

MAINE STATE LEGISLATURE

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SEVENTY-SECOND LEGISLATURE

HOUSE.

No. 58

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND FIVE.

AN ACT to amend section eighty of chapter forty-eight of the Revised Statutes, relating to the cash reserve in trust and banking companies.

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

Section 1. Section eighty, chapter forty-eight of the
2 Revised Statutes is hereby amended by inserting after the
3 words "national bank" in the eleventh line the words 'or trust
4 company created under the laws of this State, or from any
5 trust company located in any of the other New England
6 States or New York, approved by the bank examiner in writ-
7 ing;' and by striking out the words "lawful money" in the
8 twelfth line and the words "or of this State" in the thirteenth
9 line and inserting in place thereof the words 'District of

10 Columbia, and any of the New England States and the states
11 of New York, Pennsylvania, Maryland, Ohio, Indiana, Ken-
12 tucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois,
13 Missouri, Kansas and Nebraska,' and otherwise changing
14 form, so that said section, as amended, shall read as follows:

'Section 80. Every trust and banking company having
16 authority to receive money on deposit shall at all times have
17 on hand in the lawful money of the United States, as a cash
18 reserve, an amount equal to at least fifteen per cent of the
19 aggregate amount of its deposits which are subject to with-
20 drawal upon demand or within ten days; *provided*, that in
21 lieu of lawful money two-thirds of said fifteen per cent may
22 consist of balances payable on demand, due from any national
23 bank or trust company created under the laws of this State,
24 or from any trust company located in any of the other New
25 England States or New York and approved by the bank
26 examiner in writing; and one-third of said fifteen per cent
27 may consist of the bonds of the United States, the District of
28 Columbia, and any of the New England States and the states
29 of New York, Pennsylvania, Maryland, Ohio, Indiana, Ken-
30 tucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois,
31 Missouri, Kansas and Nebraska, the absolute property of
32 such corporation. Whenever said reserve shall be below
33 said percentage of such deposits, such corporation shall not
34 further diminish the amount of its legal reserve by making
35 any new loans until the required proportion between the
36 aggregate amount of such deposits and its cash reserve shall
37 be restored. All provisions of charters in conflict with this
38 section are void.'

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,
Augusta, February 2, 1905.

Reported by Mr. KNAPP from Committee on Banks and Banking
and ordered printed under joint rules.

E. M. THOMPSON, *Clerk.*