

The "Banking Act of 1933" (Public—No. 66—73d Congress) under Section 8 thereof, provides:

"The Federal Reserve Act, as amended, is amended by inserting between sections 12 and 13 (U. S. C., title 12, secs. 261, 262, and 342), thereof the following new sections: * * *

"Sec. 12B. (a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the 'Corporation'), whose duty it shall be * * * to insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section."

Sub-section (e) under the section last hereinabove referred to, provides:

"Every bank which is or which becomes a member of the Federal Reserve System on or before July 1, 1935, shall take all steps necessary to enable it to become a class A stockholder of the Corporation on or before July 1, 1935; and thereafter no state bank or trust company or mutual savings bank shall be admitted to membership in the Federal Reserve System until it becomes a class A stockholder of the corporation, * * *."

Section 28, Chapter 89, Laws of 1927, reads as follows:

"Any bank is hereby authorized and empowered to join or associate itself with the Federal Reserve Bank, or any branch thereof, and nothing herein contained shall prevent or prohibit any bank from joining or associating itself with any such Banks or branch thereof, or from investing any part of its capital or surplus in the stock of such Bank, in accordance with the terms and provisions of the act of Congress creating such association. Any bank joining or associating itself with such Bank shall be permitted to conform to and transact its business in accordance with the terms and provisions of the act of Congress creating the same, and the rules and regulations of such Federal Reserve Bank."

Since the terms and provisions of subsection (e), supra, provide that state banks which are members of the Federal Reserve System, must take steps to become class A stockholders before July 1, 1935, and thereafter no state bank shall be admitted to membership in the Federal Reserve until it becomes

Opinion No. 280

Banks and Banking—State Banks—Investments—Federal Deposit Insurance Co.

HELD: State banks may invest in Class "A" stock of Federal Deposit Insurance Company.

July 22, 1933.

You have submitted the following question:

"Has a state bank in Montana authority to invest a portion of its funds in Class 'A' stock of the Federal Deposit Insurance Corporation and carry that stock as an asset on its books?"

a class A stockholder of the corporation, and section 28 expressly authorizes a state bank to become a member of the Federal Reserve Bank, or any branch thereof, and expressly authorizes such bank to conform to and transact its business in accordance with the terms and provisions of the act Congress and the rules and regulations of the Federal Reserve Bank, it is my opinion that your question should be answered in the affirmative.

It is my opinion that the general prohibition against a commercial or savings bank investing its capital or surplus, or money of its depositors, in the capital stock of any corporation as provided in Section 39, Chapter 89, Laws of 1927, must give way to the special power granted in section 28 (*supra*). It is the rule that where there is one statute dealing with a subject matter in general and comprehensive terms, and another dealing with a part of the same subject in a more minute and definite way, the two should be harmonized and the special statute will prevail over the general statute. (59 C. J. p. 1056, Sec. 623; *In re Stevenson's Estate*, 87 Mont. 486, 289 Pac. 566; *Stadler v. City of Helena*, 46 Mont. 128, 127 Pac. 454; *Walden v. Bitter Root Irr. Dist.*, 68 Mont. 281, 217 Pac. 646; *State v. Certain Intoxicating Liquors*, 71 Mont. 79, 227 Pac. 472; *Franzke v. Fergus County*, 76 Mont. 150, 245 Pac. 962.)