

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

DOCUMENTS

PRINTED BY ORDER OF

THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1857.

---

PART SECOND.

---

AUGUSTA:  
STEVENS & BLAINE, PRINTERS TO THE STATE.  
1857.

---

# THIRTY-SIXTH LEGISLATURE.

---

HOUSE.]

[No. 43.

---

## REPORT.

---

THE Joint Special Committee to whom was referred the bill authorizing the business of banking, having had the same under consideration, ask leave to report a bill, in a new draft, and submit the following

### REPORT:

That the present banking system of this State affords no substantial and reliable security to the holders of bank notes, is admitted by its advocates. It rests essentially upon the good faith and integrity of those who are intrusted with banking powers.

In a majority of instances in the past history of this State, those qualities have proved sufficient guarantees for the public security, but in numerous instances they have yielded to the overpowering temptations inherent in the system itself; and the resulting losses have been of alarming frequency and magnitude.

The great commercial State of New York entered nearly twenty years ago upon a radically different system of banking, which bases the circulating medium upon securities deposited with and held by some public functionary. No bank in that State, (except a few incorporated banks,) can issue notes which do not bear upon their face the certificate of such public functionary, that their redemption is guarantied by the securities required by law. Under this system, perfected as it has been by experience, considerable losses by the holders of bank notes in New York, have become impossible,

and its practical operation has commended it to adoption in many other states.

In the opinion of your committee, it would not be expedient to refuse an extension of the charters of the present banks in this State, except in particular instances, as any sudden and immediate change of the banking system would disturb existing business relations. It would seem to be wise, however, to authorise the other system of banking, based upon substantial securities; and leave it to time and events to develope it in practice, whilst it may safely be substituted for the defective system which now exists.

As banking has been managed hitherto in Maine, under special charters, it has been a monopoly, controlled in its original grant by personal and political favoritism. All other pursuits in life are thrown open for equal competition. Banking alone has been confined to the beneficiaries of private legislation. If none were permitted to carry on the business of banking, except those specially endowed with the privilege by the Legislature, objectionable as such legislative favoritism might be, the community would at least have the security, such as it is, of the selection by the public authority of the persons to be entrusted with the delicate and important trust of furnishing the currency of the State. Such however is not the fact. Bank charters are and have been granted, not merely to certain persons named, but to their assigns. The Legislature may be found to exercise prudence and caution in selecting the persons to whom charters are granted in the first instance, but this prudence and caution avail nothing, so long as charters once obtained can be transferred to those who desire them, for any purpose however illegitimate, and who have the means of purchasing them.

The history of our banking is full of instances in which charters granted to respectable and responsible citizens of the State, have been sold to speculators and sharpers in other States, and been made the instruments and means of the most extensive frauds.

This mischief is inherent in the present system, and constitutes a formidable objection to its long continuance.

The bill herewith reported, is intended to embrace all the safeguards and securities, which have been found to work well in practice in New York and elsewhere, with only a few alterations, believed to be called for by the peculiar condition of things in Maine.

Your committee refer to this bill for a more detailed exposition of their views upon this subject.

The existing system of banking in this State, being admitted to be deficient in the important particulars of affording security to the holders of bills, and the proposed system not being a new one in the United States, but having been long tried, and with successful results in several of our most important commercial States, it is not deemed necessary in submitting the accompanying bill, to reiterate the familiar and well understood arguments in support of the principles upon which it rests.

TIMOTHY COPP, *Per Order.*

---

# STATE OF MAINE.

---

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND  
FIFTY-SEVEN.

---

## AN ACT to Authorize the Business of Banking.

---

*Be it enacted by the Senate and House of Representatives  
in Legislature assembled, as follows:*

SECT. 1. The treasurer of this state is hereby au-  
2 thorized and required to have engraved and printed, in  
3 the best manner, to guard against counterfeiting, such  
4 circulating notes in the similitude of bank notes, in  
5 blank, of the different denominations, authorized to be  
6 issued by the incorporated banks of this state, as he  
7 may from time to time deem necessary, to carry into  
8 effect the provisions of this act, and of such form as  
9 he may prescribe; such blank circulating notes shall  
10 be countersigned, numbered and registered, in proper  
11 books, to be provided and kept for that purpose in  
12 the office of said treasurer, under his direction, by  
13 such person as the said treasurer shall appoint for

14 that purpose, so that each denomination of such notes  
15 shall bear the uniform signature of such register.

SECT. 2. Whenever any person, or association of  
2 persons, formed for the purpose of banking, under the  
3 provisions of this act, shall lawfully transfer to the  
4 treasurer of this state any portion of the public stock  
5 issued, or that shall be issued hereafter by this state,  
6 or by the United States, or by the states of Massa-  
7 chusetts and New York, or by any incorporated city  
8 in this state, such person or association of persons  
9 shall be entitled to receive from said treasurer an equal  
10 amount of such circulating notes of different denomi-  
11 nations, registered, numbered and countersigned, as  
12 aforesaid; but such public stock shall in all cases be  
13 or be made equal to a stock of this state producing  
14 six per cent. per annum; and it shall not be lawful  
15 for the treasurer to take such stock at or above its par  
16 value, nor above its current market value; *provided,*  
17 *however,* that no association of persons or individual  
18 banker, shall commence the business of banking under  
19 this act, or receive circulating notes under the same,  
20 until such association or individual banker shall have  
21 deposited with the treasurer of this state the securities

22 required by law, to the amount of fifty thousand dol-  
23 lars; and it shall not be lawful for the treasurer or  
24 other officer to countersign bills or notes for any per-  
25 son or association of persons, to an amount in the  
26 aggregate exceeding the public stocks, as provided in  
27 this section of this act, deposited with said treasurer  
28 by such person or association; and any treasurer or  
29 other officer who shall violate the provisions of this  
30 section shall, upon conviction, be adjudged guilty of  
31 a misdemeanor, and shall be punished by a fine not  
32 exceeding five thousand dollars, and be imprisoned not  
33 less than five years in the state prison. But it shall  
34 be the duty of the treasurer to receive mutilated circu-  
35 lating notes, issued by him, and to deliver in lieu  
36 thereof other circulating notes to the same amount.

SECT. 3. Such person or association of persons are  
2 hereby authorized, after having executed and signed  
3 such circulating notes in the manner required by law,  
4 to make them obligatory promissory notes, to loan and  
5 circulate the same as money, according to the ordi-  
6 nary course of banking business, as regulated by law  
7 and usage of this state; but no such individual banker,  
8 or association, shall issue or put in circulation any



9 bill or note under the provisions of this act, unless the  
10 same be made payable on demand, without interest,  
11 at the place of business of such banker or association,  
12 within this state; and every violation of this section  
13 by any officer or member of a banking association,  
14 or by any individual banker, shall be deemed and  
15 judged guilty of a misdemeanor, and shall be punished  
16 by a fine not less than one thousand dollars, and  
17 imprisoned in the state prison not less than three  
18 years.

SECT. 4. In case the maker or makers of any such  
2 circulating note or notes, countersigned and registered  
3 as aforesaid, shall at any time hereafter, on lawful  
4 demand being made during the usual hours of busi-  
5 ness at the place where such note or notes is or are  
6 payable, fail or refuse to redeem such note or notes  
7 in the lawful money of the United States, or to pay  
8 any deposits made by any person in such bank, the  
9 holder of such note or notes, or such depositor making  
10 such demand, may cause the same to be posted for  
11 non-payment by a notary public, or by a justice of the  
12 peace, in the usual manner; and the treasurer of state,  
13 on receiving and filing in his office such protest, shall

14 forthwith give notice in writing to the maker or  
15 makers of such note or notes, to pay the same; and  
16 if he or they shall omit to do so for fifteen days  
17 after such notice, the treasurer shall immediately  
18 thereupon, unless he shall be satisfied that there is a  
19 good and legal defense against the payment of such  
20 note or notes, give notice in the state paper, that all  
21 the circulating notes issued by such person or associ-  
22 ation, will be redeemed out of the trust fund in his  
23 hands for that purpose; and he shall be required to  
24 apply the proceeds of said trust funds belonging to  
25 the maker or makers of such protested notes, to the  
26 payment *pro rata* of all such circulating notes,  
27 whether protested or not, put in circulation by the  
28 maker or makers of such protested notes, pursuant to  
29 the provisions of this act; and to adopt such measures  
30 for the payment of such notes as will in his opinion  
31 most effectually prevent loss to the holders thereof;  
32 and to this end, if he deem it expedient, he may pro-  
33 ceed to sell at public auction, said funds, or either of  
34 them, and pay and cancel with the proceeds thereof,  
35 said bills or notes; and such association shall be liable  
36 to pay the holder of every bill or note put in circu-

37 lation as money, the payment of which shall have  
38 been demanded and refused, damages for non-payment  
39 thereof, in lieu of interest, at and after the rate of  
40 twelve per cent. per annum from the time of such  
41 refusal until the payment of such evidence of debt,  
42 and the damage thereon; but nothing contained  
43 in this act shall be so construed as to imply any  
44 pledge on the part of the state for the payment of  
45 said bills or notes, beyond the proper application of  
46 the securities pledged to the treasurer of this state for  
47 their redemption. And for the payment of all such  
48 notes, bills, deposits, and other debts of such asso-  
49 ciation, and of such individual banker, the private  
50 property of the stockholders in such association or  
51 bank, to the amount of such shares as they shall have  
52 acquired therein respectively, shall be liable to be at-  
53 tached on mesne process, and levied as well for the  
54 damages, as for the original amount, and interest and  
55 cost.

SECT. 5. The treasurer may give to any person or  
2 association of persons, so transferring stock in pursu-  
3 ance of the provisions of this act, powers of attorney  
4 to receive interest or dividends thereon, which such

5 person or association may apply to their own use ; but  
6 such powers may be revoked, upon such person or  
7 association failing to redeem the circulating notes so  
8 issued, or whenever in the opinion of the treasurer  
9 the principal of such stock shall become an insuffi-  
10 cient security ; and the said treasurer, upon the appli-  
11 cation of the owner or owners of such transferred  
12 stock, may, in his discretion, change or transfer the  
13 same for other stocks of the kinds before specified in  
14 this act, or may any part thereof, upon receiving and  
15 cancelling an equal amount of such circulating notes,  
16 delivered by him to such person or association in such  
17 manner that the circulating notes shall always be  
18 secured in full by stocks, as in this act provided.

SECT. 6. The bills or notes so to be countersigned,  
2 and the payment of which shall be so secured by the  
3 transfer of public stock, shall be stamped on their  
4 face, secured by the pledge of public stock.

SECT. 7. The person or association of persons as-  
2 signing such stocks to the treasurer, may receive the  
3 annual or semi-annual interest to accrue thereon,  
4 unless default shall be made in paying the bills or  
5 notes to be countersigned as aforesaid, or unless in the

6 opinion of the treasurer said stocks, so pledged, shall  
7 become an insufficient security for the payment of  
8 such bills or notes; but whenever the securities de-  
9 posited for the redemption of circulating notes shall,  
10 in the opinion of the treasurer, become insufficient for  
11 that purpose, he may receive the dividend of all the  
12 stocks, and shall deposit the same in some safe bank  
13 or banking association, within this state, in his name,  
14 in trust for the association or banker to whom the  
15 same may belong. The deposit to be made on such  
16 terms and at such rate of interest as the treasurer may  
17 deem most conducive to the interest of such associa-  
18 tion or banker, and to be withdrawn and paid over  
19 whenever in the opinion of said treasurer the securities  
20 of such association or banker shall be sufficient to  
21 warrant it.

SECT. 8. The public stock deposited with the trea-  
2 surer by any person or association of persons, shall be  
3 held by him exclusively for the redemption of the bills  
4 or notes of such person or association of persons, put  
5 in circulation as money, until the same are paid.

SECT. 9. The plates, dies and materials, to be pro-  
2 vided by the treasurer for the printing and making  
3 of the circulating notes, provided by this act, shall

4 remain in his custody and under his direction ; and  
5 the expense necessarily incurred in executing the pro-  
6 visions of this act, shall be audited and settled by the  
7 treasurer, and paid out of any moneys in the treasury  
8 not otherwise appropriated ; and for the purpose of  
9 reimbursing the same, the treasurer is hereby author-  
10 ized and required to charge against and receive from  
11 such person, or association applying for such circulat-  
12 ing notes, such rate per cent. thereon as may be  
13 sufficient for that purpose.

SECT. 10. Every banking association formed under  
2 this act, and every individual banker doing business  
3 under the same, shall before issuing any circulating  
4 notes, or bills on loan or otherwise, file in the office  
5 of the treasurer of this state a certificate signed by the  
6 officers of such association of persons, or by such indi-  
7 vidual banker, verified by oath, a true copy of which  
8 shall be recorded in the register of deeds office, in the  
9 county where such bank or association is situated.  
10 Said certificate shall set forth,

*First.* The name assumed to distinguish such asso-  
12 ciation or individual bank, and to be used in its  
13 dealings.

*Second* The place where the operations of discount,

15 issue and deposit, are to be carried on, designating the  
16 particular city, town or village.

*Third.* The amount of capital stock of such asso-  
18 ciation or individual banker, and the number of shares  
19 into which the same is divided.

*Fourth.* The names and places of residence of the  
21 shareholders, and the number of shares held by each  
22 of them, respectively, or the name and residence of the  
23 individual banker.

*Fifth.* The period at which such association or  
25 individual banker shall commence and terminate ; and  
26 no sale or transfer of any shares or stock of such asso-  
27 ciation or individual banker shall be valid, unless  
28 such transfer shall be recorded in the register of deeds  
29 office, where such shares or stock has been registered ;  
30 and it shall not be lawful for any association or indi-  
31 vidual banker to do business under this act, except in  
32 the place mentioned in this certificate.

SECT. 11. Copies of any certificate filed as required  
2 by the preceding section of this act, duly verified un-  
3 der the hand of the treasurer of this state, may be used  
4 in evidence in all courts and places, for or against any  
5 person or association of persons interested therein, and

6 so may such and every other certificate, authenticated  
7 as aforesaid, made at any time pursuant to the provi-  
8 sions of this act.

SECT. 12. Every such association and individual  
2 banker, on instituting a bank under this act, shall  
3 have power to carry on the business of banking, by  
4 discounting bills, notes and other evidences of debt,  
5 by receiving deposits, by buying and selling gold and  
6 silver bullion, foreign coins and bills of exchange, in  
7 their articles of association for the purpose authorized  
8 by this act; by loaning money on personal security;  
9 and by exercising such incidental powers as may be  
10 necessary to carry on the business of banking; to  
11 appoint a president and a cashier, and such other offi-  
12 cers and agents as their business may require, and to  
13 remove at pleasure, and appoint others in their places;  
14 and all such banks shall be banks of discount and  
15 deposit, as well as of circulation.

SECT. 13. The shares of all banking capital,  
2 instituted under this act, shall be deemed persona  
3 property, and transferable, or attached and sold on  
4 execution, in accordance with the laws of this state,  
5 regulating the transfer, attachment and sale of other



6 personal property; and every person becoming a  
7 shareholder, by such transfer or sale, shall in propor-  
8 tion to his shares succeed to all the rights and liabili-  
9 ties of prior shareholders; and no change shall be  
10 made in the articles of the association, by which the  
11 rights, remedies, or securities of its existing creditors  
12 shall be weakened or impaired. Such banks shall not  
13 be dissolved by the death or insanity of any of the  
14 shareholders therein, if there be more than one share-  
15 holder in such bank.

SECT. 14. It shall be lawful for any association of  
2 persons, organized under this act, by their articles of  
3 association, to provide for an increase of their capital  
4 stock, and the number of their associates, from time  
5 to time, as they may think proper.

SECT. 15. Contracts made by any such association  
2 or individual banker, and all notes and bills by them  
3 issued, and put into circulation as money, shall be  
4 signed by the president and cashier thereof; and all  
5 suits and proceedings brought or prosecuted by, or in  
6 behalf of such association or banker, shall be brought  
7 or prosecuted in the name assumed by the same.

SECT. 16. It shall be lawful for every such bank,

2 to purchase, hold and convey real estate for the fol-  
3 lowing purposes:

4 1. Such as shall be necessary, for its immediate  
5 accommodation, in its transaction of business; or,

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

9 3. Such as shall be conveyed to it in satisfaction  
10 of debts previously contracted in its dealing; or,

11 4. Such as it shall purchase under judgments, de-  
12 crees, or mortgages, held by such bank. But no such  
13 bank shall purchase, hold, or convey real estate in  
14 any other case, or for any other purpose; and all con-  
15 veyances of such real estate, shall be made to the  
16 bank in its corporate name, and such bank, from time  
17 to time, may sell, assign and convey the same, free  
18 from any claim thereon, against any of the share-  
19 holders, or any person claiming under them.

SECT. 17. The cashier of each bank, doing busi-  
2 ness under the provisions of this act, shall once in  
3 two months, make returns to the treasurer of this  
4 state, under oath, exhibiting the state and condition  
5 of their respective banks, stating the day, and the

6 hour of the day, up to which such returns are made,  
7 and specifying the following named particulars.

8 1. The amount of capital stock of the banking  
9 association, or individual banker, paid in or invested  
10 according to law, or in pursuance of its articles of  
11 association, and the amount of such stock as then  
12 possessed.

13 2. The value of real estate of the association, or  
14 individual bank, specifying what portion is occupied  
15 by the association, or individual, for the transaction  
16 of business.

17 3. The amount of debts due to the association, or  
18 individual bank, specifying such as are from moneyed  
19 corporations, or associations, and the amount due  
20 from each, and also specifying the amount secured by  
21 land and mortgage, or judgment, the amount which  
22 ought to be included in the computation of losses,  
23 and the total amount of such debts as are collectable.

24 4. The amount of debts due to other associations,  
25 or individual bank, whether as collateral security or  
26 otherwise, and the amount due to each.

27 5. The amount of claims against the association,  
28 or individual bank, not acknowledged by it as debts.

29     6. The amount of the notes, or bills, then in circu-  
30 lation of said association, or individual bank, of loans  
31 and discount, and of specie on hand.

32     7. The amount of the losses of the association, or  
33 individual bank, (if any,) charged, specifying whether  
34 charged on its capital or profits, since the last pre-  
35 ceding statement, and of the dividends declared and  
36 paid during the same period. And each and every  
37 individual banker, doing business under this act, shall  
38 state in each of his returns, whether any person or  
39 persons are interested with such individual banker,  
40 directly or indirectly, in the securities deposited with  
41 the treasurer for the circulating notes obtained by  
42 such individual banker, in the business of circulating  
43 said notes, or the benefits or advantages thereof; and  
44 if it shall appear from such report, that any other  
45 person is interested with said banker, and in case two  
46 successive reports of said banker shall not contain  
47 such statement, or if he omits twice in succession to  
48 make the returns specified in this section, such cashier  
49 shall forfeit one thousand dollars for each and every  
50 omission to make such statement, or to file such re-  
51 ports as aforesaid, to be sued for and recovered by the

52 attorney general, in the name, and for the benefit  
53 of the people of this state.

SECT. 18. The cashier of each bank shall make a  
2 return of the particulars relative to its condition,  
3 specified in the last preceding section of this act,  
4 whenever thereto required by the treasurer of this  
5 state; and every association that shall neglect to  
6 make out and transmit either statement, required as  
7 aforesaid, may be proceeded against and dissolved as  
8 an insolvent association; and every individual banker  
9 subject to this law, who shall so neglect, shall be  
10 restrained from further prosecution of his business  
11 under this act.

SECT. 19. It shall be the duty of the treasurer of  
2 this state, to prepare forms of the statements, and to  
3 transmit a copy thereof, together with such instruc-  
4 tions relative thereto as he may deem necessary, to  
5 every association, or individual banker, which is or  
6 shall be bound to furnish such statements under the  
7 provisions of this act. The expenses of the printing  
8 of the forms of said statements and instructions, shall  
9 be paid by the treasurer out of the interest of the  
10 securities deposited with him by said associations and

11 individual banker, in proportion to the securities so  
12 deposited.

SECT. 20. Whenever in the opinion of the treas-  
2 urer of this state, there shall be good and sufficient  
3 reasons to suspect any banking association, or indi-  
4 vidual banker, has made an incorrect return, or is in  
5 an unsound or unsafe condition to do banking busi-  
6 ness, it shall be his duty to have the books, papers  
7 and affairs of such banking association, or individual  
8 banker, examined by some competent person to be  
9 designated by him, who shall examine fully into its  
10 books, papers and affairs forthwith, and report to said  
11 treasurer on oath, the result of such examination, a  
12 copy of which report shall be forthwith published in  
13 the state paper. The reasonable costs and expenses  
14 of every such examination, shall be defrayed in the  
15 manner prescribed in the nineteenth section of this  
16 act for paying the expenses of publishing the forms  
17 of statements and instructions.

SECT. 21. All fees for protesting the circulating  
2 notes issued by any banking association, or individual  
3 banker, shall be paid by the person procuring the  
4 services to be performed, for which each association

5 or banker shall be liable; but no part of the securi-  
6 ties deposited by such association or banker, shall be  
7 applied to the payment of such fees.

SECT. 22. Upon the application of its creditors, or  
2 shareholders of any such association whose debts or  
3 shares shall amount to one thousand dollars, and  
4 stating facts verified by affidavit, the treasurer may  
5 in discretion, order a strict examination to be made  
6 by some competent person, of all the affairs of such  
7 association, for the purpose of ascertaining the safety  
8 of its investment, and the prudence of its manage-  
9 ment; and the result of every such examination, to-  
10 gether with the opinion of said treasurer thereon,  
11 shall be published in such a manner as he shall  
12 direct, and the expenses of such examination and  
13 publication, shall be paid as in section nineteen; and  
14 if in the judgment of the treasurer from such exam-  
15 ination made, there shall have been any willful viola-  
16 tion of any of the provisions of this act, whereby the  
17 holders of the bills or notes of such banking associa-  
18 tion shall be exposed to loss, or any fraud shall have  
19 been contemplated, or attempted by such association,  
20 then such proceeding shall be had by him in respect

21 to such association and the property thereof, as are  
22 prescribed by the seventy-seventh chapter of the re-  
23 vised statutes, and by the act amending the same, in  
24 case of the failure of any incorporated bank to pay  
25 any of its bills; but the proceeds of all sales of the  
26 property, or effects of such association, shall be paid  
27 by the receivers to the treasurer of state, which, to-  
28 gether with the securities deposited with said treas-  
29 urer, shall be held to indemnify the bill holders of  
30 such association.

SECT. 23. If the shareholders or a majority of  
2 them in amount, of any incorporated bank, within  
3 one year of the expiration of its charter, shall file  
4 with the president thereof, a notice in writing that  
5 they intend to avail themselves of the provisions of  
6 this act, to associate for the purpose of banking, it  
7 shall be lawful for the directors of said bank, to pur-  
8 chase and hold such stocks and other securities, is  
9 or may be authorized to receive for circulating notes  
10 under the provisions of this act, to such an amount  
11 as they shall deem proper for the shareholders there-  
12 of. And any association hereafter formed to take the  
13 place of an incorporated bank whose charter has ex-



14 pired, or is about to expire, may, when all the stock-  
15 holders of such incorporated bank have assented to  
16 its organization under this act, take and hold in addi-  
17 tion to such other real estate as is described by this  
18 act, such other real estate, as at the time of the trans-  
19 fer of the property of the incorporated bank having  
20 been received by it in payment of debts previously  
21 contracted to such bank, or purchased by it under  
22 judgments in favor of said incorporated bank accord-  
23 ing to law.

SECT. 24. It shall not be lawful for any association,  
2 or individual, authorized to carry on the business of  
3 banking by virtue of this act, directly or indirectly to  
4 procure or receive from any corporation, association,  
5 or individual, either within or without this state, any  
6 bank bill or note, or other evidence of debt in the  
7 similitude of a bank bill or note, issued, or purport-  
8 ing to have been issued, by such last mentioned cor-  
9 poration, association, or individual, with the intent to  
10 utter or circulate the same when procured. But noth-  
11 ing in this section contained, shall prohibit the said  
12 banking association and individual banker, from re-  
13 ceiving from their dealers or customers, such foreign

14 notes as are allowed by law to be circulated within  
15 this state, in the regular and usual course of business,  
16 or from paying out the same when so received.

SECT. 25. It shall not be lawful for any such asso-  
2 ciation, or individual banker, directly or indirectly to  
3 loan or pay out for paper, discounted or purchased by  
4 them, any bank bill, or note, or other evidence of debt,  
5 which is not received at par by the said association or  
6 banker, for debts due the said banking institutions, or  
7 association, or individual.

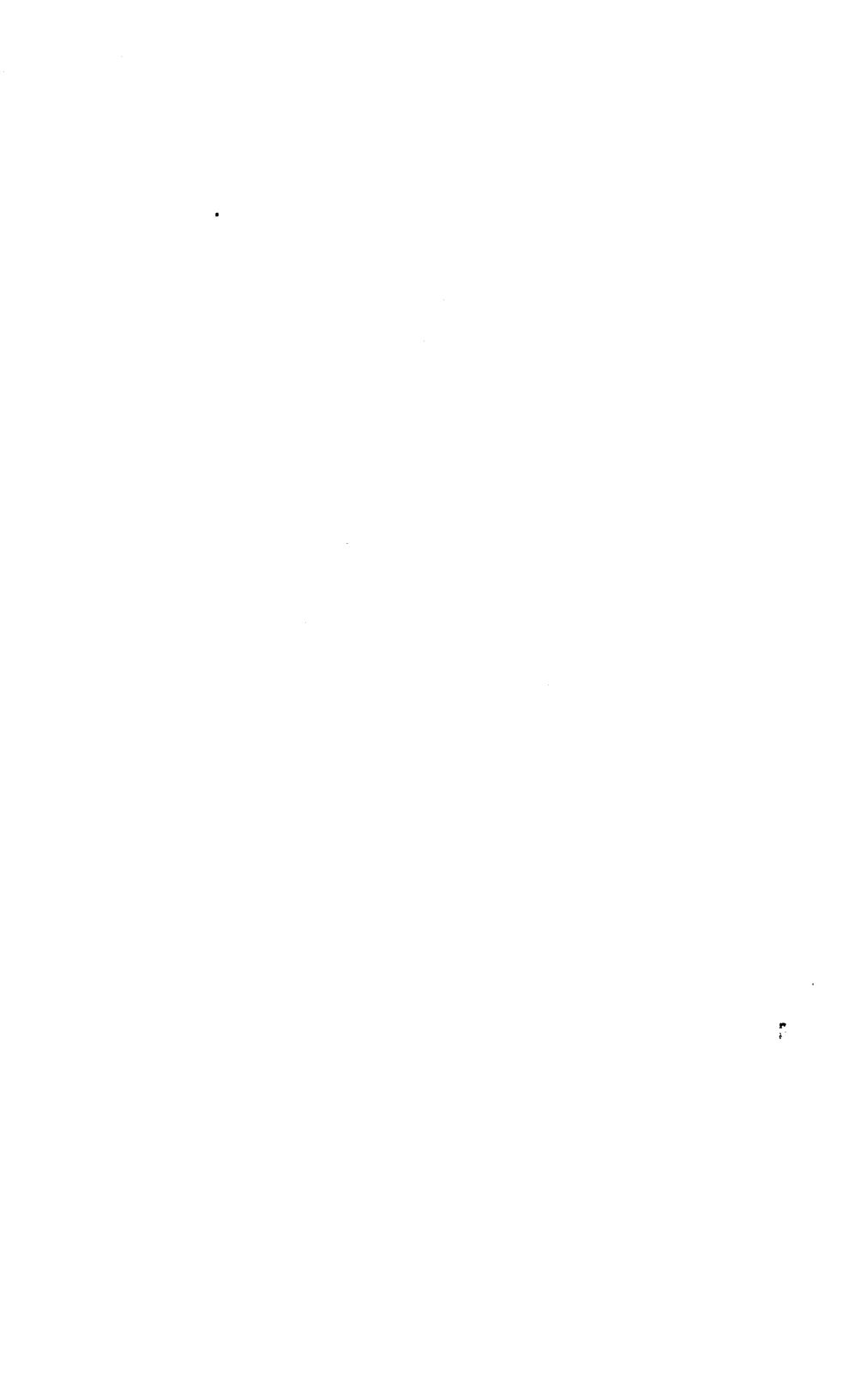
SECT. 26. Every such association and individual  
2 banker, authorized to carry on the business of bank-  
3 ing, who shall offend against any of the provisions of  
4 the two last preceding sections of this act, shall forfeit  
5 for each and every offence, the sum of one thousand  
6 dollars, to be recovered, with cost of suit, in the name  
7 and for the use of any person who shall sue for the  
8 same, and prosecute such suit to judgment in any  
9 court having cognizance thereof; and every officer  
10 and cashier of such association, and every individual  
11 banker and his cashier, clerks and servants, who shall  
12 knowingly act or assist in any violation of any pro-  
13 visions of this act, shall, upon conviction, be deemed

14 guilty of a misdemeanor, and shall be punished by a  
15 fine, or imprisonment, or both, in the discretion of the  
16 court before which such conviction shall be had, but  
17 such fine shall not be less than five hundred dollars,  
18 and such imprisonment shall not be less than one  
19 year in the state prison.

SECT. 27. When any individual banker, or the  
2 officers of any banking association, shall have re-  
3 deemed ninety per cent. of the circulating notes and  
4 bills, and shall produce to the treasurer of this state,  
5 a certificate of deposit to his credit in such bank as  
6 he shall approve to an equal amount with the circu-  
7 lating notes of such bank unredeemed, it shall be  
8 lawful for him to receive the same and return in lieu  
9 thereof, the securities heretofore deposited by such  
10 banker or association for the redemption of circulating  
11 notes by them issued.

SECT. 28. Such association or individual banker,  
2 after having complied with the provisions of the pre-  
3 ceding section, may give notice for two years in the  
4 state paper, and also in at least one newspaper printed  
5 in the county where said association or bank shall  
6 have been located, that all circulating notes issued by

7 such association or bank, must be presented at the  
8 treasurer's office within two years from the date of  
9 such notice, or that the funds deposited for the re-  
10 demption of the notes and bills will be given up to  
11 the bank or association ; and on receiving satisfactory  
12 proof of the giving of such notice for the time afore-  
13 said, the treasurer shall surrender to the order of said  
14 association or banker, any securities which he may hold  
15 for the payment of any unredeemed notes and bills of  
16 said association or bank.



## STATE OF MAINE.

---

HOUSE OF REPRESENTATIVES, }  
April 2d, 1857. }

The foregoing report and bill were laid on the table, and 350 copies ordered to be printed for the use of the Legislature.

GEO. W. WILCOX, *Clerk*