

CHAPTER 12.

[S. B. 92.]

BANKS AND BANKING.

AN ACT relating to banks and banking, amending section 3261 of Remington's Compiled Statutes, and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 3261 of Remington's
Compiled Statutes be amended to read as follows: Amends
§ 3261, Rem.
Comp. Stat.

Section 3261. No bank or trust company shall pledge or hypothecate any of its securities to any depositor or creditor except that it may qualify as depository for United States deposits, postal savings funds or other public funds deposited by any public officer by virtue of his office and may give such security for such deposits as are required by law or by the officer making the same: *Provided*, That any bank or trust company may borrow, for temporary purposes, not to exceed in the aggregate amount the paid-in capital and surplus thereof, and may pledge as security therefor assets of such corporation, not exceeding one and one-half times the amount borrowed: *Provided, further*, That any such bank or trust company shall have power to borrow in excess of the aggregate amount of the paid-in capital and surplus of such bank and/or trust company of the Reconstruction Finance Corporation, of the Federal Reserve bank, of the Federal Intermediate Credit bank, or of any other similar lending or credit corporation now or hereafter created by act of Congress; and to pledge as security therefor such assets as may meet the requirements of the lending corporation. When it shall appear to the state supervisor of banking that any bank or trust company is habitually borrowing for the purpose of re-lending, he may require such corpor-

Pledging of securities.

Borrowing regulated.

Reconstruction Finance Corporation.

State supervisor may require payoff of borrowed money.

Redis-
counting.

ation to pay off such borrowed money. Nothing herein shall prevent any bank or trust company from rediscounting in good faith and endorsing any of its negotiable notes, but all such moneys borrowed and all such rediscounts shall at all times show on its books and in its reports. No certificate of deposit shall be issued for the purpose of borrowing money. No officer of any bank or trust company shall issue the note of such corporation for money borrowed or rediscount any of its notes except when authorized by resolution of its board of directors or by an authorized committee thereof. Violation of any provision of this section shall constitute a felony.

Felony.

Effective
immediately.

SEC. 2. This act is necessary for the immediate preservation of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 31, 1933.

Passed the House February 4, 1933.

Approved by the Governor February 7, 1933.

CHAPTER 13.

[S. B. 112.]

STATE NORMAL SCHOOL DEGREES.

AN ACT empowering the granting of degrees by the state normal schools of Washington when conforming to prescribed courses of study.

Be it enacted by the Legislature of the State of Washington:

Bachelor of
arts degree.

SECTION 1. The degree of bachelor of arts in education may be granted to any student who has completed one of the advanced four-year courses of study in the state normal schools in the State of Washington: *Provided*, Said course of study is au-