

tions of infant mortality, including not to exceed \$125,000 for personal services in the District of Columbia, \$135,000.

For traveling expenses of officers, special agents, and other employees of the Children's Bureau; experts and temporary assistants, to be paid at a rate not exceeding \$6 a day, and interpreters to be paid at a rate not exceeding \$4 a day when actually employed; purchase of reports and material for the publications of the Children's Bureau and for reprints from State, city, and private publications for distribution when said reprints can be procured more cheaply than they can be printed by the Government, \$60,000: *Provided*, That appropriations herein made for the Children's Bureau shall be available for expenses of attendance at meetings for the promotion of child welfare and for the welfare and hygiene of maternity and infancy when incurred on the written authority of the Secretary.

For carrying out the provisions of the Act entitled "An Act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes," approved November 23, 1921, as amended, \$1,090,976: *Provided*, That the apportionments to the States, to the Territory of Hawaii, and to the Children's Bureau for administration shall be computed on the basis of not to exceed \$1,252,079.96, as authorized by said Act of November 23, 1921, as amended.

Traveling expenses of employees.

Material for publications.

Proviso.
Attendance at meeting.

Maternity and infancy hygiene Act.
Expenses executing.
Vol. 42, p. 224; Vol. 43, p. 17.
Proviso.
Apportionment to States, etc.

Women's Bureau.

WOMEN'S BUREAU

Salaries and expenses.
Vol. 41, p. 987.

Attendance at meetings.

For carrying out the provisions of the Act entitled "An Act to establish in the Department of Labor a bureau to be known as the Women's Bureau," approved June 5, 1920, including personal services in the District of Columbia, not to exceed \$92,170; purchase of material for reports and educational exhibits, and traveling expenses, \$100,000, which sum shall be available for expenses of attendance at meetings concerned with the work of said bureau when incurred on the written authority of the Secretary of Labor.

Employment service.

EMPLOYMENT SERVICE

Promoting welfare of wage earners.

Objects designated.

Traveling expenses.

Services in the District.

To enable the Secretary of Labor to foster, promote, and develop the welfare of the wage earners of the United States, including juniors legally employed, to improve their working conditions, to advance their opportunities for profitable employment by regularly collecting, furnishing, and publishing employment information as to opportunities for employment; maintaining a system for clearing labor between the several States; cooperating with and coordinating the public employment offices throughout the country, including personal services in the District of Columbia and elsewhere; traveling expenses; supplies and equipment, telegraph and telephone service, and miscellaneous expenses; \$200,000, of which amount not to exceed \$26,040 may be expended for personal services in the District of Columbia.

Approved, February 24, 1927.

February 25, 1927.

[H. R. 2.]

[Public, No. 639.]

CHAP. 191.—An Act To further amend the national banking laws and the Federal Reserve Act, and for other purposes.

National banking associations.
Vol. 40, p. 1044,
amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the consolidation of national banking associations," approved November 7, 1918, be amended by adding at the end thereof a new section to read as follows:

"SEC. 3. That any bank incorporated under the laws of any State, or any bank incorporated in the District of Columbia, may be consolidated with a national banking association located in the same county, city, town, or village under the charter of such national banking association on such terms and conditions as may be lawfully agreed upon by a majority of the board of directors of each association or bank proposing to consolidate, and which agreement shall be ratified and confirmed by the affirmative vote of the shareholders of each such association or bank owning at least two-thirds of its capital stock outstanding, or by a greater proportion of such capital stock in the case of such State bank if the laws of the State where the same is organized so require, at a meeting to be held on the call of the directors after publishing notice of the time, place, and object of the meeting for four consecutive weeks in some newspaper of general circulation published in the place where the said association or bank is situated, and in the legal newspaper for the publication of legal notices or advertisements, if any such paper has been designated by the rules of a court in the county where such association or bank is situated, and if no newspaper is published in the place, then in a paper of general circulation published nearest thereto, unless such notice of meeting is waived in writing by all stockholders of any such association or bank, and after sending such notice to each shareholder of record by registered mail at least ten days prior to said meeting, but any additional notice shall be given to the shareholders of such State bank which may be required by the laws of the State where the same is organized. The capital stock of such consolidated association shall not be less than that required under existing law for the organization of a national banking association in the place in which such consolidated association is located; and all the rights, franchises, and interests of such State or District bank so consolidated with a national banking association in and to every species of property, real, personal, and mixed, and choses in action thereto belonging, shall be deemed to be transferred to and vested in such national banking association into which it is consolidated without any deed or other transfer, and the said consolidated national banking association shall hold and enjoy the same and all rights of property, franchises, and interests including the right of succession as trustee, executor, or in any other fiduciary capacity in the same manner and to the same extent as was held and enjoyed by such State or District bank so consolidated with such national banking association. When such consolidation shall have been effected and approved by the comptroller any shareholder of either the association or of the State or District bank so consolidated, who has not voted for such consolidation, may give notice to the directors of the consolidated association within twenty days from the date of the certificate of approval of the comptroller that he dissents from the plan of consolidation as adopted and approved, whereupon he shall be entitled to receive 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 the shareholder, one by the directors of the consolidated association, and the third by the two so chosen; and in case the value so fixed shall not be satisfactory to such shareholder he may within five days after being notified of the appraisal appeal to the Comptroller of the Currency, who shall cause a reappraisal to be made, which shall be final and binding; and the consolidated association shall pay the expenses of reappraisal, and the value as ascertained by such appraisal or reappraisal shall be deemed to be a debt due and shall

Consolidation of State, etc., banks with national, allowed.

Agreement of shareholders necessary.

Publication in newspapers of notice of meeting.

Capital stock requirement.

All property rights, franchises, etc., transferred.

Fiduciary rights.

Dissenting shareholders to be paid for holdings.

Appraisal of value thereof.

Reappraisal by Comptroller if value not satisfactory.

Expenses of.

Sale of surrendered shares.

Liquidation of stock under State laws, etc.

No consolidation contravening laws of the State.

Inclusion of trust companies, etc., as banks.

Corporate powers. R. S., sec. 5136, p. 993, amended.

Succession continued until dissolved by shareholders. Vol. 42, p. 767, amended.

General banking business. R. S., sec. 5136, p. 973, amended.

Matter inserted.

Amended section. Incidental banking powers.

be forthwith paid to said shareholder by said consolidated association, and the shares so paid for shall be surrendered and, after due notice, sold at public auction within thirty days after the final appraisement provided for in this Act; and if the shares so sold at public auction shall be sold at a price greater than the final appraised value, the excess in such sale price shall be paid to the said shareholder; and the consolidated association shall have the right to purchase such shares at public auction, if it is the highest bidder therefor, for the purpose of reselling such shares within thirty days thereafter to such person or persons and at such price as its board of directors by resolution may determine. The liquidation of such shares of stock in any State bank shall be determined in the manner prescribed by the law of the State in such cases if such provision is made in the State law; otherwise as hereinbefore provided. No such consolidation shall be in contravention of the law of the State under which such bank is incorporated.

"The words 'State bank,' 'State banks,' 'bank,' or 'banks,' as used in this section, shall be held to include trust companies, savings banks, or other such corporations or institutions carrying on the banking business under the authority of State laws."

SEC. 2. (a) That section 5136 of the Revised Statutes of the United States, subsection "second" thereof as amended, be amended to read as follows:

"Second. To have succession from the date of the approval of this Act, or from the date of its organization if organized after such date of approval until such time as it be dissolved by the act of its shareholders owning two-thirds of its stock, or until its franchise becomes forfeited by reason of violation of law, or until terminated by either a general or a special Act of Congress or until its affairs be placed in the hands of a receiver and finally wound up by him."

(b) That section 5136 of the Revised Statutes of the United States, subsection "seventh" thereof, be further amended by adding at the end of the first paragraph thereof the following:

"*Provided*, That the business of buying and selling investment securities shall hereafter be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, copartnership, association, or corporation, in the form of bonds, notes and/or debentures, commonly known as investment securities, under such further definition of the term 'investment securities' as may by regulation be prescribed by the Comptroller of the Currency, and the total amount of such investment securities of any one obligor or maker held by such association shall at no time exceed 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, but this limitation as to total amount shall not apply to obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the Federal Farm Loan Act: *And provided further*, That in carrying on the business commonly known as the safe-deposit business no such association shall invest in the capital stock of a corporation organized under the law of any State to conduct a safe-deposit business in an amount in excess of 15 per centum of the capital stock of such association actually paid in and unimpaired and 15 per centum of its unimpaired surplus," so that the subsection as amended shall read as follows:

"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: *Provided*, That the business of buying and selling investment securities shall hereafter be limited to buying and selling without recourse marketable obligations evidencing indebtedness of any person, copartnership, association, or corporation, in the form of bonds, notes and/or debentures, commonly known as investment securities, under such further definition of the term 'investment securities' as may by regulation be prescribed by the Comptroller of the Currency, and the total amount of such investment securities of any one obligor or maker held by such association shall at no time exceed 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, but this limitation as to total amount shall not apply to obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the Federal Farm Loan Act: *And provided further*, That in carrying on the business commonly known as the safe deposit business no such association shall invest in the capital stock of a corporation organized under the law of any State to conduct a safe deposit business in an amount in excess of 15 per centum of the capital stock of such association actually paid in and unimpaired and 15 per centum of its unimpaired surplus.

"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."

SEC. 3. That section 5137 of the Revised Statutes of the United States, subsection "First" thereof, be amended to read as follows:

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

SEC. 4. That section 5138 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5138. No national banking association shall be organized with a less capital than \$100,000, except that such associations with a capital of not less than \$50,000 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 such associations with a capital of not less than \$25,000 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 such association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than \$200,000, except that in the outlying districts of such a city where the State laws permit the organization of State banks with a capital of \$100,000 or less, national banking associations now organized or hereafter organized may, with the approval of the Comptroller of the Currency, have a capital of not less than \$100,000."

SEC. 5. That section 5142 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5142. Any national banking association may, with the approval of the Comptroller of the Currency, and by a vote of shareholders owning two-thirds of the stock of such associations, increase its capital stock to any sum approved by the said comptroller, but no increase in capital shall be valid until the whole

Provisos.
Dealing in investment securities restricted.

Amount of one obligor limited.

Not applicable to Federal, State, etc., obligations.

Investment in stock of State safe deposit corporations restricted.

Authority of Comptroller for commencing business.

Real property holdings.
R. S. sec. 5137, p. 993, amended.
Necessary to accommodate business.

Capital stock.
R. S. sec. 5138, p. 993, amended.
Amount required.
Vol. 31, p. 48, amended.

In smaller places.

If population exceeds 50,000.

Outlying districts.

Increase of capital.
R. S., sec. 5142, p. 994, amended.

Authorized to any amount, on approval of Comptroller, by vote of shareholders.

Conditions.

amount of such increase is paid in and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase in capital stock and his approval thereof, and that it has been duly paid in as part of the capital of such association: *Provided, however,* That a national banking association may, with the approval of the Comptroller of the Currency, and by the vote of shareholders owning two-thirds of the stock of such association, increase its capital stock by the declaration of a stock dividend, provided that the surplus of said association, after the approval of the increase, shall be at least equal to 20 per centum of the capital stock as increased. Such increase shall not be effective until a certificate certifying to such declaration of dividend, signed by the president, vice president, or cashier of said association and duly acknowledged before a notary public, shall have been forwarded to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase of capital stock by stock dividend, and his approval thereof."

Proviso.
By stock dividends.

Effective on approval of Comptroller.

Board of directors.
R. S., sec. 5150, p. 995, amended.
Chairman thereof.

Branches allowed.
R. S., sec. 5155, p. 996, amended.
Conditions.

Branches allowed to continue.

If maintained for preceding 25 years.

By State banks converted into nationals.

Establishing, if permitted by State laws.

Conditions permitting.

Population limitations.

Consent of Comptroller required.

SEC. 6. That section 5150 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5150. The president of the bank shall be a member of the board and shall be the chairman thereof, but the board may designate a director in lieu of the president to be chairman of the board, who shall perform such duties as may be designated by the board."

SEC. 7. That section 5155 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5155. The conditions upon which a national banking association may retain or establish and operate a branch or branches are the following:

"(a) A national banking association may retain and operate such branch or branches as it may have in lawful operation at the date of the approval of this Act, and any national banking association which has continuously maintained and operated not more than one branch for a period of more than twenty-five years immediately preceding the approval of this Act may continue to maintain and operate such branch.

"(b) If a State bank is hereafter converted into or consolidated with a national banking association, or if two or more national banking associations are consolidated, such converted or consolidated association may, with respect to any of such banks, retain and operate any of their branches which may have been in lawful operation by any bank at the date of the approval of the Act.

"(c) A national banking association may, after the date of the approval of this Act, establish and operate new branches within the limits of the city, town, or village in which said association is situated if such establishment and operation are at the time permitted to State banks by the law of the State in question.

"(d) No branch shall be established after the date of the approval of this Act within the limits of any city, town, or village of which the population by the last decennial census was less than twenty-five thousand. No more than one such branch may be thus established where the population, so determined, of such municipal unit does not exceed fifty thousand; and not more than two such branches where the population does not exceed one hundred thousand. In any such municipal unit where the population exceeds one hundred thousand the determination of the number of branches shall be within the discretion of the Comptroller of the Currency.

"(e) No branch of any national banking association shall be established or moved from one location to another without first

obtaining the consent and approval of the Comptroller of the Currency.

"(f) The term 'branch' as used in this section shall be held to include any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State or Territory of the United States or in the District of Columbia at which deposits are received, or checks paid, or money lent.

"(g) This section shall not be construed to amend or repeal section 25 of the Federal Reserve Act, as amended, authorizing the establishment by national banking associations of branches in foreign countries, or dependencies, or insular possessions of the United States.

"(h) The words 'State bank,' 'State banks,' 'bank,' or 'banks,' as used in this section, shall be held to include trust companies, savings banks, or other such corporations or institutions carrying on the banking business under the authority of State laws."

SEC. 8. That section 5190 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 5190. The general business of each national banking association shall be transacted in the place specified in its organization certificate and in the branch or branches, if any, established or maintained by it in accordance with the provisions of section 5155 of the Revised Statutes, as amended by this Act."

SEC. 9. That the first paragraph of section 9 of the Federal Reserve Act, as amended, be amended so as to read as follows:

"SEC. 9. Any bank incorporated by special law of any State, or organized under the general laws of any State or of the United States, desiring to become a member of the Federal reserve system, may make application to the Federal Reserve Board, under such rules and regulations as it may prescribe, for the right to subscribe to the stock of the Federal reserve bank organized within the district in which the applying bank is located. Such application shall be for the same amount of stock that the applying bank would be required to subscribe to as a national bank. The Federal Reserve Board, subject to the provisions of this Act and to such conditions as it may prescribe pursuant thereto may permit the applying bank to become a stockholder of such Federal reserve bank.

"Any such State bank which, at the date of the approval of this Act, has established and is operating a branch or branches in conformity with the State law, may retain and operate the same while remaining or upon becoming a stockholder of such Federal reserve bank; but no such State bank may retain or acquire stock in a Federal reserve bank except upon relinquishment of any branch or branches established after the date of the approval of this Act beyond the limits of the city, town, or village in which the parent bank is situated."

SEC. 10. That section 5200 of the Revised Statutes of the United States, as amended, be amended to read as follows:

"SEC. 5200. The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term 'obligations' shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof. Such limitation of 10 per centum shall be subject to the following exceptions:

"Branch" defined.

Foreign branches not affected.
Vol. 42, p. 28.

Trust companies, etc., included as banks.

Banking office.
R. S., sec. 5190, p. 1003, amended.
In place where organized, and in branches.
Ante, p. 1228.

State, etc., banks.
Vol. 40, p. 232, amended.

Applications of, to become Federal Reserve member banks.

Stock to be subscribed.

Permission from Reserve Board.

Retention of established branches.

Branches outside municipal limits to be relinquished.

National banks.
R. S., sec. 5200, p. 1005.

Limit of loans by, to any person.
Vol. 40, p. 967.
Vol. 41, p. 296, amended.

Meaning of "obligations."

Exceptions.

Drafts, etc., secured by existing values.

"(1) Obligations in the form of drafts or bills of exchange drawn in good faith against actually existing values shall not be subject under this section to any limitation based upon such capital and surplus.

Discounted business paper.

"(2) Obligations arising out of the discount of commercial or business paper actually owned by the person, copartnership, association, or corporation negotiating the same shall not be subject under this section to any limitation based upon such capital and surplus.

Secured by goods in transit.

"(3) Obligations drawn in good faith against actually existing values and secured by goods or commodities in process of shipment shall not be subject under this section to any limitation based upon such capital and surplus.

Discounts of other than business paper maturing within six months.

"(4) Obligations as indorser or guarantor of notes, other than commercial or business paper excepted under (2) hereof, having a maturity of not more than six months, and owned by the person, corporation, association, or copartnership indorsing and negotiating the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

Amount extended.

Rediscounts of acceptances of other banks.

Vol. 39, p. 752; Vol. 42, pp. 1478, 1479.

"(5) Obligations in the form of banker's acceptances of other banks of the kind described in section 13 of the Federal Reserve Act shall not be subject under this section to any limitation based upon such capital and surplus.

Covered by shipping documents, etc., of nonperishable staples, etc.

"(6) Obligations of any person, copartnership, association or corporation, in the form of notes or drafts secured by shipping documents, warehouse receipts or other such documents transferring or securing title covering readily marketable nonperishable staples when such property is fully covered by insurance, if it is customary to insure such staples, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus when the market value of such staples securing such obligation is not at any time less than 115 per centum of the face amount of such obligation, and to an additional increase of limitation of 5 per centum of such capital and surplus in addition to such 25 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 120 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 30 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 125 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 35 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 130 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 40 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 135 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 45 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 140 per centum of the face amount of such additional obligation, but this exception shall not apply to obligations of any one person, copartnership, association or corporation arising from the same transactions and/or secured upon the identical staples for more than ten months.

Amount extended.

Market values of security required.

Time limitation of paper.

"(7) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than 115 per centum of the face amount of the notes covered by such documents shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

Secured by livestock.
Amount extended.

"(8) Obligations of any person, copartnership, association, or corporation in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, shall (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus."

Federal securities as collateral.
Amount extended.

SEC. 11. That section 5202 of the Revised Statutes of the United States as amended be amended by adding at the end thereof a new paragraph to read as follows:

Indebtedness of national banks, exceptions.
R. S., sec. 5202, p. 1006, amended.

"Eighth. Liabilities incurred under the provisions of section 202 of Title II of the Federal Farm Loan Act, approved July 17, 1916, as amended by the Agricultural Credits Act of 1923."

Intermediate credit banks, paper added.
Vol. 42, p. 1481.

SEC. 12. That section 5208 of the Revised Statutes of the United States as amended be amended by striking out the words "or who shall certify a check before the amount thereof shall have been regularly entered to the credit of the drawer upon the books of the bank," and in lieu thereof inserting the following: "or who shall certify a check before the amount thereof shall have been regularly deposited in the bank by the drawer thereof," so that the section as amended shall read as follows:

False certifying of checks.
R. S., sec. 5208, p. 1007, amended.
Matter stricken out.

Matter inserted.

Amended section.

"SEC. 5208. It shall be unlawful for any officer, director, agent, or employee of any Federal reserve bank, or any member bank as defined in the Act of December 23, 1913, known as the Federal Reserve Act, to certify any check drawn upon such Federal reserve bank or member bank unless the person, firm, or corporation drawing the check has on deposit with such Federal reserve bank or member bank, at the time such check is certified, an amount of money not less than the amount specified in such check. Any check so certified by a duly authorized officer, director, agent, or employee shall be a good and valid obligation against such Federal reserve bank or member bank; but the act of any officer, director, agent, or employee of any such Federal reserve bank or member bank in violation of this section shall, in the discretion of the Federal Reserve Board, subject such Federal reserve bank to the penalties imposed by section 11, subsection (h) of the Federal Reserve Act, and shall subject such member bank, if a national bank, to the liabilities and proceedings on the part of the Comptroller of the Currency provided for in section 5234, Revised Statutes, and shall, in the discretion of the Federal Reserve Board, subject any other member bank to the penalties imposed by section 9 of said Federal Reserve Act for the violation of any of the provisions of said Act. Any officer, director, agent, or employee of any Federal reserve bank or member bank who shall willfully violate the provisions of this section, or who shall resort to any device, or receive any fictitious obligation, directly or collaterally, in order to evade the provisions thereof, or who shall certify a check before the amount thereof shall have been regularly deposited in the bank by the drawer thereof, shall be deemed guilty of a misdemeanor

Falsely certifying checks by officials of reserve or member banks, unlawful.
Vol. 40, p. 972, amended.

Responsibility of bank.

Penalty for violations.

Vol. 38, p. 262.

If a national bank.

R. S., sec. 5234, p. 1012.

Other banks.

Vol. 38, p. 260.

Punishment for violations by bank officers, etc.

Certifying, before actual deposit.

R. S., sec. 5211, p. 1007, amended.

National banks to make three reports each year to the Comptroller.
Verification, etc.
Vol. 42, p. 1007, amended.

Details.

Newspaper publication, etc.

Special reports at call of Comptroller.

Specified offenses.
Vol. 40, p. 970, amended.

Loans to bank examiners forbidden.

Punishment for, by bank officials.

Punishment for accepting, by examiner or assistant, stealing property, etc

Vol. 39, p. 754, amended.

Real estate loans by national banks allowed, farm land included.

and shall, on conviction thereof in any district court of the United States, be fined not more than \$5,000, or shall be imprisoned for not more than five years, or both, in the discretion of the court."

SEC. 13. That section 5211 of the Revised Statutes of the United States as amended be amended to read as follows:

"SEC. 5211. Every association shall make to the Comptroller of the Currency not less than three reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president, or of the cashier, or of a vice president, or of an assistant cashier of the association designated by its board of directors to verify such reports in the absence of the president and cashier, taken before a notary public properly authorized and commissioned by the State in which such notary resides and the association is located, or any other officer having an official seal, authorized in such State to administer oaths, 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 the statement of resources and liabilities, together with acknowledgment and attestation 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 obtain a full and complete knowledge of its condition."

SEC. 15. That section 22 of the Federal Reserve Act, subsection (a), paragraph 2 thereof, be amended to read as follows:

"(a) No member bank and no officer, director, or employee thereof shall hereafter make any loan or grant any gratuity to any bank examiner. Any bank officer, director, or employee violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given.

"Any examiner or assistant examiner who shall accept a loan or gratuity from any bank examined by him, or from an officer, director, or employee thereof, or who shall steal, or unlawfully take, or unlawfully conceal any money, note, draft, bond, or security or any other property of value in the possession of any member bank or from any safe deposit box in or adjacent to the premises of such bank, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding one year, or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity given, or property stolen, and shall forever thereafter be disqualified from holding office as a national bank examiner."

SEC. 16. That section 24 of the Federal Reserve Act be amended to read as follows:

"SEC. 24. Any national banking association may make loans secured by first lien upon improved real estate, including improved farm land, situated within its Federal reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines. A loan secured by real estate

within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument upon real estate when the entire amount of such obligation or obligations is made or is sold to such association. The amount of any such loan shall not exceed 50 per centum of the actual value of the real estate offered for security, but no such loan upon such security shall be made for a longer term than five years. Any such bank may make such loans in an aggregate sum including in such aggregate any such loans on which it is liable as indorser or guarantor or otherwise equal to 25 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 25 per centum of its unimpaired surplus fund, or to one-half of its savings deposits, at the election of the association, subject to the general limitation contained in section 5200 of the Revised Statutes of the United States. Such banks may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such banks may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State wherein such national banking association is located."

SEC. 16. That section 5139 of the Revised Statutes of the United States be amended by inserting in the first sentence thereof the following words: "or into shares of such less amount as may be provided in the articles of association" so that the section as amended shall read as follows:

"SEC. 5139. The capital stock of each association shall be divided into shares of \$100 each, or into shares of such less amount as may be provided in the articles of association, and be deemed personal property, and transferable on the books of the association in such manner as may be prescribed 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 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."

SEC. 17. That section 5146 of the Revised Statutes of the United States as amended be amended by inserting in lieu of the second sentence thereof the following: "Every director must own in his own right shares of the capital stock of the association of which he is a director the aggregate par value of which shall not be less than \$1,000, unless the capital of the bank shall not exceed \$25,000 in which case he must own in his own right shares of such capital stock the aggregate value of which shall not be less than \$500," so that the section as amended shall read as follows:

"SEC. 5146. 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, or within fifty miles of the location of the office of the association, for at least one year immediately preceding their election, and must be residents of such State or within a fifty-mile territory of the location of the association during their continuance in office. Every director must own in his own right shares of the capital stock of the association of which he is a director the aggregate par value of which shall not be less than \$1,000, unless the capital of the bank shall not exceed \$25,000 in which case he must own in his own right shares of such capital stock the aggregate par value of which shall not be less than \$500. Any director who ceases to be the owner of the required number of shares

Form of security.

Permissible amounts.

Aggregate sum.

Ante, p. 1229.
Time and savings
deposits allowed.

Interest limitation.

Capital of national
banks.
R. S., sec. 5139, p.
993, amended.

Capital stock shares
of \$100 each or less
amount.

Rights transferred to
new holder.

National bank direc-
tors.
R. S., sec. 5146, p.
995, amended.
Vol. 41, p. 1199.
New matter.

Amended section.

Directors.
Citizenship and resi-
dence required.

Stock ownership
modified.

Place vacated if own-
ership ceases, etc.

Reserve banks.
Vol. 33, p. 254.
Continuance of suc-
cession.

Branches of Federal
reserve banks.

Discontinuance by
Federal Reserve Board
at any time.
Vol. 40, p. 232, amend-
ed.

Virgin Islands.
Persons declared
American citizens.

Danish residents,
January 17, 1917, not
retaining citizenship
under the treaty, or
renouncing it there-
after.
Vol. 39, p. 1712.

Natives, residents at
that time, not nationals
of a foreign country.

Natives, residing in
United States at that
time, not nationals of a
foreign country, now
residing in the islands.

Persons who may be
naturalized without
declaration of inten-
tion.

Natives, nationals of
foreign countries, resi-
dent in islands or
United States, January
17, 1917.

Natives, not na-
tionals of a foreign
country, residing in
United States January
17, 1917.

Persons not United
States citizens residing
in the islands January
17, 1917, and now resid-
ing there, excepted.

of the stock, or who becomes in any other manner disqualified, shall thereby vacate his place."

SEC. 18. That the second subdivision of the fourth paragraph of section 4 of the Federal Reserve Act be amended to read as follows:

"Second. To have succession after the approval of this Act until dissolved by Act of Congress or until forfeiture of franchise for violation of law."

SEC. 19. That section 3 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof the following:

"The Federal Reserve Board may at any time require any Federal Reserve Bank to discontinue any branch of such Federal Reserve Bank established under this section. The Federal Reserve Bank shall thereupon proceed to wind up the business of such branch bank, subject to such rules and regulations as the Federal Reserve Board may prescribe."

Approved, February 25, 1927.

February 25, 1927.
[S. 2770.]
[Public, No. 640.]

CHAP. 192.—An Act To confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following persons and their children born subsequent to January 17, 1917, are hereby declared to be citizens of the United States:

(a) All former Danish citizens who, on January 17, 1917, resided in the Virgin Islands of the United States, and are now residing in those islands or in the United States or Porto Rico, and who did not make the declaration required to preserve their Danish citizenship by article 6 of the treaty entered into on August 4, 1916, between the United States and Denmark, or who, having made such a declaration, have heretofore renounced or may hereafter renounce it by a declaration before a court of record;

(b) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in those islands, and are now residing in those islands or in the United States or Porto Rico, and who are not citizens or subjects of any foreign country; and

(c) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in the United States, and are now residing in the Virgin Islands of the United States, and who are not citizens or subjects of any foreign country.

SEC. 2. The following persons, if not ineligible to citizenship, may, upon petition filed within one year after the effective date of this Act, and upon full and complete compliance with all other provisions of the naturalization laws, be naturalized without making a declaration of intention:

(a) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in those islands or in the United States, and who are now residing in those islands or in the United States or Porto Rico, and who are citizens or subjects of any foreign country;

(b) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in the United States, and are now residing in the United States or Porto Rico, and who are not citizens or subjects of any foreign country; and

(c) Except as otherwise provided in this section or in section 1, all persons who, on January 17, 1917, resided in the Virgin Islands of the United States, and are now residing in those islands, and who are not citizens of the United States.