

The authority of the comptroller of the currency is of course statutory, which places limitations on his jurisdiction and restricts it to such powers as are conferred upon him by the National Bank Act. The powers thus conferred upon him, briefly stated, are as follows:—

In connection with bank organization he is empowered—

1. To require a copy of the articles of association,
2. To approve each bank's name and its organization certificate,
3. To authorize banks to begin business,
4. To certify payment of stock,
5. To compel oaths of directors;

And during bank operation—

1. To approve or disapprove increase or decrease of capital stock,
2. To require reports from banks and to fine them for refusal.
3. To designate or approve additional reserve cities and additional central reserve cities,
4. To appoint a receiver—
  - a. When a bank has refused to redeem its circulating notes, or
  - b. When it shall be dissolved and its franchises declared forfeited, or
  - c. When a creditor obtains a judgment against it which remains unsatisfied thirty days, or
  - d. When he shall be satisfied of its insolvency, or
  - e. When its legal reserve is short and it fails to make it good within thirty days, or
  - f. When its capital is impaired and it fails to pay it up after three months' notice,
5. To appoint examiners who shall examine into all the affairs of the bank, examine officers and agents and make their reports to him.

The Act gives him inquisitorial power as to amount of assets, but only inferentially as to character of assets. He is required to 'examine into all the affairs of the bank' and is given discretionary power to decide when an impairment of capital takes place and to take summary action thereon. In order to do so he must, of course, investigate and pass upon the value of the assets. It is not, generally speaking, his function to exercise his judgment as to current credits so long as they are within legal limits as to amount. The exercise of such judgment would neither be desirable nor practicable. That responsibility rests on the bank's officers and directors. The comptroller seems to be unnecessarily hampered by legal restriction in determining when losses have occurred. Under the terms of the Act no obligation due a bank can be considered bad until interest is past due, six months, and not then if it is secured or in process of collection. Such a narrow definition of a bad debt can only embarrass him and his examiners in arriving at a correct conclusion as to the impairment of a bank's capital. Under his power to appoint a receiver he is given the power to decide when a bank is insolvent. He is again hampered here by the Federal Courts' definition of insolvency, which is 'inability to pay current debts as they mature,' and he could be enjoined in the District Court for any abusive exercise of his discretion.

Notwithstanding these limitations and restrictions, I believe it may truthfully be said that under no other banking system in the world are such executive authority and plenary powers conferred on any one man as are vested in the comptroller of the currency. Nor do the laws of other countries place such restrictions and limitations on banking operations as are placed on those of our national banks.

Considerable attention has recently been directed to the possibility of improving the government's supervision of national banks by the passage of further restrictive laws and by extending the comptroller's powers so that he may enforce them by fining or otherwise punishing those who break them. If all the suggestions that