

The Oregon Argus.

VOL. IX.

SALEM, OREGON, MONDAY, OCTOBER 12, 1863.

NO. 22.

RATES OF ADVERTISING:

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dence in all courts and places within the United States, or the jurisdiction of the Government thereof, of the existence of such association, and of every other matter or thing which could be proved by the production of the original certificate.

Sec. 7. And be it further enacted, That at least thirty per centum of the capital stock of such association shall be paid in at the time of the commencement of its banking business, and the remainder of the capital stock of such association shall be paid in installments of at least ten per centum each on the whole amount to which the association shall be limited, as frequently as one installment at the end of each succeeding two months from the time of the commencement of its banking operations, until the whole of the capital stock shall be paid in.

Sec. 8. And be it further enacted, That if any shareholder, or shareholders, shall fail to pay any installment on the stock when the same is required by the foregoing section to be paid, the directors of such association may sell the stock held by such delinquent shareholder, at public auction, having given three weeks previous notice thereof in a newspaper published and of general circulation in the city where the association is located, if the same be located in a city, and if not so located, then in a newspaper printed, or of general circulation, in the county where the same is located, at any price, and not less than the amount then due thereon, with the expenses of advertisement and sale; and the excess, if any, shall be paid to the delinquent shareholder. If no bidder can be found who will pay for such stock the amount due thereon to the association, and the costs of advertisement and sale, the amount previously paid shall be forfeited to the association, and such stock may subsequently be sold as the directors may order.

Sec. 9. And be it further enacted, That whenever a certificate shall have been transmitted to the Comptroller of the Currency, as provided in this act, and the association transmitting the same shall notify the Comptroller that at least thirty per centum of its capital stock has been paid as aforesaid, and that such association has complied with all the provisions of this act, the Comptroller shall be authorized to commence the business of banking, and that such association is desirous of commencing such business, the Comptroller shall immediately proceed, in such manner as he shall by general order prescribe, to examine the condition of such association, to ascertain especially the amount of money paid in on account of its capital stock; the name and place of residence of each of the directors of such association, and the amount of the capital stock of which each is the bona fide owner, and generally whether such association has complied with all the requirements of this act to entitle it to engage in the business of banking; and shall cause to be made, and attested by the oaths of a majority of the directors and by the president or cashier of such association, a statement of all the facts necessary to enable the Comptroller to determine whether such association is lawfully entitled to commence the business of banking under this act.

Sec. 10. And be it further enacted, That if, upon a careful examination of the facts so reported, and of any other facts which may come to the knowledge of the Comptroller, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association is lawfully entitled to commence the business of banking, the Comptroller shall give to such association a certificate under his hand and official seal, showing that such association has complied with all the provisions of this act required to be complied with before being entitled to commence the business of banking under it, and that such association is authorized to commence said business accordingly; and it shall be the duty of such association to cause said certificate to be published in some newspaper, published in the city or county where such association is located, for at least sixty days next after the issuing thereof. Provided, That if no newspaper is published in such city or county, such certificate shall be published as the Comptroller of the Currency shall direct.

Sec. 11. And be it further enacted, That every association formed pursuant to the provisions of this act may make and use a common seal, and shall have succession by the name designated in its articles of association and for the period limited therein, not, however, exceeding twenty years from the passage of this act; by such name may make contracts, sue and be sued, complain and defend in any court of law or equity as fully as natural persons, and may make by laws, approved by the Comptroller of the Currency, not inconsistent with the laws of the United States or the provisions of this act, for the election of directors, the management of its property, the regulation of its affairs, and for the 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 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 their usual business shall be transacted in banking offices located at the places specified respectively in its certificate of association, and not elsewhere.

Sec. 12. 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 by-laws or

articles of association; and every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares, and no change shall be made in the articles of association by which the rights, remedies, or securities of the existing shareholders of the association shall be impaired. For all debts, contracted by such association for circulation, deposits, or otherwise, each shareholder shall be liable to the amount, at their par value, of the shares held by him in addition to the amount invested in such shares.

Sec. 13. And be it further enacted, That it shall be lawful for any association formed under this act, by its articles of association, to provide for an increase of its capital from time to time as may be deemed expedient, subject to the limitations of this act, but no such increase shall be valid until the increased capital shall be paid in and notice thereof shall have been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such increase of capital stock, and that the same has been duly paid to such association.

Sec. 14. And be it further enacted, That it shall be lawful for any such association to purchase, hold, and convey real estate as follows:

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

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

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

Fourth, Such as it shall purchase at sales under judgments, decrees, or mortgages held by such association.

Such association shall not purchase or hold real estate in any other case or for any other purpose than as specified in this section.

Sec. 15. And be it further enacted, That every association, after having complied with the provisions of this act preliminary to the commencement of banking business under its provisions, shall transfer and deliver to the Treasurer of the United States any United States bonds bearing interest to an amount not less than one third of the capital stock paid in; which bonds shall be deposited with the Treasurer of the United States, and by him safely kept in his office until the same shall be otherwise disposed of, in pursuance of the provisions of this act.

Sec. 16. And be it further enacted, That upon the making of any such transfer and delivery, the association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as hereinafter provided, equal in amount to ninety per centum of the current value of the United States bonds so transferred and delivered, but not exceeding the par value thereof, if bearing interest at the rate of six per centum, or of equivalent United States bonds bearing a less rate of interest; and at no time shall the total amount of such notes, issued to any such association, exceed the amount at such time actually paid in of its capital stock.

Sec. 17. And be it further enacted, That the entire amount of circulating notes to be issued under this act shall not exceed three hundred millions of dollars. One hundred and fifty millions of which sum shall be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population, and the remainder shall be apportioned by the Secretary of the Treasury among associations formed in the several States, in the District of Columbia, and in the Territories, having due regard for existing banking capital, resources, and business, of such States, District, and Territories.

Sec. 18. And be it further enacted, That, in order to furnish suitable notes for circulation, the Comptroller of the 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 have printed thereon, and numbered, such quantity of circulating notes, in blanks, 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 associations entitled to receive the same; which notes shall express on their face that they are secured by United States bonds, 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 express on their face the promise of the association receiving the same to pay on demand, attested by the signatures of the president, or vice 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. 19. 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 in executing the provisions of this act respecting the procuring of such notes shall be audited and paid as contingent expenses of the Treasury Department; and for the purpose of reimbursing the same, and all other expenses incurred under this act, and in lieu of all taxes upon the circulation authorized by this act, or upon the bonds deposited for the security of the same, such association organized under this act shall semi-annually on the first days of January and July, after its organization, pay to the Comptroller of the Currency, in lawful money of the United States, one per centum on the amount of circulating notes received by such association, and in default thereof the Treasurer of the United States is hereby authorized to reserve and retain one per centum on the amount of said bonds so deposited at each semi-annual payment of interest thereon; and all sums so reserved and retained shall be paid into the Treasury under the direction of the Secretary, and any bank, banking association, or corporation so failing to make such payment, shall be liable to the Secretary of the Treasury a penalty of two per centum upon its entire capital stock, to be recovered, for the Treasury of the United States, in any court of competent jurisdiction.

Sec. 20. And be it further enacted, That after any such association shall have caused its promise to pay such notes on demand to be signed by the president or 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, duties, and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and no such associations 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. 21. And be it further enacted, That all transfers of United States bonds which shall be made by any 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 bonds, and signed by the cashier or some other officer of the association on whose behalf such transfer is made, and as security for the redemption and payment to such association; and no transfer of any such bonds 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 the 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 association from whose account such transfer of bonds is made by the 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 bonds so transferred shall be entered therein; and it shall be the duty of the Comptroller, immediately upon countersigning and entering the same, to advise by mail the association from whose account such transfer was made the kind of bonds and the amount thereof so transferred.

Sec. 22. 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 of assignment of any bonds held by the Treasurer presented for his signature; and the Comptroller shall have at all times during office hours access to the books of the Treasurer, for the purpose of ascertaining the correctness of the transfer or assignment presented to him to countersign; and the Treasurer shall have like access to the book above mentioned, kept by the Comptroller, during office hours to ascertain the correctness of the entries in the same.

Sec. 23. And be it further enacted, That it shall be the duty of either the president or cashier of every banking association having stocks deposited in the office of the Treasurer of the United States, once or more in each fiscal year, and at such time or times during the ordinary business hours as said officer or officers may select, to examine and compare the bonds so pledged with the books of said Department, and if found correct, to execute to the said Treasurer a certificate setting forth the different kinds and the amounts thereof, and that the same are in the possession and custody of the Treasurer at the date of such certificate. Such examination may be made by an agent of such association, duly appointed in writing for that purpose, whose certificate before mentioned shall be of like force and validity as if executed by such president or cashier.

Sec. 24. And be it further enacted, That every association issuing circulating notes under the provisions of this act shall make a quarterly report to the Comptroller of the Currency, commencing on the first day of the quarter of the year next succeeding the organization of such association, and continuing on the first day of each succeeding quarter in every year thereafter, which report shall be verified by the oath or affirmation of the president and cashier, and all willful false swearing in respect to such report shall be perjury, and subject to the punishment prescribed by law for such offense. The report hereby required shall be in the form prescribed by the Comptroller, and shall contain a true statement of the condition of the association making such report, before the transaction of any business on the morning of the day specified, next preceding the date of such report, in respect of the following items and particulars, to wit: Loans and discounts, overdrafts due from banks, amount due from the directors of the association, real estate, specie, cash items, stocks, bonds, and promissory notes, bills of solvent banks, bills of suspended banks, loss and expense account, capital, circulation, profits, amount due to banks, amount due to individuals and corporations other than banks, amount due to the Treasurer of the United States, amount due to depositors on demand, amount due, not included under either of the above heads. And it shall be the duty of the Comptroller to publish full abstracts of such reports together in two newspapers to be designated by him for that purpose, one in the City

of Washington and the other in the City of New York, exhibiting the items of capital, circulation, and deposits, specie and cash items, public securities and private securities; and the separate report of each association shall be published in a newspaper published in the place where such association is established, or, if there be no newspaper at such place, then in a newspaper published at the capital of the State, at the expense of the association making such report. In addition to the quarterly reports required by this section, every association located and doing business in the cities of Boston, Providence, New York, Philadelphia, Baltimore, Cincinnati, Chicago, St. Louis, and New Orleans, shall publish or cause to be published, on the morning of the first Tuesday in each month, in a newspaper printed in the city in which the association is located, a report to be designated by the Comptroller of the Currency, a statement, under the oath of the president or cashier, showing the condition of the association making such statement, on the morning of the day next preceding the date of such statement, in respect to the following items and particulars, to wit: Average amount of loans and discounts, specie, deposits and circulation.

Sec. 25. And be it further enacted, That if any such association shall, at any time fail to redeem, in the lawful money of the United States, any of its circulating notes, when payment thereof shall be lawfully demanded, during the usual hours of business, at the office of such association, the holder may cause the same to be protested, in or out of the city, by a notary public, unless the president or cashier of the association shall offer to waive demand and notice of the protest, and shall, in pursuance of such offer, make, sign, and deliver to the party making such demand an admission in writing, stating the time of the demand, the amount demanded, and the fact of the non-payment thereof; and such notary public, on making such protest, or upon receiving such admission, shall forthwith forward such admission or notice of protest to the Comptroller of the Currency; and after such default it shall not be lawful for the association suffering the same to pay out any of its notes, discount any notes or bills, or otherwise prosecute the business of banking, except to receive and safely keep money belonging to it, and to deliver special deposits. Provided, however, That if satisfactory proof be produced to such notary public that the payment of any such notes is restrained by order of any court of competent jurisdiction, such notary public shall not protest the same; and when the holder of such notes shall cause more than one note or package to be protested on the same day, he shall not receive pay for more than one protest.

Sec. 26. And be it further enacted, That on receiving notice that any such association has failed to redeem any of its circulating notes, as specified in the next preceding section, the Comptroller of the Currency, with the concurrence of the Secretary of the Treasury, may appoint a special agent, (of whose appointment immediate notice shall be given to such association,) who shall immediately proceed to ascertain whether such association has refused to pay its circulating notes, in the lawful money of the United States, when demanded as aforesaid, and report to the Comptroller the facts so ascertained; and if, from such protest or the reports so made, the Comptroller shall be satisfied that such association has refused to pay its circulating notes as aforesaid, and is in default, he shall, within thirty days after he shall have received notice of such failure, declare the United States bonds and securities pledged by such association forfeited to the United States, and thereupon the Comptroller shall immediately give notice, in such manner as the Secretary of the Treasury shall, by general rules or otherwise, direct, to the holders of the circulating notes of such association to present them for payment at the Treasury of the United States; and the same shall be paid as presented, whereupon said Comptroller may, in his discretion, cancel an equal amount of the bonds pledged by such association, equal at current market rates, not exceeding par, to the notes paid; and it shall be lawful for the Secretary of the Treasury, from time to time, to make such regulations respecting the disposition to be made of such circulating notes as aforesaid, and respecting the perpetuation of the evidence of the payment thereof, as may seem to him proper; but all such notes, on being paid, shall be cancelled; and for any deficiency in the proceeds of the bonds pledged by such association, when disposed of as hereinafter specified, to reimburse to the United States the amount so expended in paying the circulating notes of such association, the United States shall have a first paramount lien upon all the assets of such association, and such deficiency shall be made good out of such assets in preference to any and all other claims whatsoever, except the necessary costs and expenses of administering the same.

Sec. 27. And be it further enacted, That whenever the Comptroller shall become satisfied, as in the last preceding section specified, that any such association has refused to pay its circulating notes as there mentioned, he may, instead of cancelling the United States bonds 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 thirty days' notice of such sale to such association.

Sec. 28. 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, and receive therefor either money or the circulating notes of such failing association. Provided, That no such bonds shall be sold by private sale for less than the par, nor less than the market value thereof at the time of sale. And provided further, That no sales of any such stock, either public or private, shall

be complete until the transfer thereof shall have been made with the formalities prescribed in this act.

Sec. 29. And be it further enacted, That on becoming satisfied, as specified in this act, that any such association has refused to pay its circulating notes as therein mentioned, and is in default, the Comptroller of the Currency may forthwith appoint a receiver, and require of him such bond and security as he shall deem proper, who, under the direction of the Comptroller, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to such association, and, upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like order, sell all the real and personal property of such association, on such terms as the court shall direct, and such receiver shall pay over all moneys so made to the Treasurer of the United States, and also make report to the Comptroller of the Currency of all his acts and proceedings. The Comptroller shall thereupon cause notice to be given, by advertisement in such newspapers as he may direct, for three consecutive months, calling on all persons who may have claims against such association to present the same, and to make legal proof thereof; and from time to time the Comptroller, after full provision shall have been first made for refunding to the United States any such deficiency in redeeming the notes of such association as is mentioned in this act, shall make a ratable dividend of the moneys so paid over to him by such receiver on all such claims as may have been so proved or adjudicated in a court of competent jurisdiction, and from time to time, as the proceeds of the assets of such association shall be paid over to him, he shall make further dividends, as aforesaid, on all claims previously proved or adjudicated; and the remainder of such proceeds, if any, shall be paid over to the shareholders of such association, or their legal representatives, in proportion to the stock by them respectively held. Provided, however, That if any such association, against which proceedings have been so instituted on account of any alleged refusal to redeem its circulating notes as aforesaid, shall deny having failed to do so, such association may at any time within ten days after such association shall have been notified of the appointment of an agent, as provided in this act, apply to the nearest circuit or district, or territorial court of the United States, to enjoin further proceedings in the premises; and such court, after citing the Comptroller of the Currency to show cause why further proceedings should not be enjoined, and after the decision of the court or finding of 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. 30. And be it further enacted, That the bonds transferred to the Treasurer of the United States, as hereinafter provided, by any banking 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; but the Comptroller of the Currency may give to any such banking association powers of attorney to receive and appropriate to its own use the interest on the bonds which shall have been so transferred to the Treasurer by it; but such powers shall become inoperative whenever such banking association shall fail to redeem its circulating notes as aforesaid; and said Comptroller may direct the return of any of said bonds to the banking association which transferred the same, upon the surrender to him and the cancellation of a proportionate amount of such circulating notes. Provided, That ninety per centum of the current market value of the remaining bonds which shall have been transferred by the banking association offering to surrender such circulating notes shall be equal to the amount of all the circulating notes retained by such banking association. And provided further, That there shall have been no failure by such association to redeem its circulating notes, and that there shall have been no other violation by such association of any of the provisions of this act for the security of the creditors of such association; nor shall the Treasurer be required to surrender such bonds in fractional sums of less than one thousand dollars; and if, at any time after said bonds shall be deposited with the Treasurer of the United States, as aforesaid, the market or cash value shall be reduced, the Comptroller of the Currency is hereby authorized to demand and receive the amount of such depreciation in other United States bonds at cash value, or in money, from the association receiving said bills, to be deposited with the Treasurer of the United States, as long as such depreciation continues.

Sec. 31. And be it further enacted, That whenever the price of any of the bonds pledged as aforesaid for the redemption of the circulating notes of any such banking association shall be, at the stock exchange in the city of New York, for four consecutive weeks, at a rate less than that at which they shall have been estimated when so pledged, and such depreciation shall not have been made good by a deposit of other bonds or money, it shall be the duty of the Comptroller of the Currency to notify the Treasurer of the United States of such fact, and the payment of interest upon such depreciated bonds shall be suspended, and such interest shall be retained by said Treasurer until the same, when added to the current market value of the bonds so pledged, to be ascertained as before provided, shall be equal to the amount for which such bonds were pledged. Provided, That it shall be the duty of the Comptroller of the Currency, at the expiration of every period of three months, to cause the whole of the sums so retained, and then remaining in the treasury of the United States, to be invested in United States bonds, in the name of the Comptroller of the Currency, in trust for the respective associations by

which the bonds on which such interest shall have accrued shall have been pledged; and whenever the price of such depreciated bonds at the stock exchange in