the payment of which would render it insolvent, or which would diminish the amount of its capital stock, they shall be jointly and severally liable for all the debts of the company then existing and for all that shall be thereafter contracted while they shall respectively remain in office.

SEC. 623. If any of the trustees shall object to declaring such dividend or the payment of the same, and shall at any time before the time fixed for the payment thereof, file a certificate of their objection in writing with the secretary of the company and with the recorder of deeds

Act May 5,
1870, sec. 566,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 617;
31 Stat. L.,
1286.

Act May 5,
1870, sec. 567,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 618;
31 Stat. L.,
1286.

Act June 30,
1902, sec. 618;
32 Stat. L.,
533.

Act May 5,
1870, sec. 568,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 619;
31 Stat. L.,
1286.

Act May 5,
1870, sec. 569,
Rev. Stat. Dis-
trict of Colum-
bia. Act Mar.
3, 1901, sec.

620; 31 Stat. L., 1286.

Act May 5,
1870, sec. 570,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 621;
31 Stat. L.,
1286.

Act June 30,
1902, sec. 621;
32 Stat. L., 533.

Act May 5,
1870, sec. 571,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 622;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 572,
Rev. Stat. Dis-
trict of Colum-
bia.

Act Mar. 3,
1901, sec. 623;
31 Stat. L.,
1287.

of the District, they shall be exempt from the liability prescribed in the preceding section.

Act May 5,
1870, sec. 576,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 624. EXECUTORS, AND SO FORTH, NOT PERSONALLY LIABLE.—No person holding stock in such company as executor, administrator, guardian, or trustee shall be personally subject to any liability as stockholder of such company, but the estate and funds in the hands of such executor, administrator, guardian, or trustee shall be liable in like manner and to the same extent as the testator or intestate or the ward or person interested in such trust fund would have been if he had been living and competent to act and hold the stock in his own name.

Act Mar. 3,
1901, sec. 624;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 577,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 625. EXECUTORS, AND SO FORTH, MAY VOTE.—Every such executor, administrator, guardian, or trustee shall represent the stock in his hands at all meetings of the company, and may vote accordingly as a stockholder.

Act Mar. 3,
1901, sec. 625;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 578,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 626. PLEDGES OF STOCK.—No person holding stock in such company as collateral security shall be personally subject to any liability as stockholder of such company, but the person pledging such stock shall be considered as holding the same, and shall be liable as a stockholder accordingly; and every person who shall pledge his stock as collateral security may, nevertheless, represent the same at all meetings and vote as a stockholder.

Act Mar. 3,
1901, sec. 626;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 579,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 627. STOCK BOOK.—It shall be the duty of the trustees of every corporation formed under this chapter to cause a book to be kept by the treasurer or secretary thereof, containing the names of all persons, alphabetically arranged, who are or shall within six years have been stockholders of such company, and showing their place of residence, the number of shares of stock held by them respectively, the time when they became owners of such shares, and the amount of stock actually paid in.

Act Mar. 3,
1901, sec. 627;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 580,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 628. Such book shall, during the usual business hours of the day, on every business day, be open for inspection of the stockholders and creditors of the company and their personal representatives, at the office or principal place of business of such company in the District where its business operations shall be located, and any stockholder, creditor, or representative shall have a right to make extracts from such books.

Act Mar. 3,
1901, sec. 628;
31 Stat. L.,
1287.

Act May 5,
1870, sec. 581,
Rev. Stat. Dis-
trict of Colum-
bia.

SEC. 629. TRANSFERS.—A person in whose name shares of stock stand on the books of a company shall be deemed the owner thereof as regards the company, but if any such person shall in good faith sell, pledge, or otherwise dispose of any of his shares of stock to another and deliver to him the certificate for such shares, with written authority for the transfer of the same on the books, the title of the former shall vest in the latter so far as may be necessary to effect the purpose of the sale, pledge, or other disposition, not only as between the parties themselves, but also as against the creditors of and subsequent

Act Mar. 3,
1901, sec. 629;
31 Stat. L.,
1287.

purchasers from the former, subject to the provisions of section six hundred and fourteen.

SEC. 630. Such book shall be presumptive evidence of the facts therein stated in favor of the plaintiff in any suit or proceeding against such company or against any one or more stockholders.

Act May 5, 1870, sec. 582, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 630; 31 Stat. L., 1287.

SEC. 631. INSPECTION OF BOOKS.—Every officer or agent of any company who shall neglect to make any proper entry in such book, or shall refuse or neglect to exhibit the same, or allow the same to be inspected and extracts to be taken therefrom, as herein provided, shall be deemed guilty of a misdemeanor, and the company shall pay to the party injured a penalty of fifty dollars for any such neglect or refusal, and all damages resulting therefrom.

Act May 5, 1870, sec. 583, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 631; 31 Stat. L., 1288.

SEC. 632. Every company that shall neglect to keep such book open for inspection, as provided in section six hundred and twenty-eight, shall forfeit to the United States the sum of fifty dollars for every day it shall so neglect, to be sued for and recovered in the supreme court of the District.

Act May 5, 1870, sec. 584, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 632; 31 Stat. L., 1288.

SEC. 633. INCREASE OR DIMINUTION OF STOCK.—Any company which may be formed under this subchapter may increase or diminish its capital stock, by complying with the provisions of this subchapter, to any amount which may be deemed sufficient and proper for the purposes of the corporation, and may also extend its business to any other business authorized hereby, subject to the provisions and liabilities of this subchapter.

Act May 5, 1870, sec. 585, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 633; 31 Stat. L., 1288.

SEC. 634. Before any corporation shall be entitled to diminish the amount of its capital stock, if the amount of its debts and liabilities shall exceed the amount of capital to which it is proposed to be reduced, such amount of debts and liabilities shall be satisfied and reduced so as not to exceed such diminished amount of capital.

Act May 5, 1870, sec. 586, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 634; 31 Stat. L., 1288.

SEC. 635. Whenever any company shall desire to call a meeting of the stockholders for the purpose of increasing or diminishing the amount of its capital stock, or for extending or changing its business, it shall be the duty of the trustees or directors to publish a notice, signed by a majority of them, in a newspaper in the District, at least three successive weeks, and to deposit a notice thereof in the post-office addressed to each stockholder at his usual place of residence, at least three weeks previous to the day fixed upon for holding such meeting, specifying the object of the meeting and the time and place when and where such meeting shall be held.

Act May 5, 1870, sec. 588, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 635; 31 Stat. L., 1288.

SEC. 636. If, at any time and place specified in the notice provided for in the preceding section, stockholders shall appear by proxy or in person representing not less than two-thirds of all the shares of stock of the corporation, they shall organize and proceed to a vote of those present or by proxy.

Act May 5, 1870, sec. 589, Rev. Stat. District of Columbia.
Act Mar. 3, 1901, sec. 636; 31 Stat. L., 1288.

Act May 5, 1870, sec. 590, Rev. Stat. District of Columbia.
 Act Mar. 3, 1901, sec. 637; 31 Stat. L., 1288.

SEC. 637. If, on canvassing the votes, it shall appear that a sufficient number of votes are in favor of increasing or diminishing the amount of capital, or extending or changing the business of the company, a certificate of the proceedings, showing a compliance with the provisions of this subchapter, the amount of capital actually paid in, the business to which it is extended or changed, the whole amount of debts and liabilities of the company, and the amount to which the capital shall be increased or diminished, shall be made out, signed, and verified by the affidavit of the chairman, and be countersigned by the secretary.

Act May 5, 1870, sec. 591, Rev. Stat. District of Columbia.
 Act Mar. 3, 1901, sec. 638; 31 Stat. L., 1288.

SEC. 638. Such certificate shall be acknowledged by the chairman, and filed as required by section six hundred and six, and when so filed the capital stock of such corporation shall be increased or diminished to the amount specified in the certificate, and the business extended or changed accordingly; and the company shall be entitled to the privileges and provisions and be subject to the liabilities of this subchapter.

Act May 5, 1870, sec. 592, Rev. Stat. District of Columbia.
 Act Mar. 3, 1901, sec. 639; 31 Stat. L., 1288.

SEC. 639. A vote of at least two-thirds of all the shares of the stock of a company shall be necessary to an increase or diminution of the amount of its capital stock or the extension or change of its business.

Act May 5, 1870, sec. 593, Rev. Stat. District of Columbia.
 Act Mar. 3, 1901, sec. 640; 31 Stat. L., 1288.

SEC. 640. COPY OF CERTIFICATE TO BE EVIDENCE.—A copy of any certificate of incorporation filed in pursuance of this subchapter, certified by the recorder of deeds to be a true copy and the whole of such certificate, shall be received in all courts and places as presumptive legal evidence of the facts therein stated.

SEC. 641.—

Refers to title and fire insurance companies.

SECS. 642, 643, and 644.—

Refer to sale of unclaimed freight.

SUBCHAPTER VII.

BUILDING ASSOCIATIONS.

Act Mar. 3, 1901, sec. 691; 31 Stat. L., 1299.
 Act Mar. 4, 1909; 35 Stat. L., 1058.

SEC. 691. OBJECTS.—The object of such corporation shall be the accumulation of a capital in money to be derived from the savings and accumulations by the members thereof, to be paid into said corporation in such sums and at such times as may be designated by the by-laws of said corporation, from which the members thereof may obtain advances upon their shares of stock: *Provided*, That the Comptroller of the Currency, in addition to the powers conferred upon him by law for the examination of national banks, is further authorized, whenever he may deem it useful, to cause examination to be made into the

condition of any building association incorporated under the provisions of this chapter, as well as any other building or loan association located or doing business in the District of Columbia. The expenses necessarily incurred in making any such examination shall not exceed the sum of twenty-five dollars for the first five hundred thousand dollars or fractional part thereof of assets and the sum of ten dollars for each additional two hundred and fifty thousand dollars or fractional part thereof of assets, and be paid by such association to the Comptroller of the Currency at the time of the making of such examination: *And provided further*, That every building or loan association located and doing business in the District of Columbia shall make to the Comptroller of the Currency at least one report during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or secretary of such association and attested by the signature of at least three of the directors. The said Comptroller shall also have power to take possession of any company or association whenever in his judgment it is insolvent or is knowingly violating the laws under which such company is incorporated, and to liquidate the same in the manner provided in the laws of the United States in respect to national banks: *Provided further*, That from and after the first day of July, anno Domini nineteen hundred and nine, no person, company, association, copartnership, or corporation shall conduct or carry on in the District of Columbia the kind of business named in this Act, without strict compliance in all particulars with the provisions of this Act: *Provided*, That building associations heretofore organized and in actual operation before the passage of this Act need not be incorporated. Any person, officer, or agent of any company, firm, or corporation who shall willfully violate any of the provisions of this section shall be deemed guilty of a misdemeanor, and shall on conviction thereof be punished by a fine of not more than one thousand dollars or by imprisonment not longer than two years, or by both said punishments, in the discretion of the court. That any willful false swearing in regard to any certificate, or report, or public notice required by the provisions of this Act shall be perjury, and shall be punished as such according to the laws of the District of Columbia. And any misappropriation of any of the money of any corporation or company, formed under or availing itself of the privileges of this Act, or of any building or loan association located or doing business in the District of Columbia, or any money, funds, or property intrusted to any such corporation, company, or association, shall be held to be larceny and shall be punished as such under the laws of said District.

SEC. 691 a. That any building association incorporated or unincorporated, organized and existing under the laws of any State or Territory, except the District of

Act Mar. 4,
1909: 35 Stat.
L., 1058.

Columbia, to do or now doing, in the District of Columbia, a building association business or otherwise operating as a building association, shall be subject to all the provisions of the foregoing section of this Act in respect of the powers of the Comptroller of the Currency hereunder, and, any such association or corporation shall at all times keep on deposit with the Comptroller of the Currency in money or stocks, bonds or mortgages or other securities to be approved by said officer not less than ten per centum of its capital and surplus as security for its depositors and creditors, and as a guarantee for the faithful performance of its contracts, and may also make such further deposit of its assets as above described with the Comptroller for such purpose as it may from time to time desire so to do.

SUBCHAPTER X.

SAVINGS BANKS.

SEC. 713.—

Report to be made to Comptroller.

SEC. 714.—

Comptroller authorized to make examinations.

Act June 30, 1876, sec. 6; 19 Stat. L., 64; Act Mar. 3, 1901, sec. 713; 31 Stat. L., 1302. Act June 30, 1902, sec. 713; 32 Stat. L., 534. Act June 25, 1906, sec. 713; 24 Stat. L., 458.

SEC. 713 (as amended 1906). REQUIRED TO MAKE SAME REPORTS AS NATIONAL BANKS—COMPTROLLER AUTHORIZED TO APPOINT RECEIVERS.—All savings banks, or savings companies, or trust companies, or other banking institutions, organized under authority of any act of Congress to do business in the District of Columbia, or organized by virtue of the laws of any of the States of this Union, and having an office or banking house located within the District of Columbia where deposits or savings are received, shall be, and are hereby, required to make to the Comptroller of the Currency and to publish all the reports which national banking associations are required to make and publish under the provisions of sections fifty-two hundred and eleven, fifty-two hundred and twelve, and fifty-two hundred and thirteen of the Revised Statutes of the United States, and shall be subject to the same penalties for failure to make such reports as are therein provided, which penalties may be collected by suit before the supreme court of the District of Columbia. And the Comptroller shall have power, when in his opinion it is necessary, to take possession of any such bank or company, for the reasons and in the manner and to the same extent as are provided in the laws of the United States with respect to national banks: *Provided, however,* That banking institutions having offices or banking houses in foreign countries as well as in the District of Columbia shall only be required to make and publish the reports provided for in this section semi-

annually: *And provided further*, That all publications authorized or required by said section fifty-two hundred and eleven of the Revised Statutes, and all other publications authorized or required by existing law to be made in the District of Columbia, shall be printed in two or more daily newspapers of general circulation, published in the City of Washington, one of which shall be a morning newspaper.

SEC. 714. EXAMINATION OF SAVINGS BANKS.—The Comptroller of the Currency, in addition to the powers now conferred upon him by law for the examination of national banks, is hereby further authorized, whenever he may deem it useful, to cause examination to be made into the condition of any bank mentioned in the preceding section. The expense of such examination shall be paid in the manner provided by section fifty-two hundred and forty of the Revised Statutes of the United States relating to the examination of national banks.

NOTE.—Orig. sec. 332, Rev. Statutes.

SUBCHAPTER XI.

TRUST, LOAN, MORTGAGE, AND CERTAIN OTHER CORPORATIONS.

- | | |
|---|---|
| Sec. 715. For what purposes to be formed. | Sec. 733. Stock personal estate. |
| Sec. 716. Organization certificate. | Sec. 734. Liability of stockholders. |
| Sec. 717. Powers of Commissioners of the District. | Sec. 735. Stock to be paid up in money only. |
| Sec. 718. Notice of application to Commissioners. | Sec. 736. Number of trustees. |
| Sec. 719. Recording charter, and so forth. | Sec. 737. Officers. |
| Sec. 720. Reports to Comptroller. | Sec. 738. By-laws. |
| Sec. 721. Special powers. | Sec. 739. Dividends. |
| Sec. 722. May be appointed trustee, executor, and so forth. | Sec. 740. Dividends. |
| Sec. 723. Oath. | Sec. 741. Liabilities exceeding assets. |
| Sec. 724. Stock to be security. | Sec. 742. Executors, and so forth, holding stock. |
| Sec. 725. Existing companies. | Sec. 743. Increase of capital stock. |
| Sec. 726. Real estate. | Sec. 744. Copy of certificate to be evidence. |
| Sec. 727. Duration of charter. | Sec. 745. No bond to be required when company appointed executor, and so forth, except, and so forth. |
| Sec. 728. Capital stock. | Sec. 746. Bond may be required. |
| Sec. 729. Shares. | Sec. 747. Corporations organized under State laws. |
| Sec. 730. Annual reports to Comptroller. | Sec. 748. Right to amend or repeal reserved to Congress. |
| Sec. 731. Liability of trustees. | |
| Sec. 732. False swearing. | |

SEC. 715. FOR WHAT PURPOSES TO BE FORMED.—Corporations may be formed within the District of Columbia for the purposes hereinafter mentioned in the following manner: At any time hereafter any number of natural persons, citizens of the United States, not less than twenty-five, may associate themselves together to form a company for the purpose of carrying on in the District of

Act June 20, 1873; 17 Stat. L., 412.

Act Mar. 3, 1901, sec. 714; 31 Stat. L., 1302.

Act June 30, 1902, sec. 714; 32 Stat. L., 534.

Act June 25, 1906, sec. 714; 34 Stat. L., 459.

Act Oct. 1, 1890, sec. 1; 26 Stat. L., 625.

Act Mar. 3, 1901, sec. 715; 31 Stat. L., 1303.

Columbia any one of the three classes of business herein specified, to wit:

First. A safe deposit, trust, loan, and mortgage business.

Second. A title insurance, loan, and mortgage business.

Third. A security, guaranty, indemnity, loan, and mortgage business: *Provided*, That the capital stock of any of said companies shall not be less than one million dollars: That any of said companies may also do a storage business when their capital stock amounts to the sum of not less than one million two hundred thousand dollars.

Act Oct. 1, 1890, sec. 2; 26 Stat. L., 626; Act Mar. 3, 1901, sec. 716; 31 Stat. L., 1303. SEC. 716. ORGANIZATION CERTIFICATE.—Such persons shall, under their hands and seals, execute, before some officer in said District competent to take the acknowledgment of deeds, an organization certificate, which shall specifically state—

First. The name of the corporation.

Second. The purposes for which it is formed.

Third. The term for which it is to exist, which shall not exceed the term of fifty years, and be subject to alteration, amendment, or repeal by Congress at any time.

Fourth. The number of its directors, and the names and residences of the officers who for the first year are to manage the affairs of the company.

Fifth. The amount of the capital stock and its subdivision into shares.

Act Oct. 1, 1890, sec. 3; 26 Stat. L., 626; Act Mar. 3, 1901, sec. 717; 31 Stat. L., 1303. SEC. 717. POWERS OF COMMISSIONERS OF THE DISTRICT.—That this certificate shall be presented to the Commissioners of the District, who shall have power and discretion to grant or refuse to said persons a charter of incorporation upon the terms set forth in the said certificate and the provisions of this subchapter.

Act Oct. 1, 1890, sec. 4; 26 Stat. L., 626; Act Mar. 3, 1901, sec. 718; 31 Stat. L., 1303. SEC. 718. NOTICE OF APPLICATION TO COMMISSIONERS.—Previous to the presentation of the said certificate to the said Commissioners, notice of the intention to apply for such charter shall be inserted in two newspapers of general circulation, printed in the District of Columbia, at least four times a week for three weeks, setting forth briefly the name of the proposed company, its character and object, the names of the proposed incorporators, and the intention to make application for a charter on a specified day, and the proof of such publication shall be presented with said certificate when presentation thereof is made to said Commissioners.

Act Oct. 1, 1890, sec. 5; 26 Stat. L., 626; Act Mar. 3, 1901, sec. 719; 31 Stat. L., 1304. SEC. 719. RECORDING CHARTER, AND SO FORTH.—If the charter be granted as aforesaid, it, together with the certificate of the Commissioners granting the same indorsed thereon, shall be filed for record in the office of the recorder of deeds for the District of Columbia, and shall be recorded by him. On the filing of the said certificate with the said recorder of deeds as herein provided, approved as aforesaid by the said Commissioners, the persons named therein and their successors shall thereupon and thereby be and become a body corporate and politic,

and as such shall be vested with all the powers and charged with all the liabilities conferred upon and imposed by this subchapter upon companies organized under the provisions hereof: *Provided, however,* That no corporation created and organized under the provisions hereof, or availing itself of the provisions hereof as contained in section seven hundred and twenty-five shall be authorized to transact the business of a trust company, or any business of a fiduciary character, until it shall have filed with the Comptroller of the Currency a copy of its certificate of organization and charter, and shall have obtained from him and filed the same for record with the said recorder of deeds, a certificate that the said capital stock of said company has been paid in and the deposit of securities made with said Comptroller in the manner and to the extent required by this subchapter.

SEC. 720. REPORTS TO COMPTROLLER.—All companies organized hereunder, or which shall, under the provisions hereof, become entitled to transact the business of a trust company, shall report to the Comptroller of the Currency in the manner prescribed by sections fifty-two hundred and eleven, fifty-two hundred and twelve, and fifty-two hundred and thirteen of the Revised Statutes of the United States, in the case of national banks, and all acts amendatory thereof or supplementary thereto, and with similar provisions for compensating examiners, and shall be subject to like penalties for failure to do so. The Comptroller shall have and exercise the same visitorial powers over the affairs of the said corporation as is conferred upon him by section fifty-two hundred and forty of the Revised Statutes of the United States in the case of national banks. He shall also have power, when in his opinion it is necessary, to take possession of any such company for the reasons and in the manner and to the same extent as are provided in the laws of the United States with respect to national banks.

Act Oct. 1,
1890, sec. 6;
26 Stat. L., 626.
Act Mar. 3,
1901, sec. 720;
31 Stat. L.,
1304.

SEC. 721. SPECIAL POWERS.—All companies organized under this act are hereby declared to be corporations possessed of the powers and functions of corporations generally, and shall have power—

Act Oct. 1,
1890, sec. 7;
26 Stat. L., 627.
Act Mar. 3,
1901, sec. 721;
31 Stat. L.,
1304.

First. To make contracts.

Second. To sue and be sued, implead and be impleaded, in any court as fully as natural persons.

Third. To make and use a common seal and alter the same at pleasure.

Fourth. To loan money.

Fifth. When organized under subdivision one of section seven hundred and fifteen of this subchapter to accept and execute trusts of any and every description which may be committed or transferred to them, and to accept the office and perform the duties of a receiver, assignee, executor, administrator, collector of estate or property of any decedent, guardian of the estate of minors, with the consent of the guardian of the person of such minor, and

committee of the estates of lunatics and idiots whenever any trusteeship or any such office or appointment is committed or transferred to them, with their consent, by any person, body politic or corporate, or by any court in the District of Columbia; and all such companies organized under the first subdivision of section seven hundred and fifteen of this subchapter are further authorized to accept deposits of money for the purposes designated herein, upon such terms as may be agreed upon from time to time with depositors, and to act as agent for the purpose of issuing or countersigning the bonds or obligations of any corporation, association, municipality, or State, or other public authority, and to receive and manage any sinking fund on any such terms as may be agreed upon, and shall have power to issue its debenture bonds upon deeds of trust or mortgages of real estate to a sum not exceeding the face value of said deeds of trust or mortgages, and which shall not exceed fifty per centum of the fair cash value of the real estate covered by said deeds or mortgages, to be ascertained by the Comptroller of the Currency; but no debenture bonds shall be issued until the securities on which the same are based have been placed in the actual possession of the trustee named in the debenture bonds, who shall hold said securities until all of said bonds are paid; and when organized under the second subdivision of section seven hundred and fifteen of this subchapter said company is authorized to insure titles to real estate and to transact generally the business mentioned in said subdivision; and when organized under the third subdivision of section seven hundred and fifteen of this subchapter said company is hereby authorized, in addition to the loan and mortgage business therein mentioned to secure, guarantee, and insure individuals, bodies politic, associations, and corporations against loss by or through trustees, agents, servants, or employees, and to guarantee the faithful performance of contracts and obligations of whatever kind entered into by or on the part of any person or persons, association, corporation or corporations, and against loss of every kind: *Provided*, That any corporations formed under the provisions of this subchapter when acting as trustee shall be liable to account for the amounts actually earned by the moneys held by it in trust in addition to the principal so held; but such corporation may be allowed a reasonable compensation for services performed in the care of the trust estate.

Act Oct. 1, 1890, sec. 8;
 26 Stat. L., 627;
 Act Mar. 3,
 1901, sec. 722;
 31 Stat. L.,
 1305.

SEC. 722. MAY BE APPOINTED TRUSTEE, EXECUTOR, AND SO FORTH.—In all cases in which application shall be made to any court in the District of Columbia, or wherever it becomes necessary or proper for said court to appoint a trustee, receiver, administrator, collector, guardian of the estate of a minor, or committee of the estate of a lunatic, it shall and may be lawful for said court (but without prejudice to any preference in the order of any such ap-

pointments required by existing law) to appoint any such company organized under the first subdivision of section seven hundred and fifteen of this subchapter, with its assent, such trustee, receiver, administrator, committee, or guardian, with the consent of the guardian of the person of such minor: *Provided, however,* That no court or judge who is an owner of or in any manner financially interested in the stock or business of such corporation shall commit by order or decree to any such corporation any trust or fiduciary duty.

SEC. 723. OATH.—Whenever any corporation operating under this code shall be appointed such trustee, executor, administrator, collector, receiver, assignee, guardian, or committee as aforesaid, the president, vice-president, secretary, or treasurer of said company shall take the oath or affirmation now required by law to be made by any trustee, executor, administrator, collector, receiver, assignee, guardian, or committee.

SEC. 724. STOCK TO BE SECURITY.—When any court shall appoint the said company a trustee, receiver, administrator, collector, or such guardian or committee, or shall order the deposit of money or other valuables with said company, or where any individual or corporation shall appoint any of said companies a trustee, executor, assignee, or such guardian, the capital stock of said company subscribed for or taken, and all property owned by said company, together with the liability of the stockholders and officers as herein provided, shall be taken and considered as the security required by law for the faithful performance of its duties, and shall be absolutely liable in case of any default whatever.

SEC. 725. EXISTING COMPANIES.—Any safe deposit company, trust company, surety or guaranty company, or title-insurance company now incorporated and operating under the laws of the United States in the District of Columbia, or of any of the States, and now doing business in said District, may avail itself of the provisions of this subchapter on filing in the office of the recorder of deeds of the District of Columbia, or with the Comptroller of the Currency, a certificate of its intention to do so, which certificate shall specify which one of the three classes of business set out in section seven hundred and fifteen it will carry on, and shall be verified by the oath of its president to the effect that it has in every respect complied with the requirements of existing law, especially with the provisions of this subchapter; that its capital stock is paid in as provided in section seven hundred and thirty-five of this subchapter and is not impaired, and thereafter such company may exercise all powers and perform all duties authorized by any one of the subdivisions of section seven hundred and fifteen of this subchapter in addition to the powers now lawfully exercised by such company.

Act Oct. 1,
1890, sec. 9;
26 Stat. L., 628.
Act Mar. 3,
1901, sec. 723;
31 Stat. L.,
1305.

Act Oct. 1,
1890, sec. 10;
26 Stat. L., 628.
Act Mar. 3,
1901, sec. 724;
31 Stat. L.,
1305.

Act Oct. 1,
1890, sec. 11;
26 Stat. L., 628.
Act Mar. 3,
1901, sec. 725;
31 Stat. L.,
1306.

Act Oct. 1, 1890, sec. 12;
26 Stat. L., 628;
Act Mar. 3,
1901, sec. 726;
31 Stat. L.,
1306.

SEC. 726. REAL ESTATE.—Any company operating under this subchapter may lease, purchase, hold, and convey real estate, not exceeding in value five hundred thousand dollars, and such in addition as it may acquire in satisfaction of debts due the corporation, under sales, decrees, judgments, and mortgages. But no such association shall hold the possession of any real estate under foreclosure of mortgage, or the title and possession of any real estate purchased to secure any debts due to it, for a longer period than five years.

Act Oct. 1,
1890, sec. 13;
26 Stat. L., 628;
Act Mar. 3,
1901, sec. 727;
31 Stat. L.,
1306.

SEC. 727. DURATION OF CHARTER.—The charters for incorporations named in this subchapter may be made perpetual, or may be limited in time by their provisions, subject to the approval of Congress.

Act Oct. 1,
1890, sec. 14;
26 Stat. L., 628;
Act Mar. 3,
1901, sec. 728;
31 Stat. L.,
1306.

SEC. 728. CAPITAL STOCK.—The capital stock of every such company shall be at least one million dollars, and at least fifty per centum thereof must have been paid in, in cash or by the transfer of assets as hereinafter provided in section seven hundred and thirty-five of this subchapter, before any such company shall be entitled to transact business as a corporation, except with its own members, and before any company organized hereunder shall be entitled to transact the business of a trust company, or to become and act as an administrator, executor, guardian of the estate of a minor, or undertake any other kindred fiduciary duty, it shall deposit, either in money or in bonds, mortgages, deed of trust, or other securities equal in actual value to one-fourth of the capital stock paid in, with the Comptroller of the Currency, to be kept by him upon the trust and for the purposes hereinafter provided; and the said Comptroller may from time to time require an additional deposit from any such company, to be held upon and for the same trust and purposes, not exceeding, however, in value one-half the paid-in capital stock; and the said Comptroller shall not issue to any corporation the certificate heretofore provided for until said deposit with him of securities required by this section. Within one year after the organization of any corporation under the provisions of this subchapter, or after any corporation heretofore existing shall have availed itself of the powers and rights given by this subchapter in the manner herein provided for, its entire capital stock shall have been paid in.

Act Oct. 1,
1890, sec. 15;
26 Stat. L., 629;
Act Mar. 3,
1901, sec. 729;
31 Stat. L.,
1306.

SEC. 729. SHARES.—The capital stock of every such company shall be divided into shares of one hundred dollars each. It shall be lawful for such company to call for and demand from the stockholders, respectively, all sums of money by them subscribed, at such time and in such proportions as its board of directors shall deem proper, within the time specified in section seven hundred and twenty-eight, and it may enforce payment by all remedies provided by law; and if any stockholder shall refuse or neglect to pay any installment as required by a resolution of the board of directors, after thirty days' notice of the same, the said board of directors may sell at public auc-

tion to the highest bidder so many shares of said stock as shall pay said installment, under such general regulations as may be adopted in the by-laws of said company, and the highest bidder shall be taken to be the person who offers to purchase the least number of shares for the assessment due.

SEC. 730. ANNUAL REPORTS TO COMPTROLLER.—Every such company shall annually, within twenty days after the first of January of each year, make a report to the Comptroller of the Currency, which shall be published in a newspaper in the District, which shall state the amount of capital and of the proportion actually paid, the amount of debts, and the gross earnings for the year ending December thirty-first then next previous, together with their expenses, which report shall be signed by the president and a majority of the directors or trustees, and shall be verified by the oath of the president, secretary, and at least three of the directors or trustees; and said company shall pay to the District of Columbia, in lieu of personal taxes for each next ensuing year, one and one-half per centum of its gross earnings for the preceding year, shown by said verified statement, which amount shall be payable to the collector of taxes at the times and in the manner that other taxes are payable.

SEC. 731. LIABILITY OF TRUSTEES.—If any company fails to comply with the provisions of the preceding section, all the directors or trustees of such company shall be jointly and severally liable for the debts of the company then existing, and for all that shall be contracted before such report shall be made: *Provided*, That in case of failure of the company in any year to comply with the provisions of section seven hundred and thirty of this subchapter, and any of the directors shall, on or before January fifteenth of such year, file his written request for such compliance with the secretary of the company, the Comptroller of the Currency, and the recorder of deeds of the District of Columbia, such director shall be exempt from the liability prescribed in this section.

SEC. 732. FALSE SWEARING.—Any willful false swearing in regard to any certificate or report or public notice required by the provisions of this subchapter shall be perjury, and shall be punished as such according to the laws of the District of Columbia. Any misappropriation of any of the money of any corporation or company formed under this act, or of any money, funds, or property intrusted to it, shall be held to be larceny, and shall be punished as such under the laws of said District.

SEC. 733. STOCK PERSONAL ESTATE.—The stock of such company shall be deemed personal estate, and shall be transferable only on the books of such company in such manner as shall be prescribed by the by-laws of the company; but no shares shall be transferable until all previous calls thereon shall have been fully paid, and the said stock shall not be taxable in the hands of individual own-

Act Oct. 1,
1890, sec. 16;
26 Stat. L., 629.
Act Mar. 3,
1901, sec. 730;
31 Stat. L.,
1307.

Act Oct. 1,
1890, sec. 17;
26 Stat. L., 629.
Act Mar. 3,
1901, sec. 731;
31 Stat. L.,
1307.

Act Oct. 1,
1890, sec. 18;
26 Stat. L., 629.
Act Mar. 3,
1901, sec. 731;
31 Stat. L.,
1307.

Act Oct. 1,
1890, sec. 19;
26 Stat. L., 629.
Act Mar. 3,
1901, sec. 733;
31 Stat. L.,
1307.

ers, the tax on the gross earnings of the company hereinbefore provided being in lieu of other personal tax. All certificates of the stock of any company organized under this subchapter shall show upon their face the par value of each share and the amount paid thereon.

Act Oct. 1, 1890, sec. 20;
28 Stat. L., 630.
Act Mar. 3, 1901, sec. 734;
31 Stat. L., 1307.

SEC. 734. LIABILITY OF STOCKHOLDERS.—All stockholders of every company incorporated under this subchapter, or availing itself of its provisions under section seven hundred and twenty-five, shall be severally and individually liable to the creditors of such company to an amount equal to and in addition to the amount of stock held by them respectively for all debts and contracts made by such company.

Act Oct. 1, 1890, sec. 21;
26 Stat. L., 630.
Act Mar. 3, 1901, sec. 735;
31 Stat. L., 1308.

SEC. 735. STOCK TO BE PAID UP IN MONEY ONLY.—Nothing but money shall be considered as payment of any part of the capital stock, except that in the case of any company now doing business in the District of Columbia in any of the classes herein provided for, or under any act of Congress or by virtue of the laws of any of the States, and which company has actually received full payment in money of at least fifty per centum of the capital stock required by this act and which company desires to obtain a charter under this act, all the assets or property may be received and considered as money, at a value to be appraised and fixed by the Comptroller of the Currency: *Provided*, That all such assets and property are also transferred to and are thereafter owned by the company organized under this act.

Act Oct. 1, 1890, sec. 22;
26 Stat. L., 630.
Act Mar. 3, 1901, sec. 736;
31 Stat. L., 1308.

SEC. 736. NUMBER OF TRUSTEES.—The stock, property, and concerns of such company shall be managed by not less than nine nor more than thirty directors or trustees, who shall, respectively, be stockholders and at least one-half residents and citizens of the District of Columbia, and shall, except the first year, be annually elected by the stockholders at such time and place and after such published notice as shall be determined by the by-laws of the company, and said directors or trustees shall hold until their successors are elected and qualified.

Act Oct. 1, 1890, sec. 23;
26 Stat. L., 630.
Act Mar. 3, 1901, sec. 737;
31 Stat. L., 1308.

SEC. 737. OFFICERS.—There shall be a president of the company, who shall be a director, also a secretary and a treasurer, all of whom shall be chosen by the directors or trustees: *Provided*, That only one of the above-named offices shall be held by the same person at the same time. Subordinate officers may be appointed by the directors or trustees, and all such officers may be required to give such security for the faithful performance of the duties of their office as the directors or trustees may require.

Act Oct. 1, 1890, sec. 24;
26 Stat. L., 630.
Act Mar. 3, 1901, sec. 738;
31 Stat. L., 1308.

SEC. 738. BY-LAWS.—The directors or trustees shall have power to make such by-laws as they deem proper for the management or disposal of the stock and business affairs of such company, not inconsistent with the provisions of this subchapter, and prescribing the duties of officers and servants that may be employed, for the appointment of all officers, and for carrying on all kinds

of business within the objects and purposes of such company.

SEC. 739. DIVIDENDS.—If the directors or trustees of any company shall declare or pay any dividend the payment of which would render it insolvent, or which would create a debt against such company, they shall be jointly and severally liable as guarantors for all of the debts of the company then existing, and for all that shall be thereafter contracted, while they shall, respectively, remain in office.

SEC. 740. If any of the directors or trustees shall object to declaring of such dividend or the payment of the same, and shall at any time before the time fixed for the payment thereof file a certificate of their objection in writing with the secretary of the company and with the recorder of deeds of the District they shall be exempt from liability prescribed in the preceding section.

SEC. 741. LIABILITIES EXCEEDING ASSETS.—If the liabilities of any company shall at any time exceed the amount of the fair cash value of the assets, the directors or trustees of such company assenting thereto shall be personally and individually liable for such excess to the creditors of the company after the additional liability of the stockholders has been enforced.

SEC. 742. EXECUTORS, AND SO FORTH, HOLDING STOCK.—No person holding stock in such company as executor, administrator, guardian, or trustee shall be personally subject to any liability as stockholder of such company, but the estate and funds in the hands of such executor, administrator, guardian, or trustee shall be liable in like manner and to the same extent as the testator or intestate or the ward or the person interested in such trust fund would have been if he had been living and competent to act and hold the stock in his own name.

SEC. 743. INCREASE OF CAPITAL STOCK.—Any corporation which may be formed under this subchapter may increase its capital stock by complying with the provisions of this subchapter to any amount which may be deemed sufficient and proper for the purposes of the corporation.

SEC. 744. COPY OF CERTIFICATE TO BE EVIDENCE.—A copy of any certificate of incorporation filed in pursuance of this subchapter, certified by the recorder of deeds to be a true copy and the whole of such certificate, shall be received in all courts and places as presumptive legal evidence of the facts therein stated.

SEC. 745. NO BOND TO BE REQUIRED WHEN COMPANY APPOINTED EXECUTOR, AND SO FORTH, EXCEPT, AND SO FORTH.—No bond or other collateral security, except as hereinafter stated, shall be required from any trust company incorporated under this subchapter for and in respect to any trust, nor when appointed trustee, guardian, receiver, executor, or administrator with or without the will annexed, collector, committee of the estate of a lunatic or idiot, or other fiduciary appointment; but the capital

stock subscribed for or taken, and all property owned by said company and the amount for which said stockholders shall be liable in excess of their stock, shall be taken and considered as the security required by law for the faithful performance of its duties, and shall be absolutely liable in case of any default whatever; and in case of the insolvency or dissolution of said company, the debts due from the said company as trustee, guardian, receiver, executor, administrator, collector, or committee of the estate of lunatics, idiots, or any other fiduciary appointment shall have a preference.

Act Oct. 1, 1890, sec. 32; 26 Stat. L., 631. **SEC. 746. BOND MAY BE REQUIRED.**—The supreme court of the District of Columbia, or any justice thereof, shall have power to make orders respecting such company whenever it shall have been appointed trustee, guardian, receiver, executor, administrator with or without the will annexed, collector, committee of the estate of a lunatic, idiot, or any other fiduciary, and require the said company to render all accounts which might lawfully be made or required by any court or any justice thereof if such trustee, guardian, receiver, executor, administrator with or without the will annexed, collector, committee of the estate of a lunatic or idiot, or fiduciary were a natural person. And said court, or any justice thereof, at any time, on application of any person interested, may appoint some suitable person to examine into the affairs and standing of such companies, who shall make a full report thereof to the court, and said court, or any justice thereof, may at any time, in its discretion, require of said company a bond with sureties or other security for the faithful performance of its obligations, and such sureties or other security shall be liable to the same extent and in the same manner as if given or pledged by a natural person.

Act Oct. 1, 1890, sec. 33; 26 Stat. L., 631. **SEC. 747. CORPORATIONS ORGANIZED UNDER STATE LAWS.**—No corporation or company organized by virtue of the laws of any of the States of this Union and having its principal place of business within the District of Columbia shall carry on in the District of Columbia any of the kinds of business named in this subchapter without strict compliance in all particulars with the provisions of this subchapter for the government of such corporations formed under it, and each one of the officers of the corporation or company so offending shall be punished by fine not exceeding one thousand dollars or imprisonment not exceeding one year, or by both fine and imprisonment, in the discretion of the court.

Act Oct. 1, 1890, sec. 34; 26 Stat. L., 632. **SEC. 748. RIGHT TO AMEND OR REPEAL RESERVED TO CONGRESS.**—Congress may at any time alter, amend, or repeal this subchapter, but any such amendment or repeal shall not, nor shall the dissolution of any company formed under this subchapter, take away or impair any remedy given against such corporation, its stockholders or officers, for any liability or penalty which shall have been previously incurred.

INDEX TO NATIONAL-BANK ACT, ETC.

A.	Paragraph.	Page.
Acknowledgment. (<i>See</i> Oath.)		
Act authorizing "Additional circulation:"		
Duration of.....	118	50
Acting Comptroller of the Currency.....	4	10
Acts:		
Chronological index of.....		5
Savings banks in District of Columbia. (<i>See</i> Index to Code of District of Columbia.)		
Special, authorizing change of name or location of national bank.....	266	112
Trust, loan, mortgage, etc., companies. (<i>See</i> Index to Code of District of Columbia.)		
Additional circulation, act May 30, 1908:		
Application to issue, to be approved by the Comptroller and Secretary.....	99, 101	44, 46
Comptroller to order the preparation of.....	75	37
Conditions under which issuable.....	101	46
Disposition of deposits to retire.....	69	34
Disposition of taxes paid on.....	156	65
Distribution of, how determined.....	105	48
Liability for redemption of, by members of national currency association.....	99	44
Limit of, including United States bond-secured, issuable by any bank.....	103	48
Limit of, issued by all national banks.....	103	48
Monthly returns of, for taxation.....	156	65
Per cent of, issuable on securities, including commercial paper, through national currency association.....	99	44
Per cent of, issuable on State bonds, etc.....	99, 101	44, 46
Plates for printing of.....	75	37
Redemption fund of other banks available, when.....	100	45
Redemption fund required on.....	104	48
Redemption of, in lawful money at Treasury.....	110	49
Reduction of, provision for.....	69	34
Sale of securities to redeem.....	99	44
Stock of, to be deposited in the Treasury or subtreasuries.....	75	37
Subject to applicable provisions of law, relating to United States bond-secured circulation.....	102	47
Tax rate on.....	156	65
Withdrawal of, on deposit of lawful money or national-bank notes.....	69	34
Administrator. (<i>See</i> Trustee.)		
Advertisements (<i>see also</i> Notice; Publication):		
Imitation of circulation in, penalty for.....	96	42
Agency, National Bank Redemption, provisions for.....	90, 91, 124	40, 53
Agent:		
Association as fiscal, of Government.....	50	25
Bonds, examination by.....	65	32
Central reserve, city.....	131	56
Central reserve, city, additional.....	133	57

	Paragraph.	Page.
Agent—Continued.		
Circulation, to witness destruction.....	90	40
Liquidating bank.....	185	75
Reserve.....	120	52
Reserve, city, additional provisions for.....	126	55
Reserve, city, additional central, provisions for.....	133	57
Shareholders, appointment and qualification of.....	185	75
Shareholders, duties of.....	185	75
Special, to examine bank failing to redeem notes.....	171	71
Witnessing destruction of circulation by.....	90	40
Aiding misdemeanors of officers.....	149	62
Allotment. (<i>See Shares.</i>)		
Amendments:		
Proposed, to national-bank act to be made in Comptroller's report.....	11	11
Restriction of, to articles of association.....	35	20
Appointment:		
Agent to examine bonds.....	65	32
Agent to witness destruction of circulation.....	90	40
Committee to examine plates, etc.....	79	38
Committee to witness destruction of circulation.....	90	40
Comptroller.....	2	9
Deputy Comptroller.....	4	10
Directors of associations.....	19	14
Disenting shareholders, committee of appraisal.....	29	18
Examiners of associations.....	190	79
Clerks of Comptroller's office.....	6	10
Officers of associations.....	19	14
Receivers of associations.....	178, 183	72, 74
Special commission for preliminary examination of associations.....	71	35
Vacancies in board of directors.....	45	23
Appraisal. (<i>See Shares.</i>)		
Articles of association:		
Amendment of, for extension of corporate existence.....	25, 26	16, 17
Amendment of, restricted.....	35	20
Converted State bank, execution of, by.....	52	26
Increase of capital stock by amendment of.....	39	22
Proceedings in regard to, and form of.....	16	14
Provisions for elections when not provided for in.....	46	23
Reduction of capital stock.....	40	22
Specification of object of association in.....	17	14
Title and location, change of.....	21	15
Assessments:		
Examinations.....	190	79
Examiner, compensation of.....	190	79
Impairment of capital.....	143	60
Plates, engraving of.....	30, 124	18, 53
Redemption of circulation.....	67, 68, 69	33, 34
Repayment of tax.....	160	66
Reports of circulation, failure to make.....	157	66
Semiannual duty.....	157	66
Shareholder's personal liability.....	48	24
Tax on unauthorized circulation.....	202,	83
	203, 204	
Transportation of notes.....	124	53
Assessors:		
Shareholders' lists accessible to.....	151	63
Assets:		
Additional circulation banks' assets liable for redemption.....	99	44
Comptroller's annual report to contain statement of national banks.....	11	11
Expenses of receiver paid from.....	182	74
Failed bank, may be turned over to agent.....	185	75

	Paragraph.	Page.
Assets—Continued.		
Insolvent banks, distribution of.....	180	73
Of consolidated banks.....	166	69
Receiver to collect, etc.....	178	72
Receiver to sell on order of court.....	178	72
Reports of condition to contain statement of.....	152	64
Shareholders' agent to distribute.....	185	75
United States as paramount lien on.....	174	72
Assignment (<i>see also</i> Treasurer United States; Bonds, United States):		
Of assets after insolvency, void.....	192	80
Register of bonds.....	62	31
United States bonds as security for circulation.....	61	31
Assistant Treasurer, United States:		
Circulation, unfit, to be sent to Treasurer for redemption....	124	53
Fraudulent notes to be marked by.....	239	94
Public moneys to be deposited with.....	224, 225	88
Unauthorized withdrawal of public money from.....	228	90
Associations:		
Defined.....	55	29
Attachment:		
Not to issue prior to final judgment of court.....	192	80
Attorney General, Opinions of.....		
	267, 268, 269	115, 116
Auction:		
Bonds of expiring associations.....	31	19
Bonds of liquidating associations.....	31	19
Bonds, sale of, when association has failed to pay its circulating notes.....	174	72
Enforcement of assessment, impaired capital.....	143	60
Purchase of property by receiver.....	186	77
Sale of delinquent national-bank stock.....	143	60
Sale of dissenting shareholders' stock.....	29	18
Authority. (<i>See</i> Certificate.)		
B.		
Bad debts:		
Defined.....	142	60
Ballot. (<i>See</i> Elections; Shareholders.)		
Bank circulation. (<i>See</i> Circulation.)		
Banking house:		
Association may own.....	33	20
Banking powers (<i>see also</i> Real estate and National banking associations):		
Corporate.....	19	14
Incidental.....	19	14
Bills of exchange:		
Discount of.....	135	58
Illegal transfer of, void.....	192	80
Interest on.....	135	58
Penalty for official malfeasance, relative to.....	149	62
Restriction on loans, not applicable to.....	138	59
Restriction on association's liability, not applicable to.....	140	59
Transfer of, to create a preference, void.....	192	80
Bimetallism.....		
	253	100
Board of directors (<i>see also</i> Directors):		
Election of.....	19	14
Election postponed.....	46	23
National Monetary Commission.....	98	42
Number constituting.....	42	23
President.....	47	24
Provisions for.....	42	23
Three-fourths to be residents of State.....	43	23
Vacancy, filling.....	45	23

	Paragraph.	Page.
Bonds, official:		
Comptroller.....	3	9
Deputy Comptroller.....	4	10
Officers of associations.....	19	14
Public depositaries.....	50	25
Receiver.....	178	72
Shareholders' agent.....	185	75
Shareholders', on election of agents.....	185	75
Bonds, United States:		
Annual examination of, provided for.....	65	32
Assignment or transfer of, to be countersigned by Comptroller.....	61	31
Association to be notified of transfer or assignment.....	63	31
Cancellation of, forfeited, for circulation redeemed.....	173	71
Circulation issuable on.....	74	36
Circulation obtainable on.....	74	36
Comptroller, access to records of and deposit with Treasurer.....	64	32
Converted State banks to deposit.....	52	26
Coupon, to be exchanged for registered.....	60	31
Deficiency in proceeds from sale of, what first lien.....	174	72
Defined.....	56	29
Deposit of, required to begin business.....	57	29
Depositaries required to deposit.....	50	25
Depreciation in value of, how made good.....	66	32
Exchange of, permitted.....	66	32
Forfeiture of, for failure to redeem circulation.....	171	71
General provisions respecting.....	66	32
Gold banks to deposit.....	92	40
Government depositaries, deposit of, required.....	50	25
Increase of deposit of.....	59	30
Interest on, liable for penalty for failure to make returns and pay tax.....	157	66
Interest on, liable for penalty for failure to make reports to Comptroller.....	155	64
Interest on, withheld on impaired capital.....	143	60
Lawful money, deposit of, to retire circulation and withdraw.....	67	33
Minimum amount to be deposited.....	57	29
Maximum circulation issuable on.....	74	36
Obligations of United States, including, defined.....	230	91
Panama Canal, available as security for circulation.....	58	30
Panama Canal, additional issue of authorized.....	259	107
Panama Canal, authorized by act of Aug. 5, 1909, not receivable as security for circulation.....	260	108
Penalty for illegal dealing in counterfeit.....	237	93
Penalty for illegal possession or use of material for printing.....	233	91
Penalty for passing counterfeit.....	234	92
Penalty for taking or possessing unauthorized impressions of tools, etc., used in printing.....	235, 236	93
Reassignment of, to liquidating bank.....	167	69
Record of transfer or assignment of, to be kept by Comptroller.....	62	31
Refunding of.....	250	99
Registered, to be deposited with Treasurer United States.....	57	29
Relation of, on deposit to capital.....	59	30
Return of, to association.....	66	32
Sale of, at auction, for failure to redeem circulation.....	174	72
Sale of, privately, at not less than par, for failure to redeem circulation.....	175	72
Taxation, exempt from.....	210	85
Tax on circulation secured by Panama Canal bonds.....	58	30
Transfer of, how effected.....	61	31
Treasurer United States to have access to records of Comptroller relative to.....	64	32
Treasurer United States to hold, in trust for association.....	61	31
Withdrawal of, and of circulation.....	67	33
Withdrawal of.....	59	30

	Paragraph.	Page.
Bookkeeper. (<i>See</i> Officers.)		
Books. (<i>See</i> Comptroller; Treasurer United States.)		
Borrowed money. (<i>See</i> Liability of association; Loans.)		
Branch banks:		
Chicago World's Fair.....	266	114
Louisiana Exposition.....	266	114
State banks entering system by conversion may retain.....	53	26
Business:		
Authorization of association to begin, when.....	36	21
Place of.....	119	52
Suspension of, after default to pay circulation.....	172	71
Business paper. (<i>See</i> Commercial paper.)		
By-laws:		
Prescribed by directors of national banks.....	19	14
C.		
Cancellation. (<i>See</i> Bonds, United States; Circulation.)		
Capital stock:		
Additional circulation, re'ation of, to.....	99	44
Agent of shareholders to distribute assets ratably.....	185	75
Amount to be paid before association begins business.....	36	21
Appointment and qualification of shareholders' agent.....	185	75
Association to begin business, amount to be paid.....	36	21
Branches of converted State banks.....	53	26
Certificate of officers and directors required relative to pay- ment of.....	36, 70	21, 35
Circulation not to be used to create or increase.....	141	60
Circulation outstanding not exceeding 5 per cent of, free from taxation.....	200	83
Circulation, proportion to.....	59	30
Compensation of examiners based on, except in certain cases.....	190	79
Conversion of State banks authorized, when.....	52	26
Creditor's bill against shareholders.....	184	75
Deposit of United States bonds based on.....	57	29
Directors, individual liability of.....	189	78
Directors, qualifications of.....	43	23
Dividends declared on, and net earnings in excess of dividends to be reported.....	154	64
Dividends on, and creation of surplus.....	137	59
Dividends on, when prohibited.....	142	60
Disposition of, delinquent shareholders.....	37	21
Division of, into shares and number and value of each.....	35	20
Enforcement of assessment, to make good impairment of.....	143	60
Enforcing individual liability of shareholders of, by receiver.....	183	74
Enforcing payment of.....	37	21
Holders of shares of, in expiring associations to be extended or reorganized to have preference in the allotment of shares.....	29	18
Holding of shares of, required by directors.....	44	23
Impairment of, assessment for.....	143	60
Impairment of, receiver may be appointed for failure to make good.....	183	74
Increase of, provisions for.....	38, 39	22
Individual liability of shareholders.....	48	24
Liabilities of an association not to exceed, except on account of certain demands.....	140	59
Liquidation, shareholders owning two-thirds of, may vote to go into.....	163	68
List of shareholders of, to be transmitted to the Comptroller.....	151	63
Loans on security of shares or purchase of, prohibited.....	139	59
Loans restricted to 10 per cent of, including surplus, etc.....	138	59
Minimum amount required of national banks.....	34	20
Minimum of bonds to.....	57	29
National currency association, requirements relative to.....	98	42

	Paragraph.	Page.
Capital stock—Continued.		
Number of shares and amount of, stated in organization certificate.....	17	14
Payment of, provisions for.....	36	21
Penalty for failure to make good impairment of.....	143	60
Personal liability of shareholders.....	48	24
Receiver may be appointed when—impaired.....	143	60
Receiver may be appointed when, not fully paid in.....	37	21
Reduction of, provisions for.....	40	22
Relation of bond deposit to.....	59	30
Restoration of, when below the minimum required.....	37	21
Shareholders of, list to be kept and subject to inspection.....	151	63
Shareholders owning two-thirds of, may place an association in liquidation.....	163	68
Shareholders owning two-thirds of, may change title and location.....	21	15
Shareholders owning two-thirds of, may increase stock.....	38, 39	22
Shareholders owning two-thirds of, may reduce stock.....	40	22
Shareholders owning two-thirds of, may extend corporate existence.....	26	17
Shareholders entitled to one vote on each share of, held by.....	41	22
Shareholders of converted State banks not liable when.....	48	24
Shareholders of, not consenting to an extension may withdraw.....	29	18
Shares of, acquired for debt to be disposed of when.....	139	59
State taxation of shares of.....	162	67
Subscriptions to, when payable.....	36	21
Surplus fund to be created to the amount of 20 per cent of.....	137	59
United States registered bonds to be deposited as security for circulation to be based on.....	57	29
When increase of, becomes valid.....	38	22
Withdrawal of bonds on reduction of, or closing of business.....	59	30
Withdrawal of bonds, limited.....	66	32
Cashier (see also President; Officers):		
Appointment of.....	19	14
Bank examiner may examine on oath.....	190	79
Bond assignments by.....	61	31
Certificate of officers and directors.....	70	35
Certificate of stock payment.....	36	21
Circulating notes, to sign.....	75	37
Election or appointment of.....	19	14
Embezzlement by.....	149	62
Examiner of own bank, can not be.....	190	79
Expiration of corporate existence, certification by.....	31	19
Extension of corporate existence, certification by.....	26	17
False certification of checks.....	147	62
Incomplete circulation, provisions relative to.....	128	56
Increase of stock, certification of.....	38	22
Liquidating bank, duty in.....	164	68
Penalty for—		
Countersigning or delivering circulation improperly.....	95	41
False certification of checks.....	148	62
Issuing circulation of expired associations.....	238	93
Official malfeasance.....	149	62
Pledging, etc., circulation.....	145	61
Unauthorized receipt of public money.....	229	90
Protest of circulation, waiving notice of.....	170	70
Proxy, not to act as.....	41	22
Reports of condition, verified by.....	152	64
Reports of earnings and dividends, verified by.....	154	64
Shareholders, lists of, by.....	151	63
Signature of, forged or wanting, not to invalidate circulation..	128	56
Taxable circulation, returns by.....	157	66
Unauthorized circulation, returns by.....	204	83
Voluntary liquidation, certified by.....	164	68
Central reserve agents. (See Agents; Reserve; Reserve agents.)		

	Paragraph.	Page.
Certificate:		
Certified copy of organization, evidence.....	198	82
Comptroller's, of authority.....	71	35
Converted State banks.....	52	26
Destruction of notes.....	90	40
Execution of organization.....	18	14
Extension of corporate existence.....	27	17
Increase of stock valid, when.....	38	22
May be withheld, when.....	71	35
National currency association, to be filed with and approved by the Secretary of the Treasury.....	98	42
Officers and directors to attest.....	70	35
Organization, to specify.....	17	14
Payment of installments of stock to be certified.....	36	21
Publication of Comptroller's, of authority.....	72	36
Reduction of stock valid, when.....	40	22
Sealed, of Comptroller, evidence.....	197	82
Voluntary liquidation.....	164	68
Certificate of incorporation of national currency association:		
Approval of, by Secretary of Treasury.....	98	42
Body corporate upon execution of.....	98	42
Execution of.....	98	42
Certification of checks, when forbidden, and penalty for.....	147, 148	62
Certified copies. (See Evidence.)		
Charter (<i>see also</i> Corporate existence):		
Certificate of Comptroller authorizing the bank to begin business known as.....	71	35
Forfeiture of.....	189	78
Issue of, to national banks.....	71	35
Charter number to be printed on circulation.....	76	38
Checks:		
Certified receivable for duties on imports and internal taxes..	261	109
False certification of, unlawful.....	147	62
Falsely certified, an obligation of association.....	147	62
Penalty for false certification of.....	148	62
Circulation (<i>see also</i> Additional circulation):		
Amount of, obtainable.....	74	36
Amount of, obtainable by gold banks.....	92	40
Association may issue.....	19	14
Association to receive interest on bonds as long as, honored..	66	32
Associations consolidating, deposit of lawful money to retire, unnecessary.....	166	69
Associations to redeem, in lawful money on demand.....	131	56
Bonds in excess of amount required may be withdrawn.....	59	30
Bonds forfeited when, dishonored.....	171	71
Bonds, United States, to secure.....	57	29
Certificates of destruction, by whom executed.....	90	40
Charter number on.....	76	38
Collection of tax on.....	159	66
Consolidating banks.....	166	69
Cost of plates to be paid by association.....	124	53
Counterfeiting, etc.....	95, 97, 230, 232-238	41, 42, 91, 93
Countersigning unlawfully.....	95	41
Denominations minimum.....	80	39
Deposit of United States bonds to secure.....	57	29
Deposit of bonds to be increased when capital is increased.....	59	30
Destroyed, to be replaced by an equal amount of new notes..	124	53
Disposition of redemption account balances.....	127	55
Examination of bank upon protest of, by agent of Comptroller..	171	71
Expense of plates for new notes of extended banks.....	30	18
Expenses of redemption, how paid.....	124	53
Extended bank, shall differ from prior issues.....	30	18
For what, is receivable.....	88	39

	Paragraph.	Page.
Circulation—Continued.		
Fraudulent notes to be so stamped.....	239	94
Gain from lost and destroyed.....	30	18
Gold bank, to be redeemed in gold coin.....	92	40
Government depositaries to receive, at par.....	50	25
Inscription on.....	75, 92	37, 40
Increasing capital stock, use of, prohibited.....	141	60
Limit on aggregate amount of.....	74	36
Liquidating bank to deposit lawful money to redeem.....	167	69
Minimum denominations.....	80	39
Minimum deposit of bonds required.....	57	29
Notice of redemption of, to be forwarded to bank.....	124	53
Other, prohibited for national-bank.....	89	40
Penalty for failure to make return of taxable.....	158	66
Pledging, as security prohibited.....	141	60
Profit on unredeemed, inures to the United States.....	30	18
Proceedings when return is not made.....	206	84
Prohibition against circulating uncurrent notes.....	144	61
Proportion to bonds deposited.....	74	36
Proportion to capital.....	57	29
Protest of.....	170	70
Receivable at par by all national banks.....	134	58
Redeemed, to be canceled.....	177	72
Redemption fund.....	104, 124	48, 53
Redemption of, in United States notes.....	124	53
Redemption of, extended banks.....	30	18
Redemption of, liquidating banks.....	169	70
Redemption of, closed banks.....	168	70
Redemption of, incomplete.....	128	56
Refunding excess tax.....	160	66
Restriction on notes less than \$1.....	212	86
Restriction on notes less than \$5.....	80	39
Restriction on notes of \$5.....	74	36
Restriction of tax provisions.....	208	84
Semiannual return of, subject to tax.....	157, 205	66, 83
Statement concerning, of closed banks to appear in annual report of Comptroller.....	11	11
Signing.....	75	37
Tax on.....	156	65
Tax on converted bank.....	207	84
Tax on, insolvent banks remitted.....	161, 209	67, 85
Tax on State bank issue.....	199-206	82-84
Tax on, subject to State law.....	211	85
Treasurers and public depositaries to return all, of closed banks.....	168	70
When exempt from tax.....	200	83
When issuable.....	88	39
Withdrawal of, by depositing lawful money, limitation of.....	67	33
Worn out or mutilated, destroyed.....	90, 91	40
Citizens:		
National banking associations, where.....	24	16
Claims. (See Insolventcy; Receiver.)		
Clearing house:		
Certificates issued by, counted as reserve.....	121	53
Receipt in settlement of balances of gold and silver certificates by.....	146	61
Clearing-house certificates. (See Clearing house; Reserve.)		
Clerks:		
Appointment and qualification of, by the Secretary.....	6	10
Clerical force for redemption of circulating notes.....	125	55
Duties of, fixed by the Comptroller.....	6	10
Employment of, for the Bureau by the Comptroller.....	6	10
Of banks can not act as proxy.....	41	22
Names and compensation of, in annual report and Official Register.....	11, 12	11, 12

	Paragraph.	Page.
Closed associations. (<i>See</i> Insolvent banks.)		
Code of the District of Columbia. (<i>See</i> separate index.)		
Coin. (<i>See</i> Gold; Silver.)		
Commercial paper:		
Additional circulation on.....	99	44
Characterized, when available as security for additional circulation.....	99	44
Discount of.....	135, 140	58, 59
Committee of appraisal. (<i>See</i> Dissenting shareholders.)		
Comptroller of the Currency:		
Action as to agent of shareholders.....	185	75
Acts of, subject to approval of Secretary.....	111	49
Additional circulation to be issued by, when.....	99	44
Agent, special, to be appointed for association failing to redeem circulation.....	171	71
Annual report to be made to Congress by.....	11	11
Application for additional circulation to be made to.....	99	44
Appointment, term and salary of.....	2	9
Approve receiver's purchase of property.....	187	78
Approve reserve agent.....	121, 131	53, 56
Articles of association and organization certificate of national banks to be filed with.....	16, 17	14
Bonds and records of, with Treasurer, access to.....	64	32
Bonds, sale of, privately or at public auction by.....	174, 175	72
Capital stock, increase or reduction of, to be approved by.....	38, 39, 40	22
Certificate to begin business.....	71	35
Certified copy of organization certificate, evidence.....	198	82
Charter number of bank, to have it put on circulating notes.....	76	38
Cited in injunction of receiver.....	181	74
Circulation, worn, mutilated, destruction of.....	90, 91	40
Creditors of failed banks, to pay dividends to.....	180	73
Distribution of Comptroller's reports.....	13, 14	12
Duties of.....	1	9
Enforce stockholders' liability.....	48	24
Engraving of plates for printing of additional circulation to be ordered by.....	75	37
Enjoined by bank, how.....	181	74
Examiners, appointment of.....	190	79
Extension of corporate existence, approval of, by.....	25	16
Evidence sealed certificates.....	197	82
Forfeit, cancel, or sell bonds of notes not redeemed.....	175	72
Forfeiture of charter, suit to be brought by.....	189	78
Interest in national banks, issuing currency, prohibited.....	7	10
Jurisdiction of circuit courts to enjoin.....	195	81
Liquidation of associations to be notified of.....	164	68
Notice to banks short in reserve.....	120	52
Notice to creditors of insolvent banks.....	179	73
Oath to be taken and bond to be given by.....	3	9
Plates and dies, examination of.....	79	38
Printing report of.....	13, 14	12
Qualification of.....	3	9
Receivers, appointed by.....	120, 178	52, 72
Recommendation relative to issue of additional circulation, to be referred to and approved by the Secretary.....	99	44
Reports of banks other than national, to be obtained and published by.....	11	11
Reports to be made to.....	152-154	64
Reserve cities, designation of, by.....	126, 133	55, 57
Secretary of Treasury to approve certain acts of.....	111	49
State banks converted, approved by.....	52	26
Title and location, change of, to be approved by.....	21	15
Title of national banks, subject to approval of.....	17	14
Transfer and assignment of bonds to be countersigned by.....	102	47

	Paragraph.	Page.
Comptroller of the Currency—Continued.		
Verification by, of banks' monthly returns of additional circulation for taxation.....	156	65
Compounding debts, of insolvent national banks.....	178	72
Congress:		
Comptroller's report to be made to.....	11	11
Consolidation of national banks, provisions regarding liquidations and bonds.....	166	69
Contributions. (<i>See</i> Political contributions.)		
Converted State banks. (<i>See</i> State banks converted.)		
Corporate existence:		
Extension of.....	25-27	16, 17
Reextension of.....	32	20
Liquidation, not terminating.....	31	19
Corporate powers. (<i>See</i> Powers.)		
Corporation (<i>see also</i> Liability of association):		
Association becomes, when.....	19	14
Excise tax on.....	258	101
National currency association becomes, when.....	98	42
Cost. (<i>See</i> Expenses.)		
Counterfeits, making or using notes, plates, tools, etc.....	231-237	91-93
Coupon bonds. (<i>See</i> Bonds, United States.)		
Courts. (<i>See</i> Crimes, jurisdiction, etc.)		
Creditors:		
Bill in equity by, against shareholders.....	184	75
Checks falsely certified a valid obligation of associations.....	147	62
Creditors' rights not to be impaired.....	192	80
Directors' liability.....	189	78
Expiration of existence, notice to.....	31	19
Insolvency, notice of, to.....	179	73
Nonpayment of circulation, notice of, to.....	173	71
Payment of assets of failed banks.....	180	73
Preference of illegal.....	192	80
Shareholders, list of, subject to inspection by.....	151	63
Shareholders, personal liability of, to.....	48	24
Voluntary liquidation, notice of, to.....	164	68
Creditor's bills:		
Against shareholders.....	184	75
Crimes, jurisdiction, etc.:		
Abstraction of money, funds, etc.....	149	62
Aiders and abettors.....	149	62
Counterfeiting circulation.....	232	91
Dealing in counterfeit circulation.....	237	93
Embezzlement.....	149	62
Evidence, certified copy of organization certificate.....	198	82
Evidence, sealed certificate of Comptroller competent.....	197	82
False certification of checks.....	147, 148	62
False entries.....	149	62
Having or taking unauthorized impressions of tools, etc.....	235-236	93
Illegal possession or use of material for circulation.....	233	91
Imitating circulation for advertising purposes.....	96	42
Improper countersigning or delivering circulation.....	95	41
Issuing circulation without authority.....	149	62
Issuing circulation of expired associations.....	238	93
Jurisdiction, general, of national-bank cases.....	24, 28	16, 17
Jurisdiction to enjoin Comptroller or receiver.....	195	81
Misapplication, willful.....	149	62
Mutilating circulation.....	97	42
Obligations of the United States defined.....	230	91
Official malfeasance.....	149	62
Passing counterfeit circulation.....	234	92
Pledging United States notes or bank circulation.....	145	61
Political contributions.....	150	63
Taking unauthorized impressions of tools, etc.....	235	93

	Paragraph.	Page.
Currency. (<i>See</i> Circulation; Gold; Gold certificates; Silver; Silver certificates; Lawful money; United States note certificates.)		
Currency Bureau:		
Designation of office of Comptroller of the Currency.....	1	9
Expenses of, in liquidating failed banks.....	12	12
Offices, vaults, etc., for.....	9	11
Submission of list of employees.....	11, 12	11, 12
D.		
Debts, compounding of:		
Real estate held for.....	33	20
Deficiency. (<i>See</i> Bonds; Capital; Circulation; Receiver; Reserve.)		
Denominations:		
Circulation of gold banks.....	92	40
Circulation of national banks.....	75	37
Converted State-bank shares.....	52	26
Gold certificates.....	146, 245	61, 97
Shares of national-bank stock.....	35, 52	20, 26
Deposit of United States bonds. (<i>See</i> Bonds, United States.)		
Depositories. (<i>See</i> Government depositories.)		
Deposits:		
Public moneys.....	50, 224	25, 88
Reserve to be kept on.....	93,	41,
	120-124	52, 53
Depreciation. (<i>See</i> Bonds; Circulation.)		
Deputy Comptroller:		
Appointment.....	4	10
Bond.....	4	10
Duties.....	4	10
Interest in bank issuing national currency prohibited by....	7	10
Oath to be taken.....	4	10
Salary of.....	4	10
Deputy Comptroller, additional:		
Powers of.....	5	10
Salary of.....	5	10
Destruction of mutilated notes. (<i>See</i> Redemption.)		
Dies. (<i>See</i> Plates and dies.)		
Directors (<i>see</i> Board of directors):		
Appointment or election of.....	19	14
Assessment, provisions for enforcement of.....	143	60
Attestation of reports to Comptroller, by.....	152	64
Capital impaired, duties in.....	37	21
Certificate of officers and.....	70	35
Certification of, to extension.....	26	17
Conversion of State banks, action by.....	52	26
Dividends, declaration of, by.....	137	59
Embezzlement, penalty.....	149	62
Enforcing payment of capital.....	37	21
Exception in Oklahoma.....	262	110
Failure to hold annual election.....	46	23
Forfeiture of charter for violation, etc., by.....	189	78
Liability of.....	189	78
Names and residences of, to be ascertained by Comptroller....	70	35
Not to be appointed by Comptroller to examine own bank....	190	79
Number and election of.....	42	23
Oath of.....	44	23
Oklahoma, qualification of national bank in.....	262	110
Penalty for issuing circulation of expired association.....	238	93
Penalty for official malfeasance.....	149	62
Penalty for unauthorized receipt of public money.....	229	90
President of board to be a.....	47	24
Powers of.....	19	14
Proxy, can not act as.....	41	22
Qualifications of.....	43	23

	Paragraph.	Page.
Directors—Continued.		
Qualifications of, in Oklahoma.....	262	11
Shareholders dissenting to extension to give notice to, etc.....	29	18
Vacancies in board of.....	45	23
Disbursing funds of United States officers, depositing with national-bank depositories.....	224	88
Discount. (<i>See</i> Loans; Liability of association; Interest.)		
Dissenting shareholders:		
Withdrawal of, on extension.....	29	18
Dissolution. (<i>See</i> Expiration of corporate existence; Forfeiture; Insolvency; Liquidation.)		
Distinctive paper:		
National-bank circulation, etc., to be printed on.....	77	38
Unauthorized possession or use of.....	233	91
Dividends (<i>see also</i> Surplus and dividends):		
Comptroller to make ratable, of assets of insolvent banks.....	180	73
Directors may declare, when.....	137	59
Earnings and, to be reported.....	154	64
Penalty for failure to report earnings and.....	155	64
Restriction on association's liability.....	140	59
Unearned, prohibited.....	142	60
Drafts:		
Obligations of United States including.....	230	91
Official malfeasance.....	149	62
Liability of association, relative to.....	140	59
Penalty for mutilating.....	97	42
Dues. (<i>See</i> Taxation; Duties.)		
Duties:		
Associations organized under act of February 25, 1863.....	54	27
Circulation, converted State banks.....	207	84
Circulation, enforcing payment of, on.....	159	66
Circulation, exempt from.....	200	83
Circulation, not receivable for customs.....	88	39
Circulation, refunding excess on.....	160	66
Circulation, restrictions on.....	208	84
Circulation, semiannual on.....	156	65
Circulation, unauthorized.....	199-204	82, 83
Comptroller's.....	1	9
Deputy Comptroller's.....	4	10
Directors'.....	42, 44	23
Examiners'.....	190	79
Gold certificates receivable for.....	245	97
Public depositories, designation and.....	50	25
Receiver, appointment and.....	178	73
Shareholders' agent.....	185	75
E.		
Earnings. (<i>See</i> Dividends.)		
Elections:		
Change of title or location.....	21	15
Corporate powers.....	19	42
Directors and officers of National Currency Association.....	98	43
Extension of corporate existence.....	25	16
Failure to hold annual.....	46	23
Increase of stock.....	39	22
Number of directors.....	42	23
Oaths of directors.....	44	23
Qualifications of directors.....	43	23
Qualifications of shareholders.....	41	22
Reduction of stock.....	40	22
Shareholders' agent.....	185	75
Voluntary liquidation.....	163	68
Embezzlement, misapplication of funds, etc.:		
Penalty for.....	149	62

	Paragraph.	Page.
Employees and expenses. (<i>See</i> Clerks; Expenses.)		
Enforcing payment of capital stock:		
Provisions for.....	37	21
Engraving. (<i>See</i> Circulation; Plates and dies.)		
Equity. (<i>See</i> Creditor's bill against shareholders.)		
Evidence.....	197, 198	82
Examination of organization proceedings:		
Preliminary to authorizing, to begin business.....	70	35
Examinations:		
Annual, of bonds.....	65	32
Ascertainment of value of stock of dissenting shareholders....	29	18
Bonds and records, provisions for.....	64	32
Compensation of examiners.....	190	79
Examiners to make.....	190	79
Limitation of visitatorial powers.....	191	80
List of shareholders subject to.....	151	63
Plates and dies annually.....	79	38
Preliminary, to beginning business.....	70	35
Qualification of examiners.....	190	79
Special, of extended associations.....	27	17
Examiners:		
Appointment of.....	190	79
Compensation of.....	190	79
Qualifications of.....	190	79
Special commission.....	71	35
Execution. (<i>See</i> Suits.)		
Executor. (<i>See</i> Trustees.)		
Existence:		
Extension of.....	25	16
National currency association, corporate existence of.....	98	42
Reextension of.....	32	20
Term of corporate, of national banks.....	19	14
Expenses:		
Bureau, to be stated in Comptroller's annual report.....	11, 12	11, 12
Circulation, redemption of.....	124	53
Circulation, transportation and redemption of.....	68	33
Duties of shareholders' agent, relative to.....	185	75
Examinations.....	190	79
Examinations, dissenting shareholders.....	29	18
Examinations, special.....	27	17
Examiners, fees of.....	190	79
Liquidation of failed national banks.....	12	12
National Currency Commission.....	117	50
Plates, cost of.....	30, 124	18, 53
Plates and dies, examination of.....	79	38
Provisions for, act May 30, 1908.....	114	49
Receiverships, how paid.....	182	74
Receiverships, paid prior to election of shareholders' agent..	185	75
Sale of bonds.....	174	72
Sale of delinquent stock.....	37	21
F.		
Failed national banks:		
Report of expenses.....	12	12
Failure. (<i>See</i> Insolvency.)		
False entry:		
Penalty for, official malfeasance.....	149	62
Falsely certifying checks.....	147	62
Penalty for.....	148	62
Fees. (<i>See</i> Examiners; Receivers.)		
Fine. (<i>See</i> Penalty.)		
Firm. (<i>See</i> Liability of association.)		
Fiscal agent. (<i>See</i> Agent; Government depositaries.)		

	Paragraph.	Page.
Forfeiture of charter:		
Suit to be brought for, by Comptroller of the Currency.....	189	78
Forgery. (<i>See</i> Crimes; Penalty.)		
Franchise:		
Forfeiture of.....	189	78
Fraudulent notes:		
United States and national bank officers to mark.....	239	94
G.		
Gold:		
Certificates not to be issued when reserve of gold coin and bullion is depleted.....	245	97
Certificates when part of national-bank reserve.....	146	61
Circulation of gold banks redeemable in.....	92	40
Deposit of, for certificates.....	146, 245	61, 97
Dollar, standard unit of value.....	240	95
Gold banks not required to take circulation of other banks at par.....	134	58
Issue of certificates of deposit of.....	146, 245	61, 97
Organization of gold banks.....	92	40
Reserve gold of one hundred and fifty millions.....	241	95
Reserve of gold banks to be silver and.....	93	41
Taxation of, gold certificates by State, etc.....	211	85
Gold banks:		
Circulation of, issuable.....	92	40
Conversion of.....	94	41
Deposit of bonds by.....	92	40
Exempted from provisions relative to other bank circulation..	134	58
Organization of.....	92	40
Reserve required for.....	93, 131	41, 56
Tax on circulation.....	156	65
Gold bank notes. (<i>See</i> Gold banks; Circulation.)		
Gold certificates:		
Deposit of gold for.....	245	97
Deposit of foreign gold for.....	245	97
Issue of, prohibited, when.....	146, 245	61, 97
Minimum denomination.....	245	97
Payable to order.....	245	97
Receivable for.....	146, 245	61, 97
Gold reserve in Treasury:		
Gold certificates not to be issued when, depleted.....	245	97
Government depositories:		
Deposit and withdrawal of public moneys.....	224	88
Deposits by certain postmasters.....	225	88
Designation and duties of.....	50	25
Interest to be paid by.....	51	25
National banks as.....	50	25
National-bank circulation to be received by.....	50	25
National banks as financial agents of the Government.....	50	25
Penalty for misapplication of money-order funds.....	226	89
Penalty for unauthorized deposit of public moneys.....	228	90
Penalty for unauthorized receipt or use of public moneys.....	229	90
Secretary of the Treasury to designate.....	50	25
Securities to be deposited by.....	50	25
Guardian. (<i>See</i> Trustee.)		
H.		
Hawaii:		
National banking laws applicable to.....	265	111
House of Representatives:		
Comptroller's reports to be sent to.....	13	12
Members of, on National Monetary Commission.....	115	50
Speaker of, appointment by, of members of National Mone- tary Commission.....	115	50
Hypothecation. (<i>See</i> Pledging.)		

	Paragraph.	Page.
I.		
Imports, interest on public debt:		
Circulation of national banks not receivable for duties and interest	88	39
Improper use of circulation:		
Pledging, hypothecating, etc	141	60
Uncurrent circulation	144	61
Incomplete circulation (<i>see also</i> Circulation):		
Redemption of	128	56
Indian Territory:		
National-bank act in effect in	263	110
Injunction. (<i>See</i> Comptroller; Suits.)		
Insolvency:		
Assets, distribution of, by receiver	180	73
Expenses incident to, report of	12	12
Impairment of capital	143	60
Jurisdiction of courts to enjoin Comptroller	195	81
Jurisdiction of national-bank cases	24, 28	16, 17
Notice to creditors of associations in	179	73
Penalty for issuing circulation of associations in	238	93
Preference of creditors	192	80
Receiver, appointment of	178	72
Receiver, duties of	178	72
Receiver, when may be appointed	178, 183	72, 74
Redemption of circulation of association in	168	70
Shareholders' agent	185	75
Taxes on bank in, remitted	161, 209	67, 85
Insurance company, insurance of solvency of bank by	269	116
Interest in national banks prohibited:		
By Comptroller	7	10
By Deputy Comptroller	7	10
Interest (<i>see also</i> Usury):		
Rate of, chargeable by national banks	135	58
United States deposits	51	25
Internal Revenue, Commissioner of:		
Penalty for failure to make returns to, of taxable circulation ..	206	84
Remission of tax against insolvent State banks	161, 209	67, 85
Semiannual return to, of taxable circulation other than national	205	83
International bimetallism:		
Act March 14, 1900, relative to	253	100
Issue and Redemption Division established	243	96
J.		
Judgment (<i>see also</i> Suits):		
Appointment of receiver when judgment obtained against bank	183	74
Illegal preference of creditors	192	80
Jurisdiction. (<i>See</i> Crimes, jurisdiction, etc.)		
K.		
Kansas:		
Deposits guarantee law	268	115
L.		
Larceny. (<i>See</i> Crimes, jurisdiction, etc.)		
Lawful money:		
Defined	120	52
Defined for gold banks	93	41
Deposit of, to retire United States bond-secured circulation ..	67, 68	33
Exemption of circulation from taxation when, deposited	200	83
Expiring associations to deposit	31	19

	Paragraph.	Page.
Lawful money—Continued.		
Extended banks to deposit.....	30	18
Five per cent fund.....	124, 127	53, 55
Forfeiture of bonds, for failure to redeem circulation in.....	171	71
Limit of amount to be deposited monthly.....	69	34
Liquidating associations to deposit.....	165	69
Liquidating associations, consolidating, not to deposit.....	166	69
National bank circulation, including, to be deposited to re- tire additional circulation.....	69	34
National bank circulation to be redeemed in, at Treasury.....	110	49
Payment of protested circulation in.....	173	71
Protest of circulation, for failure to redeem in.....	170	70
Receiver to be appointed for failure to maintain reserve of.....	120	52
Redemption account, disposition of.....	127	55
Reserve to be.....	120	52
Withdrawing circulation, deposit of.....	67, 68	33
Lawful money reserve. (See Reserve.)		
Legal tender:		
Gold coins.....	214	86
Minor coins.....	218	87
Silver dollars.....	216-242	86-96
Subsidiary silver coins.....	217	87
United States notes.....	219, 220	87
Liability:		
Association's, for pledging, etc., United States notes, etc.....	145	61
Banks and assets, additional circulation.....	99	44
Converted State bank for old notes.....	207	84
Creditor's bill against shareholders.....	184	75
Estates owning stock subject to.....	49	24
False certification of checks.....	147	62
Individual, of directors.....	189	78
Limited to amount of capital, except.....	140	59
Personal, of shareholders.....	48	24
Shareholders, debars from voting.....	41	22
Shareholders of certain banks exempt from.....	48	24
Trustees, exempt from, when.....	49	24
Liabilities:		
Associations organized under act of February 25, 1863.....	54	27
Change of title or location not to affect.....	22	16
Comptroller's report to contain statement of national banks.....	11	11
Converted State banks.....	207	84
Deficiency in reserve, not to increase liabilities.....	120	52
Deposit of lawful money relieves from, on circulation.....	167	69
Duties of receiver.....	178	72
Exceptions to limitation.....	140	59
Extended associations.....	28	17
Liquidating associations, on consolidation.....	166	69
Loans, restrictions on.....	138	59
Reports of condition to show.....	152	64
Restriction on.....	140	59
Lien:		
National currency association to have benefit of, when.....	99	44
United States has paramount, on assets of association.....	174	72
Limitations:		
Associations, corporate existence.....	19	14
Bonds, withdrawal of.....	66, 67	32, 33
Capital, converted State banks.....	52	26
Capital stock, increase of.....	38, 39	22
Capital stock, reduction of.....	40	22
Capital stock, payment of.....	36	21
Capital stock, requisite amount of.....	34	20
Circulation, denominations.....	75	37
Circulation, deposit of lawful money on withdrawing.....	67	33
Circulation exempt from tax.....	200	83

	Paragraph.	Page.
Limitations—Continued.		
Circulation obtainable.....	74	36
Circulation obtainable by gold banks.....	92	40
Circulation to be taken at par.....	134	58
Circulation, tax on.....	156, 208	65, 84
Circulation, unauthorized, tax on.....	202, 203, 204	83
Corporate existence of converted gold banks.....	94	41
Creditors of insolvent banks, notice to.....	179	73
Creditors of insolvent bank, illegal preference.....	192	80
Directors, number of.....	42	23
Dividends.....	137, 142	59, 60
Expiration of corporate existence.....	31	19
Extension of corporate existence.....	25, 32	16, 20
Gold certificates, denominations of.....	146	61
Impairment of capital.....	143	60
Interest rate.....	135	58
Jurisdiction, general, of national-bank cases.....	24, 28 195	16, 17 81
Lawful money deposited to retire circulation.....	68	33
Liability of national banks.....	140	59
Location of associations, change of.....	21	15
Loans.....	138	59
“National” in title of bank.....	193	80
Place of business.....	119	52
Public depositories.....	50	25
Real estate holdings.....	33	20
Reserve, gold banks.....	93	41
Receiver, appointment of.....	183	74
Receiver, purchase of property to protect trust.....	186	77
Reports of condition, transmitted.....	152	64
Reports of earnings and dividends, transmitted.....	154	64
Reserve requirements.....	120	52
Reserve with central reserve agents.....	131	56
Reserve with reserve agents.....	121	53
Shareholders, personal liability of.....	48	24
Shareholders, personal liability of certain converted banks.....	48	24
Shares of stock, par value.....	35	20
Shares of stock, directors to own.....	43	23
State taxation of money.....	211	85
State taxation of national banks.....	162	67
Stock purchased or acquired.....	139	59
Suits, conduct of.....	194	81
United States bonds deposited.....	57	29
Visitorial powers.....	191	80
Voluntary liquidation, vote.....	163	68
Voluntary liquidation, deposit of lawful money.....	165	69
Voters at elections.....	41	22
Liquidation:		
Bonds withdrawn.....	167	69
Creditor's bill against shareholders.....	184	75
Consolidation.....	166	69
Expiring associations to comply with provisions for.....	31	19
Lawful money to be deposited.....	165	69
Notice of, to be published.....	164	68
Penalty for issuing circulation of associations in.....	238	93
Redemption of circulation of associations in.....	168, 169	70
Sale of bonds, when.....	167	69
Vote required.....	163	68
Liquidation and receivership (see also Liquidation; Receiver):		
Bonds, deficiency in, first lien on assets for redemption of circulation.....	174	72
Bonds, forfeiture of.....	171	71

	Paragraph.	Page.
Liquidation and receivership—Continued.		
Bonds, sale of, at auction.....	174	72
Bonds, sale of, privately.....	175	72
Bonds, withdrawal of.....	167	69
Charter, forfeiture of.....	189	78
Circulation, protest of.....	170	70
Consolidation, provisions for.....	166	69
Creditor's bill against shareholders.....	184	75
Deposit of lawful money on liquidating.....	165	69
Distribution of assets of insolvent associations.....	180	73
Enjoining proceedings.....	181	74
Enjoining proceedings, where brought.....	196	81
Expiring associations.....	31	19
Illegal preference of creditors.....	192	80
Jurisdiction, general, of national-bank cases.....	24	16
Jurisdiction of circuit courts.....	195	81
Notice of vote to liquidate.....	164	68
Notice to creditors of insolvent associations.....	179	73
Notice to present circulation for redemption.....	173	71
Penalty for issuing circulation of expired associations.....	238	93
Receiver, appointment of.....	178	72
Receiver, when may be appointed.....	183	74
Receiver, purchase of property to protect trust.....	186	77
Receivership, expenses of.....	182	74
Shareholders' agent, appointment of.....	185	75
Shareholders' agent, duties of.....	185	75
Suits, conduct of.....	194	81
Suspension of business for nonpayment of circulation.....	172	71
Taxes on insolvent associations remitted.....	161, 209	67, 85
Vote required for liquidation.....	163	68
Loans:		
Associations' liability restricted.....	140	59
Circulation as collateral for, prohibited.....	141	60
Prohibited on security of own stock.....	139	59
Real estate, prohibited.....	33	20
Restrictions on.....	138	59
Location (see also Title and location):		
Change of.....	21	15
Organization, certificate to state.....	17	14
Losses:		
Bad debts and, exceeding profits.....	142	60
Lost or stolen national-bank notes:		
Redemption of.....	128	56
M.		
Maceration:		
Redeemed circulation to be disposed of by.....	91	40
Maximum. (See Bonds; Capital; Circulation; Limitations.)		
Minimum. (See Bonds; Capital; Circulation; Limitations.)		
Misdemeanor. (See Crimes; Penalty; Official malfeasance.)		
Monetary system:		
National Monetary Commission to investigate and report on..	116	50
Money in the Treasury:		
Appropriation of, to carry out provisions of act of May 30, 1908.	114	49
Expenses of National Monetary Commission, to be paid from..	117	50
Moneys. (See Lawful money; Legal tender; Circulation; Public moneys.)		
Mortgages:		
Assignment of, when illegal.....	192	80
Assignment, when official malfeasance.....	149	62
Real estate, possession, etc., of, by association.....	33	20
Mutilated or worn circulation:		
Redemption of.....	90	40

	Paragraph.	Page.
N.		
National.		
Use of the word, in titles of associations other than national, prohibited.....	193	80
National-bank act:		
Provides for a national currency, etc.....	15	13
Status of national banks organized under act of February 25, 1863.....	54	27
National banking associations:		
Amendment of articles of association restricted.....	35	20
Articles of association entered into by.....	16	14
Branches may be retained by converted State banks.....	53	26
Capital required.....	34	20
Cancellation of redeemed circulation.....	177	72
Certificate of officers and directors.....	70	35
Circulation obtainable by.....	74	36
Circulation of, tax on.....	156-160	65, 66
Circulation of, to be redeemed in United States notes.....	124	53
Circulation to be taken at par.....	134	58
Circulation of, for what receivable.....	88	39
Circulation unsigned or with forged signatures to be redeemed.....	128	56
Change of title and location.....	21-23	15, 16
Charter forfeiture.....	189	78
Charter number to be printed on circulation of.....	76	38
Closed bank circulation.....	168	70
Comptroller and Deputy Comptroller not to be interested in, issuing circulation.....	7	10
Conversion of State banks to.....	52	26
Corporate and incidental powers of.....	19	14
Deposit of bonds by.....	57	29
Directors individually liable when.....	189	78
Directors, number and election of.....	42	23
Directors, oath of.....	44	23
Directors, qualification of.....	43	23
Election, holding annual.....	42, 46	23
Enjoining proceedings.....	181	74
Examination of, prior to being authorized to begin business.....	70, 71	35
Expiration of corporate existence, provisions on.....	31	19
Extended bank circulation.....	30	18
Exchange of bonds.....	60	31
Extension of corporate existence of.....	25-27	16, 17
Formation of national currency associations by.....	98	42
General provisions respecting bonds.....	66	32
Gold bank circulation, provisions for issuing.....	92	40
Gold banks may be organized.....	92	40
Gold banks, conversion of.....	94	41
Increase of capital stock by.....	38, 39	22
Liability of, as members of national currency association.....	99	44
Liquidating bank circulation.....	169	70
Liquidation, provisions for.....	163-167	68, 69
Lost or stolen notes of, to be redeemed.....	128	56
National-bank act relative to, in force in the Indian Territory.....	263	110
Oklahoma, qualification of directors in.....	262	110
Organization certificate to specifically state.....	17	14
Payment of stock prior to beginning business.....	36	21
Post-notes, issue of, prohibited.....	89	40
Preparation of bank circulation.....	75	37
Publication of certificate of authority.....	72	36
President of, to be chosen by board.....	47	24
Receiver may be appointed for failure to restore capital.....	37	21
Reduction of capital stock.....	40	22
Receiver for, when may be appointed.....	183	74
Redemption and destruction of circulation of.....	90, 91, 124	40, 53
Redemption account, disposition of.....	127	55

	Paragraph.	Page.
National banking associations—Continued.		
Regulation of business of.....	119-162	52-67
Relation of bond deposit to capital of.....	59	30
Security for circulation.....	57, 58	29, 30
Shares of stock.....	35	20
Shareholders of, qualifications of, at elections.....	41	22
Shareholders' agent.....	185	75
Shareholders of, personally liable.....	48	24
Shareholders of, when not personally liable.....	48	24
Status of, organized under act of February 25, 1863.....	54	27
Subscribed stock not paid for forfeited to.....	37	21
Suspension of business after default to pay circulation.....	172	71
Taxation of circulation of, by States, etc.....	210, 211	85
Tax provisions restricted.....	208	84
Taxes on insolvent, remitted.....	161, 209	67, 85
Where proceedings to enjoin may be brought.....	196	81
Withdrawing circulation.....	67, 68, 69	33, 34
National currency associations:		
Additional circulation issued by State, etc., bonds, other securities, and commercial paper.....	99	44
Board of.....	98	42
Body corporate when.....	98	42
By-laws of, to be approved by Secretary of Treasury.....	98	42
Certificate of incorporation to be filed with Secretary of Treasury.....	98	42
Circulation, additional, securities for and amount issuable.....	99	44
Circuit court, United States, suit in, against defaulting bank, when.....	99	44
Commercial paper characterized and amount circulation issuable thereon.....	99	44
Composition of.....	98	42
Composition of membership.....	98	42
Comptroller to receive and recommend to the Secretary disposition of applications to issue additional circulation.....	99	44
Conditions of membership in.....	98	42
Creation of, authorized.....	98	42
Duties of.....	99	44
Effect of reduction, below 10, in membership.....	98	42
Liability of members.....	99	44
Lien of United States, benefit of, for.....	99	44
Lien on assets of defaulting member enforceable by.....	99	44
Limit of act creating.....	118	50
Limit of circulation to be issued to members of.....	103	48
Membership in, how obtained.....	98	42
National bank, member in but one.....	98	42
National banks to organize.....	98	42
Number of, to be formed in any city.....	98	42
Officers and executive committee, election and powers of.....	98	42
Organization authorized.....	98	42
Powers of.....	98, 99	42, 44
Powers of board.....	98	42
Redemption fund, how made good.....	100	45
Sale of securities authorized when.....	100	45
Secretary of the Treasury to approve.....	111	49
Secretary of the Treasury to determine character and value of securities tendered and approve or otherwise the issue of additional circulation.....	101	46
Securities deposited with, to be held in trust for the United States.....	102, 106	47, 49
Securities, exchange of, and additional.....	99	44
Securities, including commercial paper, basis for additional circulation.....	99	44
Treasurer United States may use redemption fund of other banks when.....	100	45

	Paragraph.	Page.
National Monetary Commission:		
Appointment of members of.....	115	50
Composition of.....	115	50
Creation of, authorized.....	115	50
Duties of.....	116	50
Expenses of, provided.....	117	50
Limit of act creating.....	118	50
Report to Congress provided.....	116	50
New York City:		
Associations in, reserve agents.....	120,	52,
	121, 131	53, 56
Bonds, sale of forfeited, in.....	174	72
Notice of expiration of corporate existence in paper in.....	31	19
Notice of voluntary liquidation in paper in.....	164	68
Net profits. (<i>See Dividends.</i>)		
Nonresidents:		
Directors.....	43, 262	23, 110
State, etc., taxation of stock of.....	162	67
Notary public:		
Acknowledgment of organization certificates before.....	18	14
Acknowledgment of reports.....	152, 153,	64
	154	
Notice. (<i>See Publication; Printing.</i>)		
O.		
Oath:		
Certificate of officers and directors.....	36, 70	21, 35
Directors.....	44	23
Examiners may take statements under.....	190	79
Execution of organization certificate.....	18, 52	14, 26
Official, by Comptroller.....	3	9
Official, by Deputy Comptroller.....	4	10
Payment of installments.....	36	21
Reports of condition, and earnings and dividends.....	152, 154	64
Semiannual return of circulation.....	157-160	66
Shareholders, list of.....	151	63
Obligations of the United States:		
Defined.....	230	91
Penalty for dealing in counterfeit.....	237	93
Penalty for illegal possession or use of material for.....	233	91
Penalty for passing counterfeit.....	234	92
Penalty for pledging.....	145	61
Penalty for taking or having unauthorized impressions of tools, etc.....	235-236	93
Officers (<i>see also</i> President; Cashier):		
Bonds assigned to be signed by cashier or other.....	61	31
Certificate of directors and.....	70	35
Certificate of payment of increase of stock.....	38	22
Certification of payment of stock by president or cashier.....	36	21
(Circulation properly signed, issuable.....	88	39
Disqualified to examine national banking associations in which interested as.....	190	79
Election or appointment of, by directors.....	19	14
Examination of, under oath.....	190	79
False certification of checks forbidden.....	147	62
Forfeiture of charter, provisions for.....	189	78
Forged signatures of, to circulation not to invalidate.....	128	56
Fraudulent notes to be marked by.....	239	94
National currency association, election of.....	98	42
Oath, administration of, to reports.....	153	64
Official malfeasance, penalty for.....	149	62
Penalty for false certification of checks.....	148	62
Penalty for improper countersigned, etc., circulation.....	95	41
Penalty for issuing circulation of expired associations.....	238	93

	Paragraph.	Page.
Officers—Continued.		
Penalty for official malfeasance.....	149	62
Penalty for pledging, etc., circulation.....	145	61
Penalty for unauthorized receipt of public money.....	229	90
Preference of creditors.....	192	80
President of board a director.....	47	24
President or cashier, certification of extension.....	26	17
President or cashier, certification of expiration of existence..	31	19
President or cashier, certification of liquidation.....	164	68
President or cashier waiving notice of protest.....	170	70
President or vice president and cashier to sign circulation.....	75	37
Proxy, not to act as.....	41	22
Receiver, appointment of, for violation of national-bank act by.	183	74
Redemption of unsigned circulation.....	128	56
Reports of condition, verification of, by president or cashier..	152	64
Reports of earnings and dividends, attestation of, by president or cashier.....	154	64
Shareholders' list, verified by president or cashier.....	151	63
Taxation, circulation subject to, returns by president or cashier.	157	66
Taxation, unauthorized circulation, returns by president or cashier.....	205	83
Officers, United States:		
Deposit and withdrawal of public money.....	224	88
Penalty for improper countersigning or delivering circulation.	95	41
Penalty for unauthorized deposit of public money.....	228	90
Receiving or disbursing public money to mark fraudulent....	239	94
Officers, vaults, etc.:		
Assignment of, to the Comptroller by the Secretary.....	9	11
Oklahoma:		
Deposit guarantee law.....	267	115
Qualification of directors of association in.....	262	110
Organization and powers of national banks:		
Amendment of articles of association.....	35	20
Articles of association.....	16	14
Branches of converted State banks.....	53	26
Capital stock.....	17	14
Capital stock requirements.....	34	20
Certificate of authority to begin business.....	71	35
Certificate of officers and directors.....	70	35
Change in title and location.....	21	15
Conversion of gold banks.....	94	41
Conversion of State banks.....	52	26
Corporate powers.....	19	14
Deposit of bonds.....	57	29
Directors, election of.....	46	23
Directors, number and election of.....	42	23
Directors, oath of.....	44	23
Directors, qualification of.....	43	23
Directors, qualification of, in Oklahoma.....	262	110
Directors, to choose president.....	47	24
Directors, vacancy, how filled.....	45	23
Enforcing payment of stock.....	37	21
Examination preliminary to beginning business.....	70	35
Execution of organization certificate.....	18	14
Extension of corporate existence.....	25	16
Failure to hold election.....	46	23
Gold banks, conversion of.....	94	41
Gold banks, organization of.....	92	40
Incidental powers.....	19	14
Increase of capital stock, provisions for.....	38, 39	22
Increase of capital stock, when valid.....	38	22
Liquidation.....	163	68
Location and title, change of.....	21	15
Location.....	17	14

	Paragraph.	Page.
Organization and powers of national banks—Continued.		
Organization certificate.....	17	14
Payment of stock.....	36	21
President, election of, by board.....	47	24
President, qualification of.....	47	24
Publication of certificate of authority to begin business.....	72	36
Reduction of capital stock, provisions for.....	40	22
Restoration of capital stock.....	37	21
Shareholders.....	17	14
Shareholders, personal liability of.....	48	24
Shareholders, qualification of, at election.....	41	22
Shareholders, when personally liable.....	48	24
Shares of stock.....	35	20
State banks, conversion of.....	52	26
State banks, converted, may retain branches.....	53	26
Status of associations organized under act of February 25, 1863.....	54	27
Title.....	17	14
Title and location, change of.....	21	15
Vacancies in board, how filled.....	45	23
Organization certificate:		
Certified copy of, evidence.....	198	82
Comptroller to grant or withhold.....	71	35
Conversion of gold banks.....	94	41
Conversion of State banks.....	52	26
Execution of.....	18	14
Sealed certificate of Comptroller, evidence.....	197	82
Specifications in.....	17	14
P.		
Panama Canal Bonds:		
Available as security for circulation.....	58	30
Tax on circulation secured by.....	58	30
Payment of capital stock:		
Provisions relative to.....	36	21
Penalty:		
Appointment of receiver for violations of act.....	178, 183	72, 74
Bond of Comptroller.....	3	9
Bond of Deputy Comptroller.....	4	10
Counterfeiting circulation.....	232	91
Dealing in counterfeit circulation.....	237	93
False certification of checks.....	148	62
Failure to pay installment on stock.....	37	21
Failure to redeem circulation.....	171	71
Forfeiture of charter.....	189	78
Illegal possession or use of material for circulation.....	233	91
Imitating bank circulation for advertising purposes.....	96	42
Improper countersigning or delivering circulation.....	95	41
Interest, unlawful.....	136	58
Issuing circulation of expired associations.....	238	93
Jurisdiction of United States courts.....	24-28	16, 17
Mutilating circulation.....	97	42
Misapplication of money-order funds.....	226	89
"National," unlawful use of the word.....	193	80
Official malfeasance.....	149	62
Passing counterfeit circulation.....	234	92
Pledging United States notes or bank circulation.....	145	61
Reports to Comptroller, failure to make.....	155	64
Reserve, maintenance of.....	120	52
Semiannual return of circulation.....	156-160, 202-204, 205	65, 66, 83
Taking or having unauthorized impressions of tools, etc.....	235, 236	93
Unauthorized deposit of public money.....	228	90
Unauthorized receipt or use of public money.....	229	90

	Paragraph.	Page.
Personal liability. (<i>See</i> Shareholders; Trustee; Liability.)		
Plates:		
Act of May 30, 1908.....	75	37
Control of.....	78	38
Cost of engraving.....	30, 124	18, 53
Custody of.....	9	11
Engraving of.....	75	37
Examination annually.....	79	38
Expense of examination and destruction of.....	79	38
Extended banks.....	30	18
Liquidating bank, to be destroyed.....	79	38
Penalty for counterfeiting, or having possession of counterfeit.	233, 235	91, 93
Penalty for taking unauthorized impressions of tools, etc.....	235	93
Penalty for having false impressions of tools, etc.....	236	93
Pledging or hypothecating circulation:		
Prohibited.....	141	60
Political contributions:		
Prohibited.....	150	63
Population:		
Relation of capital stock to.....	34	20
Porto Rico:		
National banking laws applicable to.....	264	110
Postmasters:		
Deposit of public funds by.....	225	88
Misapplication of money-order funds by.....	226	89
Postmaster General:		
Deposit of funds by authority of.....	226	89
Post-notes:		
National banking associations prohibited from issuing.....	89	40
Powers (<i>see also</i> Comptroller):		
Granted to national banks.....	19	14
Incidental, of national banks.....	19	14
National currency association.....	98, 99	42, 44
Visitorial, limitation of.....	191	80
Preferences:		
Preference of creditors illegal.....	192	80
Preparation of circulation:		
Provisions for.....	75	37
President (<i>see also</i> Officers):		
Certificate of officers and directors.....	70	35
Countersigning or delivering circulation improperly.....	95	41
Director to be.....	47	24
Election or appointment of, by directors.....	19	14
False certification of checks and penalty for.....	147-148	62
Official malfeasance, penalty for.....	149	62
Proxy, not to act as.....	41	22
Public money, unauthorized receipt of, by.....	229	90
Signature of, forged, not to invalidate circulation.....	128	56
Signature of, on circulation.....	75-88	37, 39
Violations of act by, penalty for.....	183, 189	74, 78
President of the United States:		
Appointment of Comptroller by.....	2	9
Printing (<i>see also</i> Publication):		
Additional circulation.....	75	37
Annual report of the Comptroller, number printed and distribution of.....	11,	11, 12
	12, 13, 14	
Certificate of authority to begin business.....	72	36
Charter numbers on circulation.....	76	38
Circulation of associations.....	75	37
Circulation of extended banks.....	30	18
Creditors of insolvent associations, notice to.....	179	73
Notice of special annual election.....	46	23
Notice of sale of delinquent stock.....	37, 143	21, 60

	Paragraph.	Page.
Printing—Continued.		
Notice of sale of bonds at public auction.....	174	72
Notice of liquidation.....	164	68
Notice of expiration.....	31	19
Penalty for counterfeiting circulation.....	232	91
Penalty for illegal possession or use of material for circulation..	233	91
Penalty for imitating circulation.....	96	42
Penalty for taking or having unauthorized impressions of tools, etc., for.....	235, 236	93
Reports of condition.....	152	64
Shareholders' agent, notice of election of.....	185	75
Voluntary liquidation, notice of.....	164	68
Protest of circulation:		
Bonds forfeited, when.....	171	71
Bonds, sale of, when.....	174, 175	72
Failure to redeem circulation.....	170	70
Publication (see also Printing):		
Annual election, notice of holding special.....	46	23
Certificate of authority to begin business.....	72	36
Creditors of insolvent associations, notice to.....	179	73
Nonpayment of circulation, notice to present.....	173	71
Reports of condition of national banks.....	152	64
Sale of bonds, notice of.....	174	72
Sale of delinquent stock, notice of.....	37, 143	21, 60
Shareholders' agent, notice of election of.....	185	75
Voluntary liquidation, notice of.....	164	68
Public debt. (See Imports and interest on public debt.)		
Public deposits (see also Deposits):		
Banks to give security for.....	50	25
Interest on.....	51	25
Q.		
Qualification:		
Comptroller of the Currency.....	3	9
Deputy Comptroller.....	4	10
Directors of national banks.....	43	23
Directors of national banks in Oklahoma.....	262	110
Examiners of associations.....	190	79
Shareholders' agent.....	185	75
R.		
Rate. (See Interest; Tax; Usury.)		
Ratio (see also Bonds; Capital; Circulation):		
Additional national-bank circulation, to capital and surplus..	99	44
Real estate:		
Investments and holdings restricted.....	33	20
Subject to State, etc., taxation.....	162	67
Receiver:		
Appointment and duties of.....	178	72
Appointment of, for failure to dispose of own stock.....	178	72
Appointment of, for failure to restore diminished capital.....	178	72
Appointment of, for false certification of checks.....	178	72
Appointment of, for nonpayment of circulation.....	178	72
Appointment of, for impairment of capital.....	178	72
Appointment of, for insolvency.....	183	74
Appointment of, for nonmaintenance of reserve.....	178	72
Courts may enjoin.....	181	74
Expenses of, how paid.....	182	74
General jurisdiction of national-bank cases.....	24, 28	16, 17
Jurisdiction of circuit courts to enjoin Comptroller.....	195	81
Purchase of property by, to protect trust.....	186	77
Receiverships. (See Liquidation and receivership; Receiver.)		

	Paragraph.	Page.
Redemption:		
Additional circulation, act May 30, 1908.....	100, 104	45, 48
Cancellation of circulation sent for.....	177	72
Deposit of lawful money for, of associations in liquidation....	165	69
Disposition of, account.....	127	55
Enjoining Comptroller.....	181	74
Extended bank circulation.....	30	18
First lien on assets.....	174	72
Five per cent fund for, to be maintained.....	124	53
Five per cent fund for, part of lawful reserve.....	124	53
Forfeiture of bonds.....	171	71
Forged signatures not to prevent.....	128	56
General provisions respecting.....	124	53
Incomplete circulation.....	128	56
Issue and redemption division established.....	243	96
Lawful money, of circulation.....	110	49
Liquidating bank circulation.....	168, 169	70
Notice to present circulation for.....	173	71
Proceeds from sale of bonds for, of circulation.....	167	69
Profit on circulation not presented for.....	30	18
Protest of circulation, for failure to redeem.....	170	70
Records of.....	176	72
Sale of bonds.....	174, 175	72
United States notes, of circulation in.....	124	53
Unsigned circulation to be redeemed.....	128	56
Withdrawn circulation.....	67, 68	33
Worn or mutilated circulation.....	90, 91	40
Redemption account:		
Disposition of.....	127	55
Redemption of United States notes:		
Gold coin and bullion to be set apart as reserve for.....	241	95
Register of the Treasury:		
Signature on circulation.....	75	37
Registered bonds. (See Bonds, United States.)		
Regulation of banking business:		
Assessment, enforcement of.....	143	60
Circulation, improper use of.....	141	60
Dividends.....	137	59
Dividends prohibited, when.....	142	60
Examiners, appointment of.....	190	79
Examiners, compensation of.....	190	79
Impairment of capital.....	143	60
Interest, limited.....	135	58
Interest, unlawful, penalty for.....	136	58
Laws governing certain associations.....	55	29
Liability of association restricted.....	140	59
Loans, restrictions on.....	138	59
Net profits.....	137	59
Place of business.....	119	52
Real estate, purchasing, etc.....	33	20
Reports of condition.....	152	64
Reports, failure to make.....	155	64
Reports, verification of.....	153, 154	64
Reports of dividends and earnings.....	154	64
Reserve cities.....	120, 126	52, 55
Reserve cities, balances with agents.....	121	53
Reserve cities, central.....	131, 133	56, 57
Reserve cities, requirements.....	120	52
Reserve requirements, gold banks.....	93	41
Shareholders, list of.....	151	63
State taxation of associations.....	162	67
Stock, holding, etc.....	139	59
Surplus and dividends.....	137	59
Uncurrent notes, use of, prohibited.....	144	61

	Paragraph.	Page.
Regulation of banking business—Continued.		
Unearned dividends prohibited.....	142	60
Visitorial powers, limitation of.....	191	80
Reimbursement. (See Circulation; Expenses; Plates and dies.)		
Reports:		
Amendments proposed in Comptroller's.....	11	11
Annual, to be made to Congress.....	11	11
Banks, other than national.....	11	11
Circulation, semiannual return of.....	157	66
Closed banks.....	11, 12	11, 12
Condition of national banks in.....	11	11
Distribution of.....	13, 14	12
Dividends and earnings.....	154, 155	64
List of shareholders.....	151	63
Payment of capital stock.....	36	21
Printed, number of copies.....	13, 14	12
Statement of condition of national banks.....	152, 153	64
Verification of, relative to additional circulation, by the Comptroller.....	156	65
Reserve:		
Clearing-house certificates.....	121	53
Five per cent fund.....	124	53
Gold and silver, held by gold banks.....	93	41
Gold certificates.....	146	61
Lawful money.....	120	52
Maintenance of.....	120	52
Penalty for failure to maintain.....	120	52
Proportion of, with agents.....	121, 131	53, 56
Requirements.....	120	52
Requirements for gold banks.....	93	41
Silver certificates.....	223	87
United States deposits, not required on United States note certificates.....	123	53
Reserve agents (see also Agent):		
Balance with.....	121	53
Reserve cities:		
Additional, provisions for.....	126	55
Central, deposits in.....	131	56
Central, provisions for.....	133	57
Named.....	120	52
Requirements, not applicable to gold banks in San Francisco.....	131	56
Requirements of associations in.....	120	52
Residence:		
List of shareholders and, reported annually.....	151	63
List of shareholders in organization certificate.....	17	14
National banks.....	24	16
Qualification of directors of associations.....	43, 262	23, 110
Resources. (See Assets.)		
Restoration of capital stock:		
Provisions for.....	37, 143	21, 60
Returns. (See Circulation; Reports; Taxation.)		
S.		
Sale:		
Assets of insolvent associations by receiver.....	178	72
Assets of insolvent associations by shareholders' agent.....	185	75
Bonds for failure to redeem circulation.....	167,	69,
	171, 175	71, 72
Securities deposited for additional circulation.....	100	45
Stock for delinquent payment of installment.....	37	21
Stock on impairment of capital.....	143	60
Stock taken for debt.....	139	59
Savings banks. (See Code of the District of Columbia.)		

	Paragraph.	Page.
Seal of office of Comptroller:		
Certified copy of organization certificate under, evidence.....	198	82
Certificates under, competent evidence.....	197	82
Description, impression of, and certificate of approval by Secretary of the Treasury, to be filed with the Secretary of State.....	8	11
Devised by Comptroller and approved by Secretary.....	8	11
Secretary of Interior:		
Report to, of bureau employees	12	12
Secretary of State:		
Description, impression, and certificate of seal of Comptroller to be filed with.....	8	11
Secretary of the Treasury:		
Acts of Comptroller and Treasurer to be approved by.....	111	49
Agent, special, to be appointed for associations failing to redeem circulation.....	171	71
Appointment of Comptroller on recommendation of.....	2	9
Appointment and classification of clerks by.....	6	10
Appointment of Deputy Comptroller by.....	4	10
Assignment of rooms, etc., for the Comptroller by.....	9	11
Authorization of, for issue of additional circulation.....	99	44
Authorized to exchange registered for coupon bonds.....	60	31
Circulation, worn or mutilated, destruction of, by.....	90, 91	40
Determines character and value of securities for additional circulation.....	99	44
Duties of Comptroller under general direction of.....	1	9
Exchange of bonds, terms of, prescribed by.....	66	32
Information relative to available securities for additional circulation to be obtained by, and tendered to banks.....	106	49
Organization of national banks with capital less than \$100,000 to be approved by.....	34	20
Plates and dies, examination of, by.....	79	38
Recommendation of appointment of Comptroller by.....	2	9
Recommendation of Comptroller to be approved, or otherwise, by.....	99	44
Receivers, appointment of, by Comptroller, concurrence in by, in certain cases.....	120	52
Reserve cities, designation of, by Comptroller, to be approved by.....	133	57
Rules to be established by, relative to act of May 30, 1908.....	111	49
Seal of office of Comptroller to be approved by.....	8	11
Supervision of formation of national currency associations.....	98	42
Securities, other than United States bonds, for additional circulation:		
Character, etc., acceptable by Treasurer of the United States and Secretary of the Treasury.....	101	46
Character, etc., acceptable through national currency association.....	99	44
Exchange of.....	99, 101	44, 46
Information relative to available, to be obtained by Secretary and tendered to banks.....	106	49
Receipt for, to be given by Treasurer or assistant treasurer.....	102	47
Sale of, when.....	100	45
Treasurer or assistant treasurer to accept.....	102	47
Transfer and assignment of, to be countersigned by Comptroller of Currency.....	102	47
Withdrawal of, to retire circulation.....	69	34
Security for circulation (see Bonds, United States; Additional circulation):		
Commercial paper as.....	99	44
Municipal, etc., bonds as.....	101	46
United States bonds as.....	57, 58	29, 30
Security for loans:		
Personal.....	19	14

	Paragraph.	Page.
Senate:		
Comptroller's reports to be sent to.....	13	12
Members of, on National Monetary Commission.....	115	50
Presiding officer of, appointment by, of members of National Monetary Commission.....	115	50
Shareholders:		
Agent of, to return to, assets of insolvent association.....	185	75
Appointment and qualification of agent of.....	185	75
Assessment for impairment of capital.....	143	60
Assets of insolvent association to be returned to, ratably after debts are paid.....	180	73
Consent of, necessary to extension.....	26	17
Conversion of State banks, requirements.....	52	26
Creditor's bill against.....	184	75
Directors, election or appointment of, by.....	19, 42	14, 23
Dissenting to extension may withdraw.....	29	18
Duties of agent of.....	185	75
Enforcement of assessment for impairment of capital stock.....	143	60
Enforcing payment by, of installments.....	37	21
Estates and funds with trustee liable for assessment.....	49	24
Extension of corporate existence.....	25, 26	16, 17
Increase of capital stock by.....	38, 39	22
List of, to be kept and copy sent to Comptroller.....	151	63
List of, subject to inspection.....	151	63
Location, change of, by.....	21	15
Names, residences, and number of shares held by each in or- ganization certificates.....	17	14
Personal liability of.....	48	24
Personal liability of, in certain converted State banks.....	48	24
Provisions for election by, when.....	46	23
Proxies, voting by.....	41	22
Qualifications of directors.....	43	23
Reduction of capital stock by.....	40	22
Rights and liabilities of, on transfer of shares.....	35	20
Title and location of association, change of, by.....	21	15
Vote of, necessary to place association in liquidation.....	163	68
Voters, qualification of.....	41	22
Shareholders' agent. (See Agent.)		
Shares:		
Association not to own or hold its own, except.....	139	59
Consent of owners of two-thirds, necessary to extension.....	26	17
Converted State bank to be the same as prior to conversion.....	52	26
Disposition of, taken for debt.....	139	59
Fifty per cent of aggregate value of, to be paid in prior to be- ginning business.....	36	21
Holding of, in other banks, by converted banks authorized.....	52	26
Installments, payment and certification of.....	36	21
List of owners of, to be kept and copy sent to Comptroller.....	151	63
Loan on security of, prohibited.....	139	59
Oath of director relative to.....	44	23
Owners of two-thirds may place association in liquidation.....	163	68
Organization certificate to state capital and number of.....	17	14
Personal property.....	35	20
Preference in allotment of, in succeeding association.....	29	18
Qualifications of directors.....	43	23
Receiver may be appointed for failure to dispose of, taken.....	183	74
Sale or forfeiture of, for failure to pay installments due.....	37	21
Sale of, when necessary.....	29,	18,
	139, 143	59, 60
State taxation of.....	162	67
Transfer of.....	35	20
Value of, of shareholders dissenting to extension, how ascer- tained.....	29	18
Value, par, of each.....	35, 52	20, 26
Voting.....	41	22

	Paragraph.	Page.
Signature on circulation:		
President or vice-president and cashier.....	75	37
Treasurer and Register, United States.....	75	37
Silver:		
Construed to be lawful money, when.....	93	41
Reserve of gold banks to be gold and.....	93	41
Silver certificates:		
Clearing-house balances payable in.....	223	87
Issue of, in place of Treasury notes, when.....	244	97
Issue of, when.....	244, 246	97, 98
Reserve of national banks may be.....	223	87
Silver certificates, denomination of.....	246	98
Silver coinage:		
Dollars.....	242, 244	96, 97
Subsidiary.....	247, 248	98, 99
Silver dollars to remain legal tender.....	242	96
Solicitor of the Treasury:		
Conduct of suits under direction and supervision of.....	194	81
Speaker of the House of Representatives:		
Appointment by, of Members of House of Representatives on National Monetary Commission.....	115	50
Special agent. (<i>See</i> Agent.)		
Special reports. (<i>See</i> Reports.)		
State banks:		
Branches of converted.....	53	26
Circulation of, when exempt from taxation.....	200	83
Conversion of.....	52	26
Penalty for failure to make return of tax on circulation.....	206	84
Penalty for unauthorized receipt of public money.....	229	90
Reports of, provided for.....	11	11
Return of taxable circulation.....	205	83
Shareholders' personal liability, exceptions.....	48	24
Shares of, converted.....	52	26
Tax on converted.....	207	84
Tax on unauthorized circulation.....	202-204	83
State courts. (<i>See</i> Comptroller; Suits.)		
State, Territory, or District:		
Change of title or location of associations.....	21	15
Compensation of national-bank examiners.....	190	79
Conversion of bank organized under authority of laws of.....	52	26
Interest, legal rate in, national banks not to take, etc., in ex- cess of.....	135	58
"National," use of the word in titles.....	193	80
Qualification of directors.....	43	23
Proceedings to enjoin comptroller or receiver, to be brought in district in which association is located.....	196	81
Taxation of circulation of State, etc., associations.....	199-209	82-85
Taxation of money by.....	210, 211	85
Taxation of national banks by.....	162	67
Succession:		
Expired associations.....	29	18
Period of, national banks.....	19	14
Suits:		
Against United States officers or agents.....	194	81
Certified copy of organization certificate evidence in.....	198	82
Circuit courts, jurisdiction of, to enjoin comptroller.....	195	81
Circuit and district courts, jurisdiction of.....	24, 28	16, 17
Corporate powers of associations.....	19	14
Creditor's bill against shareholders.....	184	75
Crimes, jurisdiction, etc. (<i>See</i> Crimes.)		
Enjoining comptroller or receiver.....	181	74
Forfeiture of charter.....	189	78
Proceedings to enjoin comptroller to be brought, where.....	196	81
Sealed certificate of comptroller, competent evidence.....	197	82

	Paragraph.	Page.
Suits—Continued.		
Shareholders' agent.....	185	75
Shareholders' liability, to enforce.....	178	72
Solicitor of the Treasury to direct and supervise certain.....	194	81
Surplus (<i>see also</i> Surplus and dividends):		
Additional circulation issuable, measured by.....	99	44
Converted State bank with capital of \$5,000,000.....	48	24
Creation of.....	137	59
Loans, limit of, measured by capital and.....	138	59
Surplus and dividends:		
Provisions for surplus and payment of dividends.....	137	59
Surrender of bonds. (<i>See</i> Bonds, United States.)		
T.		
Tax:		
Bills of converted State bank.....	207	84
Circulation, enforcing payment of.....	159	66
Circulation, exempt from.....	200	83
Circulation, failure to make returns.....	158	66
Circulation, rate and time of payment.....	156	65
Circulation, refunding excess.....	160	66
Circulation, semiannual return of.....	157	66
Money of all kinds subject to, by States, etc.....	211	85
Notes, State banks, corporation, company, or persons.....	199,	82
	202-204	83
Notes, State banks, corporation, company, or persons, failure to make return.....	206	84
Notes, State banks, corporation, company, or persons, semiannual return.....	205	83
Provisions restricted.....	208	84
Remission of, on insolvent national banks.....	161, 209	67, 85
State taxation of national banks.....	162	67
Taxation. (<i>See</i> Tax.)		
Teller. (<i>See</i> Officers.)		
Territorial court. (<i>See</i> Comptroller; Redemption; State, etc.)		
Title and location:		
Change of, by national banks.....	21-23	15, 16
Transfers. (<i>See</i> Treasurer, United States; Bonds, United States.)		
When void.....	192	80
Treasurer, United States:		
Acceptance of bonds, etc., on approval of Secretary.....	101	46
Acts of, to be approved by Secretary of Treasury.....	111	49
Circulation, withdrawal of, provisions for.....	69	34
Deposit of securities with.....	101	46
Disposition of redemption account.....	127	55
Enforcing tax on circulation.....	159	66
Examination of bonds and records, provisions for.....	64-66	32
Interest on bonds to be retained by, when.....	143, 159	60, 66
Monthly returns of additional circulation to, and verification of reports by Comptroller of the Currency.....	156	65
Proceedings on default in making return on circulation subject to duty.....	159	66
Proceeds of sale of securities to be deposited with, to redeem additional circulation.....	100	45
Public moneys to be deposited with assistant treasurer, Government depositories, or.....	224	88
Receipt for bonds deposited to be given by, or assistant treasurer.....	102	47
Redemption fund of other banks available on default.....	100	45
Redemption fund to be kept with.....	124	53
Redemption of circulation by.....	124	53
Redemption of circulation in United States notes by.....	124	53
Semiannual return to, of circulation subject to duty.....	157	66
Signature of, on circulation.....	75	37

	Paragraph.	Page.
Treasurer, United States—Continued.		
Tax, excess, refunding.....	160	66
Tax on circulation to be paid to.....	156	65
Title to bonds deposited with, in trust for United States.....	102	47
Transfer of bonds in trust for associations to be made to.....	61	31
Treasury notes:		
Demand.....	220	87
Interest bearing.....	221	87
Issue of.....	255	100
Treasury, United States (see also Treasurer, United States):		
Associations to reimburse, for cost of redemption of circulation and plates.....	124	53
Currency bureau in.....	1	9
Divisions of issue and redemption established.....	243	96
Notice to present circulation at.....	173	71
Penalty for failure of associations to report to be paid into.....	155, 157	64, 66
Redemption account, disposition of.....	127	55
Redemption fund, 5 per cent, in.....	124	53
Redemption of circulation at.....	67, 124, 168, 176, 177	33, 53, 70, 72
Trust:		
Purchase of property by receiver to protect.....	186	77
Trustee:		
Shareholders' liability, exemptions from.....	49	24
Trust companies in District of Columbia. (See separate index.)		
U.		
Uncurrent notes:		
Issue of, prohibited.....	144	61
United States (see also Officers of the United States; Crimes, jurisdiction, etc.):		
Courts of, may enjoin proceedings.....	181	74
Forfeiture of charter.....	189	78
Suits in which United States is party.....	194	81
United States deposits:		
Interest to be paid on, when.....	51	25
Reserve on, in banks, not required.....	123	53
United States disbursing officers:		
Fraudulent notes to be marked by.....	239	94
Penalty for unauthorized deposit of public money.....	228	90
Withdrawal of public money.....	224	88
United States notes:		
Circulation of banks to be redeemed in.....	124	53
Fraudulent, to be marked.....	239	94
Obligations of the United States defined.....	230	91
Penalty for dealing in counterfeit.....	237	93
Penalty for illegal use or possession of material for printing.....	236	93
Penalty for passing counterfeit.....	234	92
Penalty for pledging, etc.....	145	61
Penalty for taking or having unauthorized impressions of tools, etc.....	235, 236	93
Subject to taxation by States, etc.....	211	85
Usury:		
Interest, when not.....	135	58
Penalty for.....	136	58
V.		
Vacancies:		
Board of directors, filling.....	45	23
Vice-president (see also Officers):		
Bonds, United States, may sign transfer of.....	61	31
Circulation, may sign.....	75, 88	37, 39
Election or appointment of.....	19	14
Proxy, not to act as.....	41	22

	Paragraph.	Page.
Violations of provisions of national-bank act:		
Forfeiture of charter for.....	189	78
Visitorial powers:		
Limitation of national banking associations, subject to.....	191	80
Voluntary liquidation. (<i>See</i> Liquidation.)		
Voters:		
Qualifications of shareholders at elections.....	41	22
W.		
Withdrawal:		
Additional circulation.....	69	34
Bonds, general provisions respecting.....	66	32
Circulation, provisions for.....	67, 68	33
Deposit and, of public moneys.....	224, 228	88, 90
Dissenting shareholders.....	29	18
Expired associations, bonds of.....	31	19
Illegal preference of creditors.....	192	80
Liquidating associations, bonds of.....	167	69
Reduction of capital.....	40	22
Unearned dividends.....	142	60

INDEX TO CODE OF THE DISTRICT OF COLUMBIA.

	Section.	Page.
Banking institutions in District of Columbia:		
Subject to supervision of Comptroller of the Currency, when . . .	713	126
Building associations in District of Columbia:		
Objects	691	124
Under supervision of Comptroller of the Currency	691, 691a	124, 125
Certificate of incorporation:		
Filing of, with recorder	605	118
Charters:		
Commissioners' power to grant	717	128
Filing of, with recorder	719	128
Commissioners, District of Columbia:		
Authority to grant charters to loan, etc., companies	717	128
Comptroller of the Currency:		
Examinations of savings banks by	714	127
Savings banks, etc., to report to	713	126
Supervision by, of banking institutions in District of Columbia	713	126
Corporations, formation of, under code	605	118
Body corporate, when	607	119
Books, inspection of	631	123
Business in which may engage	605	118
Business, kinds of, prohibited	605	118
By-laws, made by trustees	612	120
Capital stock, changes of	633	123
Certificate of incorporation, what to state	606	118
Dividends	622, 623	121
Loans on own stock prohibited	621	121
Officers, election of	611	120
Reports, annual, etc	617, 619	121
Stock of other companies not to be bought	620	121
Stock, payment of installments	613, 616	120
Stockholders, liability of	615, 626	120, 122
Trustees, election of, etc	608, 610	119
Vote necessary to change capital or business	639	124
Executors, etc.:		
Loan, trust, etc., companies, as	722	130
Foreign banking institutions:		
Reports and examinations of	713	126
Loan, trust, mortgage, etc., companies:		
Annual reports	730	133
Bonds, requirement	745, 746	135, 136
By-laws	738	134
Capital stock	728,	132,
Certified copy of certificate of incorporation of, evidence	735, 743	134, 135
Commissioners of the District, powers of	744	135
Conversion of existing companies	717	128
Dividends	725	131
Duration of charter	739, 740	135
Executors, etc	727	132
Increase of capital	722, 742	130, 135
Notice of application to commissioners	743	135
Oath required of trustee, etc	718	128
Officers	723	131
	737	134

	Section.	Page.
Loan, trust, mortgage, etc., companies—Continued.		
Organization.....	715, 716	127, 128
Penalty for false swearing, misappropriations, etc.....	732	133
Purposes for which formed.....	715	127
Real estate investments.....	726	132
Recording charter with recorder of deeds.....	719	128
Reports to be made to comptroller.....	720	129
Shares of capital stock.....	729	132
Security to be given by, when.....	745, 746	135, 136
Special powers.....	721	129
State corporations doing business in District to comply with conditions of.....	725, 747	131, 136
Stockholders' liability.....	734	134
Trustee, executor, etc.....	722	130
Trustees' liability.....	731	133
Organization:		
General corporations in District of Columbia.....	605	118
Loan, trust, etc., companies.....	715	127
Powers:		
Commissioners of the District of Columbia.....	717	128
Loan, trust, etc., companies.....	721	129
Recorder of deeds:		
Certificates of incorporation to be filed with.....	605, 719	118, 128
Savings banks:		
Banking institutions, including, to make reports and submit to examinations.....	713	126
Expenses of examinations.....	714	127
Insolvent, comptroller to take possession of.....	713	126
Organized under code, subject to supervision of Comptroller of the Currency.....	713	126
Publication of reports from.....	713	126

INDEX TO SECTIONS OF REVISED STATUTES.

Section.	Page.	Section.	Page.	Section.	Page.	Section.	Page.
324.....	9	3701.....	85	5172.....	37	5214.....	65
325.....	9	3847.....	88	5173.....	38	5215.....	66
326.....	9	4046.....	89	5174.....	38	5216.....	66
327.....	10	5133.....	14	5175.....	39	5217.....	66
328.....	10	5134.....	14	5176.....	39	5218.....	66
329.....	10	5135.....	14	5177.....	39	5219.....	67
330.....	11	5136.....	14	5178.....	39	5220.....	68
331.....	11	5137.....	20	5179.....	39	5221.....	68
332.....	11	5138.....	20	5180.....	39	5222.....	69
333.....	11	5139.....	20	5181.....	39	5223.....	69
380.....	81	5140.....	21	5182.....	39	5224.....	69
629.....	81	5141.....	21	5183.....	40	5225.....	70
736.....	81	5142.....	22	5184.....	40	5226.....	70
884.....	82	5143.....	22	5185.....	40	5227.....	71
885.....	82	5144.....	22	5186.....	41	5228.....	71
3408.....	82	5145.....	23	5187.....	41	5229.....	71
3411.....	83	5146.....	23	5188.....	42	5230.....	72
3412.....	83	5147.....	23	5189.....	42	5231.....	72
3413.....	83	5148.....	23	5190.....	52	5232.....	72
3414.....	83	5149.....	23	5191.....	52	5233.....	72
3415.....	84	5150.....	24	5192.....	53	5234.....	72
3416.....	84	5151.....	24	5193.....	56	5235.....	73
3417.....	84	5152.....	24	5194.....	56	5236.....	73
3583.....	86	5153.....	25	5195.....	56	5237.....	74
3584.....	86	5154.....	26	5196.....	58	5238.....	74
3585.....	86	5155.....	26	5197.....	58	5239.....	78
3586.....	86	5156.....	27	5198.....	58	5240.....	79
3587.....	87	5157.....	29	5199.....	59	5241.....	80
3588.....	87	5158.....	29	5200.....	59	5242.....	80
3589.....	87	5159.....	29	5201.....	59	5243.....	80
3590.....	87	5160.....	30	5202.....	59	5413.....	91
3620.....	88	5161.....	31	5203.....	60	5414.....	91
3640.....	25	5162.....	31	5204.....	60	5415.....	91
3641.....	25	5163.....	31	5205.....	60	5430.....	91
3642.....	25	5164.....	31	5206.....	61	5431.....	92
3643.....	25	5165.....	32	5207.....	61	5432.....	93
3644.....	25	5166.....	32	5208.....	62	5433.....	93
3645.....	25	5167.....	32	5209.....	62	5434.....	93
3646.....	25	5168.....	35	5210.....	63	5437.....	93
3647.....	25	5169.....	35	5211.....	64	5488.....	90
3648.....	25	5170.....	36	5212.....	64	5497.....	90
3649.....	25	5171.....	36	5213.....	64		

INDEX TO SECTIONS OF CODE OF THE DISTRICT OF COLUMBIA.

Section.	Page.	Section.	Page.	Section.	Page.	Section.	Page.
605.....	118	624.....	122	713.....	126	732.....	133
606.....	118	625.....	122	714.....	127	733.....	133
607.....	119	626.....	122	715.....	127	734.....	134
608.....	119	627.....	122	716.....	128	735.....	134
609.....	119	628.....	122	717.....	128	736.....	134
610.....	119	629.....	122	718.....	128	737.....	134
611.....	120	630.....	123	719.....	128	738.....	134
612.....	120	631.....	123	720.....	129	739.....	135
613.....	120	632.....	123	721.....	129	740.....	135
614.....	120	633.....	123	722.....	130	741.....	135
615.....	120	634.....	123	723.....	131	742.....	135
616.....	120	635.....	123	724.....	131	743.....	135
617.....	121	636.....	123	725.....	131	744.....	135
618.....	121	637.....	124	726.....	132	745.....	135
619.....	121	638.....	124	727.....	132	746.....	136
620.....	121	639.....	124	728.....	132	747.....	136
621.....	121	640.....	124	729.....	132	748.....	136
622.....	121	691.....	124	730.....	133		
623.....	121	691a.....	125	731.....	133		

