

Section 2. The act approved the twenty-fifth day of June, one thousand nine hundred and thirteen (Pamphlet Laws, five hundred fifty), entitled "An act authorizing the several counties, incorporated towns, and boroughs to appropriate annually sums of money to each camp of the United Spanish War Veterans, and of the Army of the Philippines, and to each post of the American Veterans of Foreign Service, in the respective counties, boroughs, and towns, to aid in defraying the expenses of Memorial Day," and its amendments, are hereby repealed.

Act of June 25, 1913 (P. L. 550), repealed.

All other acts and parts of acts, inconsistent with the provisions of this act, are hereby repealed.

Inconsistent laws repealed.

APPROVED—The 2d day of June, A. D. 1937.

GEORGE H. EARLE

No. 300

AN ACT

To further amend section one thousand six of the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred and twenty-four), entitled "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers, and of the officers, directors, trustees, shareholders, attorneys, and other employees of all such corporations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by providing further with regard to limitations upon loans to one corporation or person.

Be it enacted, &c., As follows:

Section 1. That section one thousand six of the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred and twenty-four), entitled "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers; defining the rights, powers, duties, liabilities, and immunities of such corpor-

Section 1006, act of May 15, 1933 (P. L. 624), as amended by act of June 21, 1935 (P. L. 382), further amended.

ations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," as amended by the act, approved the twenty-first day of June, one thousand nine hundred thirty-five (Pamphlet Laws, three hundred eighty-two), is hereby further amended to read as follows:

Section 1006. Limitations upon Loans to One Corporation or Person.—A. A bank or a bank and trust company shall not, directly or indirectly, lend to any corporation or person an amount which, including any extension of credit to such corporation or person by means of letters of credit or by acceptance of drafts for, or the discount or purchase of the notes, bills of exchange, or other commercial paper of, such corporation or person, shall exceed ten per centum of the unimpaired capital and ten per centum of the unimpaired surplus of the bank or bank and trust company. However, this restriction shall have no application whatsoever to the following:

(1) Loans to the United States, or loans secured by not less than the face amount of bonds or other interest-bearing obligations of the United States, or bonds or other interest-bearing obligations for the payment of the principal and interest on which the faith and credit of the United States is pledged.

(2) Loans to the Commonwealth of Pennsylvania, or any county or city thereof, *or an Authority which has been created as a body corporate and politic under any law of this Commonwealth*, or loans secured by bonds or other interest-bearing obligations of the Commonwealth, or of any county or city thereof, *or of any Authority which has been created as a body corporate and politic under any law of the Commonwealth*, or bonds or other interest-bearing obligations for the payment of the principal and interest on which the faith and credit of the Commonwealth, or any county or city thereof, *or of any Authority which has been created as a body corporate and politic under any law of this Commonwealth*, is pledged.

(3) The discount of drafts or bills of exchange drawn in good faith against actual existing values.

(4) The discount of trade acceptances or other commercial paper, actually owned by the corporation or person negotiating it to the bank or bank and trust company, and endorsed without restriction by such corporation or person.

(5) The discount of notes secured by shipping documents, warehouse receipts, or other similar documents conveying or securing title to readily marketable non-perishable staple goods, including live-stock, when the actual market value of the property, securing the obligations, is not at any time less than one hundred fifteen per centum of the face amount of the notes secured by such documents, and when such property is fully covered by insurance.

B. However, a bank or a bank and trust company may, in addition to the ten per centum authorized by this section, lend to any corporation or person an additional fifteen per centum of the unimpaired capital and fifteen per centum of the unimpaired surplus of the bank or the bank and trust company, if such additional fifteen per centum is secured by collateral having an ascertained market value of at least twenty per centum more than the amount of the liability so secured.

C. In computing the total liabilities of any individual to a bank or a bank and trust company, there shall be included all liabilities to the bank or bank and trust company of any partnership or any unincorporated association of which he is a member, any loans made for his benefit or for the benefit of such partnership or unincorporated association, and any loans made to, or for the benefit of, a corporation of which he owns fifty per centum or more of the capital.

In computing the total liabilities of any partnership or unincorporated association to a bank or a bank and trust company, there shall be included all liabilities of its individual members to such bank or bank and trust company, loans made for the benefit of such partnership or unincorporated association, or any member thereof, and loans made to, or for the benefit of, any corporation of which the partnership or unincorporated association, or any member thereof, owns fifty per centum or more of the capital.

In computing the total liabilities of any corporation to a bank or a bank and trust company, there shall be included all loans made for the benefit of the corporation, and all loans to, or for the benefit of, any individual [to] or any partnership or unincorporated association, or any member thereof, who owns fifty per centum or more of the capital of such corporation.

A loan shall be deemed to be made for the benefit of a corporation or a person to the extent that the proceeds of such loan are transferred to such corporation or person.

When effective. Section 2. This act shall become effective immediately upon its final enactment.

APPROVED—The 2d day of June, A. D. 1937.

GEORGE H. EARLE

No. 301

AN ACT

To amend clause thirty-four of section two thousand four hundred three of the act, approved the twenty-third day of June, one thousand nine hundred and thirty-one (Pamphlet Laws, nine hundred thirty-two), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," by extending the provisions for appropriations to posts of veterans.

Third class cities.
Clause 34 of section 2403, act of June 23, 1931 (P. L. 932), amended.

Section 1. Be it enacted, &c., That clause thirty-four of section two thousand four hundred three of the act, approved the twenty-third day of June, one thousand nine hundred and thirty-one (Pamphlet Laws, nine hundred thirty-two), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," is hereby amended to read as follows:

34. Appropriations to Posts of Veterans.—To appropriate annually to each camp of the United States War Veterans, and to each post of the American Legion, and to each post of the Veterans of Foreign Wars, and to each Naval Association, and to each post of the Grand Army of the Republic, and to each post of the Disabled American Veterans of the World War, and to each chapter of the Military Order of the Purple Heart, and to each post of the Jewish War Veterans, and to each organization of ex-service men in the city, incorporated under the laws of the Commonwealth, a sum not to exceed two hundred dollars, to aid in defraying the expenses of Memorial Day and Armistice Day. Where the Grand Army of the Republic has ceased to exist or to function, such appropriation may be made to the Sons of Union Veterans of the Civil War, or, in the absence of such order, to a duly constituted organization which conducts the decorating of the graves of Union veterans of the Civil War. Such payments shall be made to defray actual expenses only. Before any payment is made, the organization receiving the same shall submit verified accounts of their expenditures.

When effective.

Section 2. This act shall become effective immediately upon final enactment.

APPROVED—The 2d day of June, A. D. 1937.

GEORGE H. EARLE