37TH CONGRESS, 3D SESSION.

H. R. 693.

IN THE HOUSE OF REPRESENTATIVES.

JANUARY 20, 1863.

Read twice, referred to the Committee of Ways and Means, and ordered to be printed.

Mr. MOORHEAD, on leave, introduced the following bill:

A BILL

To provide a national currency, secured by a pledge of United States stock, and to provide for the circulation and redemption thereof.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be established in the Treasury Department a separate bureau, which shall be charged with the execution of this act and all laws that may be passed by Congress respecting the issue and regulation of a national currency secured by a pledge of United States stock. The chief officer of the said bureau shall be denominated the Comptroller of the Currency, and shall be under the general direction of the Secretary of the Treasury. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold his office for the term of five years unless sooner removed

13 by the President, by and with the advice and consent of the
14 Senate; he shall receive an annual salary of five thousand dol-
15 lars; he shall appoint a competent deputy, whose salary shall
16 be two thousand five hundred dollars, and who shall possess the
17 power and perform the duties attached by law to the office
18 of said Comptroller during a vacancy in such office and
19 during his absence or inability; he shall employ, from time to
20 time, the necessary clerks to discharge such duties as he shall
21 assign to them, whose salaries shall not exceed sixteen hun-
22 dred dollars each. Within fifteen days from the time of no-
23 tice of his appointment the said Comptroller shall take and
24 subscribe the oath of office prescribed by the Constitution and
25 laws of the United States; and he shall give to the United
26 States a bond in the penalty of one hundred thousand dollars,
27 with two responsible freeholders as sureties, to be approved
28 by the Secretary of the Treasury, conditioned for the faithful
29 discharge of the duties of his office; and he shall not, either
30 directly or indirectly, be interested in any association issuing
31 national currency under the provisions of this act. The
32 Deputy Comptroller so appointed shall also take the oath of
33 office prescribed by the Constitution and laws of the United
34 States, and shall give a like bond in the penalty of fifty thou-
35 sand dollars.

1 SEC. 2. *And be it further enacted,* That the said Comp-
2 troller of the Currency, with the approval of the Secretary of

3 the Treasury, shall devise a seal with suitable inscriptions for his
4 office, a description of which, with a certificate of approval
5 by the Secretary of the Treasury, shall be filed in the office
6 of the Secretary of State with an impression thereof, which
7 shall thereupon be and become the seal of office of the Comp-
8 troller of the Currency, and the same may be renewed when-
9 ever necessary. Every certificate, assignment, and convey-
10 ance executed by the said Comptroller, in pursuance of any
11 authority conferred on him by law, and sealed with his said
12 seal of office, shall be received in evidence in all places and
13 courts whatsoever; and all copies of papers in the office of
14 the said Comptroller, certified by him and authenticated by
15 the said seal, shall in all cases be evidence equally and in like
16 manner as the original. An impression of such seal directly
17 on the paper shall be as valid as if made on wax or wafer.

1 SEC. 3. *And be it further enacted,* That there shall be
2 assigned to said Comptroller of the Currency by the Secre-
3 tary of the Treasury suitable rooms in the Treasury building
4 for conducting the business of the Currency Bureau, in which
5 shall be safe and secure fire-proof vaults, in which it shall be
6 the duty of said Comptroller to deposit and safely keep all
7 the books, papers, plates, and other valuable things belonging
8 to his department; and the said Comptroller shall from time
9 to time furnish the necessary furniture, stationery, fuel, lights,
10 and other proper conveniences for the transaction of the said

business, the expense of which shall be paid out of any money in the treasury not otherwise appropriated.

SEC. 4. *And be it further enacted,* That the term "United States stock," as used in this act, shall be construed to mean all coupon and registered bonds now issued, or that may hereafter be issued, on the faith of the United States by the Secretary of the Treasury in pursuance of law.

SEC. 5. *And be it further enacted,* That any chartered bank or banking association in good credit, whose capital is not less than one hundred thousand dollars, organized under the law of any State or Territory, or the District of Columbia, wishing to avail itself of the advantages of the national currency authorized to be issued by this act, shall present to the Comptroller of the Currency an authorized application therefor, verified by its seal and the signature of its president and cashier, duly acknowledged before a judge of some court of record or a notary public, the acknowledgment thereof to be certified under the seal of such court or notary; and the said application shall state the name of the said bank or banking association, the place where its office of discount, deposit, and issue is located, designating the State, city, town, or village, the amount of the capital stock, the number of shares into which the same is divided, the par value of each share, the time when its charter will expire; and a declaration that the said certificate is made to enable such bank or banking association to avail

19 itself of the advantages of this act, so far as to receive from
20 the Comptroller of the Currency such an amount of the na-
21 tional currency authorized to be issued by this act, in the de-
22 nominations and according to the forms prescribed by the
23 eighteenth section of this act, as shall be equal in amount to
24 eighty per centum of the market price not over the par value
25 of the United States stock, bearing interest, which, pursuant
26 to the provisions of this act, the said bank, making the said
27 declaration, may, preliminarily to its receiving such notes,
28 transfer and deliver to, and deposit with, the Treasurer of the
29 United States; which United States stock so transferred as
30 security for notes issued as aforesaid, shall be held by the
31 Treasurer of the United States, pursuant to the provisions of
32 the twenty-first section of this act. And further, that if any
33 such bank or banking association shall, at any time, fail to
34 redeem, in lawful money of the United States, any of the
35 circulating notes delivered to it as aforesaid, when payment
36 thereof shall be lawfully demanded, during the usual hours of
37 business, at the office of such bank or banking association,
38 (the fact of such refusal to pay such notes to be ascertained
39 pursuant to the twenty-fifth section of this act,) the stock of
40 the United States, so pledged, shall be forfeited to, and dis-
41 posed of, by the United States, according to the provisions of
42 the twenty-sixth section of this act; and further, that the
43 said chartered bank or banking association shall be entitled

to no advantages, or be subject to any provisions of this act other than such as are provided for in this section and the other sections of this act referred to as aforesaid.

SEC. 6. *And be it further enacted,* That associations for carrying on the business of banking may be formed by any number of persons, not less in any case than five.

SEC. 7. *And be it further enacted,* That persons uniting to form such an association shall, under their hands and seals, make a certificate which shall specify—

First. The name assumed by such association.

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

Third. The amount of the capital stock of such association, and the number of shares into which the same shall be divided; which capital stock shall not be less than fifty thousand dollars.

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

Fifth. The time when such association shall commence, and when the same shall terminate.

Sixth. A declaration that said certificate is made to enable such persons to avail themselves of the advantages of this act.

20 Said certificate shall be acknowledged before a judge of
21 some court of record or a notary public, and the acknowledg-
22 ment thereof certified under the seal of such court or
23 notary, and shall be transmitted, together with a copy of the
24 articles of association which shall have been adopted, to the
25 Comptroller of the Currency, who shall record and carefully
26 preserve the same in his office. Copies of such certificate,
27 duly certified by the siad Comptroller, and authenticated by his
28 seal of office, shall be legal and sufficient evidence in all courts
29 and places within the United States, or the jurisdiction of the
30 government thereof, of the existence of such association, and
31 of every other matter or thing which could be proved by the
32 production of the original certificate.

1 SEC. 8. *And be it further enacted,* That whenever a
2 certificate shall have been transmitted to the Comptroller of the
3 Currency, as provided in the seventh section of this act, and the
4 association transmitting the same shall notify said Comptroller
5 that at least fifty per centum of the whole amount of the pro-
6 posed capital stock of such association has been deposited with
7 the Treasurer of the United States, in and of six per centum
8 United States stocks, or their equivalent in United States stocks,
9 for the purpose and with the views of obtaining therefor cir-
10 culating notes, under and according to the provisions of this
11 act; if, upon a careful examination of the facts so reported,
12 and of any other facts which may come to the knowledge of

13 the said Comptroller, whether by means of a special commission
14 appointed by him for the purpose of inquiring into the con-
15 dition of such association, or otherwise, it shall appear that
16 such association is lawfully entitled to commence the business
17 of banking, the said Comptroller shall give to such association
18 a certificate under his hand and official seal, showing that such
19 association has complied with all the provisions of this act re-
20 quired to be complied with before being entitled to commence
21 the business of banking under it, and that such association is
22 authorized to commence said business accordingly; and it
23 shall be the duty of such association to cause said certificate
24 to be published in some daily newspaper, published in the
25 State where such association is located, for at least sixty days
26 next after the issuing thereof.

1 SEC. 9. *And be it further enacted,* That every asso-
2 ciation formed pursuant to the provisions of this act may
3 make and use a common seal, and shall have succession
4 by the name designated in its articles of association and
5 for the period limited therein; by such name may make
6 contracts, sue and be sued, complain and defend in any
7 court of law or equity as fully as natural persons, and may
8 make by-laws, not inconsistent with law or the provisions
9 of this act, for the election of directors, the management
10 of its property, the regulation of its affairs, and for the
11 transfer of its stock; and shall have power to carry on the

business of banking by obtaining and issuing circulating notes in accordance with the provisions of this act; by discounting bills, notes, and other evidences of debt; by receiving deposits; by buying and selling gold and silver bullion, foreign coins, and bills of exchange; by loaning money on real and personal security in the manner specified in their articles of association for the purposes authorized by this act, and by exercising such incidental powers as shall be necessary to carry on such business; to choose one of their number as president of such association, and to appoint a cashier and such other officers and agents as their business may require; and to remove such president, cashier, officers, and agents at pleasure, and appoint others in their place; and all associations issuing notes to circulate as money under the provisions of this act shall be banks of discount and deposit as well as of circulation, and their usual business shall be transacted in banking offices located at the places specified respectively in their certificates of associations, and not elsewhere.

SEC. 10. *And be it further enacted,* That the shares of associations formed under this act shall be deemed personal property, and shall be transferable on the books of the association in such manner as may be prescribed in the articles of association; and every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all

7 the rights and liabilities of the prior holder of such shares;
8 and no change shall be made in the articles of association by
9 which the rights, remedies, or security of the existing
10 creditors of the association shall be impaired.

1 SEC. 11. *And be it further enacted,* That it shall be
2 lawful for any association formed under this act, by its
3 articles of association, to provide for an increase of its capital
4 from time to time as may be deemed expedient; but no such
5 increase shall be valid until the whole amount of such in-
6 crease shall have been deposited with the Treasurer of the
7 United States in six per centum United States stocks, or their
8 equivalent in United States stocks, for the purpose and with
9 the views of obtaining circulating notes therefor, under and
10 according to the provisions of this act, and notice of such
11 increase and deposit shall have been duly transmitted to the
12 Comptroller of the Currency and verified and certified by
13 him.

1 SEC. 12. *And be it further enacted,* That it shall be
2 lawful for any such association to purchase, hold, and convey
3 real estate as follows:

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

6 Second. Such as shall be mortgaged to it in good faith
7 by way of security for loans made by such association, or for
8 moneys due thereto.

9 Third. Such as shall be conveyed to it in satisfaction of
10 debts previously contracted in the course of its dealings.
11 Fourth. Such as it shall purchase at sales under judg-
12 ments, decrees, or mortgages held by such association.
13 Such association shall not purchase or hold real estate in
14 any other case or for any other purpose than as specified in
15 this section.

1 SEC. 13. *And be it further enacted,* That upon the making
2 of any such transfer and delivery of United States stock as
3 heretofore provided, and otherwise complying with the other
4 preliminary requirements of this act, the association making
5 the same shall be entitled to receive from the Comptroller of
6 the Currency circulating notes of different denominations, in
7 blank, registered and countersigned as hereinafter provided,
8 equal in amount to the current market value of the United
9 States stock so transferred and delivered, but not exceeding
10 the par value thereof, if bearing interest at the rate of six
11 per centum, and the equivalent of stock bearing interest at
12 the rate of six per centum if in stock bearing a less rate of
13 interest; and at no time shall the total amount of such notes,
14 issued to any such association exceed the amount at such
15 time actually paid in of its capital stock.

1 SEC. 14. *And be it further enacted,* That, in order to
2 furnish suitable notes for circulation, the Comptroller of the
3 Currency is hereby authorized and required, under the direction

of the Secretary of the Treasury, to cause plates to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and to be 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, and one thousand dollars, as may be required to supply, under this act, the banks and associations entitled to receive the same; which notes shall express upon their face that they are secured by United States stock, deposited with the Treasurer of the United States and issued under the provisions of this act, which statement shall be attested by the written or engraved signatures of the Treasurer and Register, and by the imprint of the seal of the treasury; and shall also bear upon their face the usual promise of the bank or association receiving the same, to pay on demand, attested by the signatures of the president and cashier; and the said notes shall bear such devices and such other statements, and shall be in such form, as the Secretary of the Treasury shall, by regulation, direct.

SEC. 15. *And be it further enacted,* That 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 by him, in executing the provisions of this act respecting the procuring of such notes, shall be audited and paid as con-

7 tingent expenses of the Treasury Department; and for the
8 purpose of reimbursing the same, and all other expenses in-
9 curred under this act, and in lieu of all taxes upon the circu-
10 lation authorized by this act, or upon the bonds deposited for
11 security of the same, the Treasurer of the United States is
12 hereby authorized to reserve and retain one-fourth of one per
13 centum on the amount of said bonds so deposited, at each semi-
14 annual payment of interest thereon; and all sums so reserved
15 and retained shall be paid into the treasury under the direction of
16 the Secretary, and every bank, banking association, or corpora-
17 tion issuing notes calculated or intended to circulate as money,
18 otherwise than as in this act provided, shall, within six months
19 after the passage of this act, and regularly once in every suc-
20 ceeding six months, make and deliver to the Comptroller of the
21 Currency a true and accurate return of the amount of notes
22 issued by it, whether in circulation, in its vaults, or on deposit
23 elsewhere, specifying the amount of the several denomina-
24 tions; and shall pay to the Comptroller of the Currency,
25 semi-annually and at the time of making each return, in
26 lawful money of the United States, one per centum upon the
27 gross amount of notes issued, according to such return, during
28 the first year after the passage of this act, and two per centum
29 semi-annually thereafter thereon; and in default of any such
30 return, the bank, banking association, or corporation so failing
31 to make return shall pay to the United States a penalty of

three per centum upon its entire capital stock, to be recovered, for the use of the United States, in any court of competent jurisdiction.

SEC. 16. *And be it further enacted,* That after any such association shall have caused such notes to be filled up and 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 is hereby authorized to 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 for duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States; and no such association shall issue post notes or any other notes to circulate as money than such as are authorized by the foregoing provisions of this act.

SEC. 17. *And be it further enacted,* That all transfers of United States stock which shall be made by any bank or banking association as security for circulating notes under the provisions of this act shall be made to the Treasurer of the United States, with a memorandum written or printed on the certificate of such stock, and signed by the cashier or some other officer of the association making the deposit, stating

that it is held in trust for the association on whose behalf such transfer is made, and as security for the redemption and payment of the circulating notes delivered to such bank or association; and no transfer of any such stock by the Treasurer shall be deemed valid or of binding force and effect, unless sanctioned by the order or request of the Comptroller of the Currency upon said Treasurer. It shall be the duty of the Comptroller of the Currency to keep in his office a book in which shall be entered the name of every bank or banking association, from whose account such transfer of stock is made by the said Treasurer, and the name of the party to whom such transfer is made, unless such transfer is made in blank, in which case the fact shall be stated in said book, and in either case the par value of the stock so transferred shall be entered therein; and it shall be the duty of the said Comptroller, immediately upon countersigning and entering the same, to advise by mail the bank or association from whose account such transfer was made, the kind of stock, and the amount thereof so transferred.

SEC. 18. *And be it further enacted,* That it shall be the duty of the Comptroller of the Currency to countersign and enter in the book, in the manner aforesaid, every transfer or assignment of any stock held by the said Treasurer presented for his signature; and the said Comptroller shall have at all times during office hours access to the books of the

7 Treasurer, for the purpose of ascertaining the correctness of
8 the transfer or assignment presented to him to countersign;
9 and the Treasurer shall have the like access to the book above
10 mentioned, kept by the said Comptroller, during office hours
11 to ascertain the correctness of the entries in the same.

1 SEC. 19. *And be it further enacted,* That it shall be the
2 duty of either the president or cashier of every bank and
3 banking association having stocks deposited in the office of the
4 Treasurer of the United States, once or more in each fiscal year,
5 and at such time or times during the ordinary business hours
6 as said officer or officers may select, to examine and compare
7 the stock so pledged with the books of said department, and
8 if found correct, to execute to the said Treasurer a certificate
9 setting forth the different kinds and the amounts thereof, and
10 that the same are in the possession and custody of the said Trea-
11 surer at the date of such certificate. Such examination may
12 be made by an agent of such bank or association, duly ap-
13 pointed in writing for that purpose, whose certificate before
14 mentioned shall be of like force and validity as if executed
15 by such president or cashier.

1 SEC. 20. *And be it further enacted,* That every asso-
2 ciation issuing circulating notes under the provisions of this
3 act shall make a quarterly report to the Comptroller of the
4 Currency, commencing in August next, and to be continued
5 in November, February, May, and August in each year

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6 thereafter, which report shall be verified by the president and
7 cashier, and each of such reports shall contain a correct
8 statement of the amount of the capital stock, of the average
9 amount of the loans and discounts, of the specie and specie
10 funds, of the legal tender notes of the United States, of the
11 deposits, and of the circulation outstanding during the three
12 months immediately preceding of each of said several and re-
13 spective banks and banking associations, and all wilful false
14 swearing in respect to such report shall be perjury, and sub-
15 ject to the punishment prescribed by law for such offence.

1 SEC. 21. *And be it further enacted,* That if any such
2 association shall at any time fail to redeem, in the lawful
3 money of the United States, any of its circulating notes,
4 when payment thereof shall be lawfully demanded, during
5 the usual hours of business, at the office of such association,
6 the holder may cause the same to be protested, in one pack-
7 age, by a notary public, unless the president, cashier, or teller
8 of the association shall offer to waive demand and notice of
9 the protest, and shall, in pursuance of such offer, make, sign,
10 and deliver to the party making such demand an admission
11 in writing, stating the time of the demand, the amount de-
12 manded, and the fact of the non-payment thereof; and such
13 notary public, on making such protest, or upon receiving such
14 admission, shall forthwith forward such admission or notice of
15 protest to the Comptroller of the Currency; and after such

16 default it shall not be lawful for the association suffering the
17 same to pay out any of its notes, discount any notes or bills,
18 or otherwise prosecute the business of banking, except to
19 receive and safely keep money belonging to it, and to deliver
20 special deposits: *Provided, however,* That if satisfactory
21 proof be produced to such notary public that the payment of
22 any such notes is restrained by order of any court of compe-
23 tent jurisdiction, such notary public shall not protest the same;
24 and when the holder of such notes shall cause more than one
25 note or package to be protested on the same day, he shall
26 not receive pay for more than one protest.

1 SEC. 22. *And be it further enacted,* That on receiving
2 notice that any such association has failed to redeem any of
3 its circulating notes, as specified in the next preceding section,
4 the Comptroller of the Currency, with the concurrence of the
5 Secretary of the Treasury, shall appoint a special agent, (of
6 whose appointment immediate notice shall be given to such
7 association,) who shall immediately proceed to ascertain
8 whether such association has refused to pay its circulating
9 notes, in the lawful money of the United States, when de-
10 manded as aforesaid, and report to the said Comptroller the
11 facts so ascertained; and if, from the reports so made, the
12 said Comptroller shall be satisfied that such association has
13 refused to pay its circulating notes as aforesaid, and that it
14 has been in default ten days, he shall, within thirty days after

15 he shall have received notice of such failure, declare the
16 United States stock and securities pledged by such association
17 forfeited to the United States, and the same shall thereupon
18 be forfeited accordingly; and thereupon said Comptroller shall
19 immediately give notice in such manner as the Secretary of
20 the Treasury shall, by general rules or otherwise, direct, to
21 the holders of the circulating notes of such association to pre-
22 sent them for payment at the treasury of the United States;
23 and the same shall be paid as presented, whereupon said
24 Comptroller may, in his discretion, cancel an equal amount of
25 the stock pledged by such association; and it shall be lawful
26 for the Secretary of the Treasury, from time to time, to
27 make such regulations respecting the disposition to be made
28 of such circulating notes after presentation thereof for pay-
29 ment as aforesaid, and respecting the perpetuation of the
30 evidence of the payment thereof, as may seem to him proper;
31 but all such notes, on being paid, shall be cancelled; and for
32 any deficiency in the proceeds of the stocks and securities
33 pledged by such association, when disposed of as hereinafter
34 specified, to reimburse to the United States the amount so
35 expended in paying the circulating notes of such association,
36 the United States shall have a first and paramount lien upon
37 all the assets of such association, and such deficiency shall be
38 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.

SEC. 23. *And be it further enacted,* That whenever said Comptroller shall become satisfied, as in the last preceding section specified, that any such association has refused to pay its circulating notes as therein mentioned, he may, instead of cancelling the United States stock and securities pledged by such association, as provided in the next preceding section, cause so much of them as may be necessary to redeem the outstanding circulating notes of such association to be sold at public auction in the city of New York, after giving notice of such sale to such association, and also advertising the time and place of sale, with a pertinent description of the stock to be offered for sale, in two or more newspapers published in the city of New York, for not less than ten days next preceding the day of sale.

SEC. 24. *And be it further enacted,* That the Comptroller of the Currency may, if he shall be of opinion that the interests of the United States will be best promoted thereby, sell at private sale any of the stock so transferred to him by such association to any other association, or to any individual person or firms, and receive therefor either money or the circulating notes of such failing association: *Provided,* That no such stock shall be sold by private sale for less than the par value thereof at the time of sale, nor shall any such stock

10 be sold on credit: *And provided, further,* That no sales of
11 any such stock, either public or private, shall be complete
12 until the transfer thereof shall have been made with the for-
13 malities prescribed in section twenty-one of this act.

1 SEC. 25. *And be it further enacted,* That on becoming
2 satisfied, as specified in section twenty-six of this act, that
3 any such association has refused to pay its circulating notes
4 as therein mentioned, and has been in default for ten days,
5 the Comptroller of the Currency may forthwith appoint a
6 receiver, and require of him such bond and security as he
7 shall deem proper, who shall proceed, under the direction of
8 said Comptroller, to take possession of the books, records, and
9 assets of every description of such association, collect all
10 debts, dues, and claims belonging to such association, and,
11 upon the order of a court of record of competent jurisdiction,
12 may sell or compound all bad or doubtful debts, and, on a
13 like order, sell all the real and personal property of such as-
14 sociation, on such terms as the court shall direct, and pay
15 over all moneys so made to the Treasurer of the United
16 States, and also make report to the Comptroller of the Cur-
17 rency of all his acts and proceedings. Such Comptroller shall
18 cause notice to be given, by advertisement in one or more
19 newspapers published in the city in which such association is
20 located, if the same be in a city, and if not, then in one or
21 more newspapers published in the county where the same is

22 located, for three consecutive months, calling on all persons
23 who may have claims against such association to present the
24 same, and to make legal proof thereof; and after the end of
25 one year from the first publication of such notice, the said
26 Comptroller, after full provision shall have been first made
27 for refunding to the United States any such deficiency as is
28 mentioned in the twenty-sixth section of this act, shall make
29 a ratable dividend of the moneys so paid over to him by such
30 receiver on all such claims as may have been so proved or
31 adjudicated in a court of competent jurisdiction, and from
32 time to time, as the proceeds of the assets of such association
33 shall be paid over to him, he shall make further dividends, as
34 aforesaid, on all claims previously proved or adjudicated; and
35 the remainder of such proceeds, if anything, shall be paid
36 over to the shareholders of such association, or their legal
37 representatives, in proportion to the stock by them respec-
38 tively held: *Provided, however,* That if any such association,
39 against which proceedings have been so instituted on account
40 of any alleged refusal to redeem its circulating notes as afore-
41 said, shall deny having failed to do so, such association may,
42 at any time within ten days after such association shall have
43 been notified of the appointment of an agent, as provided in
44 the twenty-sixth section of this act, apply to the circuit court
45 of the United States, or other court of competent jurisdiction,
46 to enjoin further proceeding 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 a 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.

SEC. 26. *And be it further enacted,* That the stock transferred to the Treasurer of the United States, as hereinbefore provided, by any bank or association for the security of its circulating notes, shall be held exclusively for that purpose, until such notes shall be redeemed, except as provided in this act; and if any officer of the United States shall and do allow or permit any of the said stocks so deposited or transferred as hereinbefore mentioned and provided, or contemplated to be so done by virtue of this act, to be taken, abstracted, or otherwise used, than as contemplated and provided by this act, every such officer so offending shall be deemed and held to be guilty of a high misdemeanor, and on conviction thereof in any court of the United States, shall be sentenced to be imprisoned and kept at hard labor for a period of not less than six years, nor more than twenty years, and to be fined in a sum not less than ten thousand dollars, nor more than one hundred thousand dollars; but the Comp-

18 troller of the Currency shall give to any such banking as-
19 sociation powers of attorney to receive and appropriate to
20 its own use the interest on the stock which shall have
21 been so transferred to him by it; but such powers shall
22 become inoperative whenever such bank or association shall
23 fail to redeem its circulating notes as aforesaid; and said
24 Comptroller may return any of said stock to the bank or asso-
25 ciation which transferred the same, upon the surrender to him
26 and the cancellation of a proportionate amount of such cir-
27 culating notes: *Provided,* The current market value of the
28 remaining stock which shall have been transferred by the
29 bank or association offering to surrender such circulating
30 notes shall be equal to the amount of all the circulating notes
31 retained by such bank or association: *And provided, further,*
32 That there shall have been no failure by such bank or asso-
33 ciation to redeem its circulating notes, and that there shall
34 have been no other violation by such association of any of the
35 provisions of this act for the security of the creditors of such
36 association; nor shall said Comptroller be required to surren-
37 der such stock in fractional sums of less than one thousand
38 dollars; and if, at any time after said stock shall be deposited
39 with the Treasurer of the United States, as aforesaid, the
40 market or cash value shall be reduced, the Comptroller of the
41 Treasury is hereby authorized to demand and receive the
42 amount of such depreciation in other United States stock at

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43 cash value, or in money, from the association receiving said
44 bills, to be deposited with the Treasurer of the United States
45 as long as such depreciation continues.

1 SEC. 27. *And be it further enacted,* That whenever the
2 price of any of the bonds pledged as aforesaid for the re-
3 demption of the circulating notes of any such bank or asso-
4 ciation shall be at the stock exchange in the city of New
5 York, for four consecutive weeks, at a rate less than that at
6 which they shall have been estimated when so pledged, and
7 such depreciation shall not have been made good by a deposit
8 of other stocks or money, it shall be the duty of the bank
9 comptroller to notify the Treasurer of the United States of
10 such fact, and the payment of interest upon such depreciated
11 bonds shall be suspended, and such interest shall be retained
12 by said Treasurer until the same, when added to the current
13 market value of the bonds so pledged, to be ascertained as
14 before provided, shall be equal to the amount for which such
15 bonds were pledged: *Provided,* That it shall be the duty of
16 the bank comptroller, at the expiration of every period of
17 three months, to cause the whole of the sums so retained, and
18 then remaining in the treasury of the United States, to be in-
19 vested in United States stocks, in the name of the bank
20 comptroller, in trust for the respective associations by which
21 the stocks on which such interest shall have accrued shall
22 have been pledged; and whenever the price of such depreci-

23 ated stocks at the stock exchange in New York shall rise to
24 the price at which they were pledged, and so remain for four
25 consecutive weeks, such investment shall be assigned to such
26 association, and all accruing interest on such pledged stock
27 shall thereafter be paid to such association on demand thereof.

1 SEC. 28. *And be it further enacted,* That whenever any
2 such bank or association, being desirous of relinquishing its
3 banking business, shall have paid at least ninety per centum
4 of its circulating notes, and shall have delivered the same to
5 the Comptroller of the Currency to be cancelled, and shall
6 have provided means and given security, to the satisfaction of
7 the said Comptroller, for the redemption of its outstanding
8 notes of circulation at the place where such bank or associa-
9 tion is located, and shall have given notice thereof by adver-
10 tisement for six consecutive months in two newspapers of
11 general circulation, published, one at the capital of the State
12 in which such association shall be located, and one in the
13 city, town, village, or county in which the same is located, if
14 there be one published therein, it shall be lawful for the
15 said Comptroller to authorize and for the Treasurer of the
16 United States to re-transfer and deliver to such bank or asso-
17 ciation all the stock and securities pledged by it, and there-
18 upon all the corporate powers of such association, except
19 such as shall be necessary to close up its affairs, shall cease.

1 SEC. 29. *And be it further enacted,* That it shall be

2 the duty of the Comptroller of the Currency to receive worn-
3 out or mutilated circulating notes issued by any such bank
4 or association, and to deliver in place thereof to such
5 bank or association other blank circulating notes to an equal
6 amount; and such worn-out or mutilated notes, after a mem-
7 orandum shall have been entered in the proper books, in ac-
8 cordance with such regulations as may be established by the
9 said Comptroller, as well as all circulating notes which shall
10 have been paid or surrendered to be cancelled, shall be
11 burned to ashes by the said Comptroller of the Currency, in
12 the presence of the Treasurer of the United States; and in
13 case such notes shall have been delivered to said Comptroller
14 by an officer or agent of said bank or association, then in the
15 presence, also, of such officer or agent; and a certificate of
16 such burning, signed by said Comptroller and Treasurer, shall
17 be made in the books of said Comptroller, and a duplicate
18 thereof given to such officer or agent.

1 SEC. 30. *And be it further enacted,* That it shall be un-
2 lawful for any officer acting under the provisions of this act
3 to countersign or deliver to any such bank or association, or
4 to any other company or person, any circulating notes con-
5 templated by this act, except as hereinbefore provided, and
6 in accordance with the true intent and meaning of this act;
7 and any officer who shall violate the provisions of this section
8 shall be deemed guilty of a high misdemeanor, and on con-

9 viction thereof in any court of the United States, shall be
10 sentenced to be imprisoned and kept at hard labor for a period
11 not less than six years, nor more than twenty years, and to be
12 fined in a sum not less than ten thousand nor more than one
13 hundred thousand dollars.

1 SEC. 31. *And be it further enacted,* That all fees for
2 protesting the notes issued by any such bank or association
3 shall be paid by the person procuring the protest to be made,
4 and such bank or association shall be liable therefor; but no
5 part of the stock pledged by such bank or association, as
6 aforesaid, shall be applied to the payment of such fees; and
7 all expenses of any preliminary or other examinations into
8 the condition of any association shall be paid by such associa-
9 tion; and all expenses of any receivership shall be paid out
10 of the assets of such association before distribution of the
11 proceeds thereof.

1 SEC. 32. *And be it further enacted,* That the Secretary
2 of the Treasury is hereby authorized, whenever, in his judg-
3 ment, the public interest will be promoted thereby, to employ
4 any of such associations, doing business under this act, as
5 depositaries of the public moneys, in any place except the
6 city of Washington.

1 SEC. 33. *And be it further enacted,* That every person
2 who shall mutilate, cut, deface, disfigure, or perforate with
3 holes, or shall unite or cement together, or do any other

4 thing to any bank bill, draft, note, or other evidence of debt
5 issued by any such association, or shall cause or procure the
6 same to be done, with intent to render such bank bill, draft,
7 note, or other evidence of debt, unfit to be reissued by said
8 association, shall, upon conviction, forfeit fifty dollars to the
9 corporation who shall be injured thereby.

1 SEC. 34. *And be it further enacted,* That if any person
2 shall falsely make, forge, or counterfeit, or cause or procure
3 to be made, forged, or counterfeited, or willingly aid or assist
4 in falsely making, forging, or counterfeiting any note in
5 imitation of, or purporting to be in imitation of, the circu-
6 lating notes issued under the provisions of this act, or shall
7 pass, utter, or publish, or attempt to pass, utter, or publish,
8 any false, forged, or counterfeited note, purporting to be issued
9 by any corporation or association doing a banking business
10 under the provisions of this act, knowing the same to be falsely
11 made, forged, or counterfeited, or shall falsely alter, or cause
12 or procure to be falsely altered, or willingly aid or assist in
13 falsely altering any such circulating notes, issued as aforesaid,
14 or shall pass, utter, or publish, or attempt to pass, utter, or
15 publish as true, any falsely altered or spurious circulating note
16 issued, or purporting to have been issued, as aforesaid, know-
17 ing the same to be falsely altered or spurious, every such
18 person shall be deemed and adjudged guilty of felony, and
19 being thereof convicted by due course of law, shall be sen-

20 tenced to be imprisoned and kept at hard labor for a period
21 not less than three years nor more than ten years, and to be
22 fined in a sum not exceeding one thousand dollars.

1 SEC. 35. *And be it further enacted,* That if any person
2 shall make or engrave, or cause or procure to be made or
3 engraved, or shall have in his custody and possession any en-
4 graved plate or block after the similitude of any plate from
5 which any circulating notes issued as aforesaid shall have
6 been printed, with intent to use such plate or block, or cause
7 or suffer the same to be used, in forging or counterfeiting any
8 of the notes issued as aforesaid, or shall have in his custody
9 or possession any blank note or notes engraved and printed
10 after the similitude of any notes issued as aforesaid, with in-
11 tent to use such blanks, or cause or suffer the same to be used,
12 in forging or counterfeiting any of the notes issued as afore-
13 said, or shall have in his custody or possession any paper
14 adapted to the making of such notes, and similar to the paper
15 upon which any such notes shall have been issued, with
16 intent to use such paper, or cause or suffer the same to be
17 used, in forging or counterfeiting any of the notes issued as
18 aforesaid, every such person, being thereof convicted by due
19 course of law, shall be sentenced to be imprisoned and kept
20 to hard labor for a term not less than three nor more than
21 ten years, and fined in a sum not exceeding one thousand
22 dollars.

1 SEC. 36. *And be it further enacted,* That suits, actions,
2 and proceedings may be had in courts of record of the several
3 States and Territories by and against corporations and asso-
4 ciations under the provisions of this act; and such courts
5 shall have concurrent jurisdiction with the circuit and district
6 courts of the United States in all such suits, actions, and pro-
7 ceedings.

1 SEC. 37. *And be it further enacted,* That it shall be
2 the duty of the Comptroller of the Currency to report annually
3 to Congress, at the commencement of its session—

4 One. A summary of the state and condition of every
5 association from whom reports have been received the pre-
6 ceding year, at the several dates to which such reports refer,
7 with an abstract of the whole amount of banking capital re-
8 turned by them, of the whole amount of their debts and lia-
9 bilities, the amount of circulating notes outstanding, and the
10 total amount of means and resources, specifying the amount
11 of specie held by them at the times of their several returns,
12 and such other information in relation to said associations as,
13 in his judgment, may be useful.

14 Two. A statement of the associations whose business has
15 been closed during the year, with the amount of their circu-
16 lation redeemed, and the amount outstanding.

17 Three. To suggest any amendment to the laws relative

18 to banking by which the system may be improved, and the
19 security of the bill-holders and depositors may be increased.
20 Fourth. To report the names and compensation of the
21 clerks employed by him, and the whole amount of the expenses
22 of the banking department during the year; such report shal
23 be made by or before the first day of December in each year,
24 and the usual number of copies for the use of the Senate and
25 House, and two hundred and fifty copies for the use of the
26 department, shall be printed by the public printer and in readi-
27 ness for distribution on the first meeting of Congress.

1 SEC. 38. *And be it further enacted,* That the right to
2 alter, amend, and extend this act and the provisions thereof
3 is hereby expressly reserved: but not so as to do injustice to
4 those interested and to be affected thereby.

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