

any time after the expiration of two years from the date of the assumption aforesaid; and it shall pay into the treasury of the United States, on the first days of January and July of each year, a tax of five-eighths of one per centum upon the average amount of such notes in actual circulation during the preceding six months.

Fourth. To take out for issue an amount of bank notes equal to ten per centum of its paid-up capital at any time after the expiration of three years from the date of the assumption aforesaid; and it shall pay into the treasury of the United States, on the first days of January and July of each year, five-eighths of one per centum upon the average amount of such notes in actual circulation during the preceding six months.

Fifth. To take out for issue an amount of bank notes equal to ten per centum of its paid-up capital at any time after the expiration of four years from the date of the assumption aforesaid; and it shall pay into the treasury of the United States on first days of January and July of each year, a tax of five-eighths of one per centum upon the average amount of such notes in actual circulation during the preceding six months.

Sixth. To take out for issue an amount of bank notes equal to ten per centum of its paid-up capital at any time after the expiration of five years from the date of the assumption aforesaid; and it shall pay into the treasury of the United States, on the first days of January and July of each year, a tax of five-eighths of one per centum upon the average amount of such notes in actual circulation during the preceding six months.

Seventh. With the approval of the board of control, to take out for issue an amount of notes equal to twenty per centum of its paid-up capital at any time after the expiration of six years from the date of the assumption aforesaid; but it shall pay into the treasury of the United States, on the first days of January and July of each year, a tax of one and one-half per centum upon the average amount of such notes in actual circulation during the preceding six months.

Eighth. With the approval of the board of control, to take out for issue an amount of notes equal to twenty per centum of its paid-up capital at any time after the expiration of seven years from the dates of the assumption aforesaid; but it shall pay into the treasury of the United States, on the first days of January and July of each year, a tax of two and one-half per centum upon the average amount of such notes in actual circulation during the preceding six months.

The manner and form of the assumption of the current redemption of the United States notes, as aforesaid, shall be as follows: Each note shall bear the indorsement:

"For value received, the _____ national bank of (city), (state), will currently redeem this note in gold coin until the same has been paid and cancelled in accordance with the provisions of law.

Any notes so indorsed shall be a legal tender for all debts, public and private, except duties on imports and interest on the public debt, as heretofore, and upon presentation and demand be redeemed, as now, out of the issue and redemption division, and the bank which has assumed to currently redeem the same shall, immediately upon the demand of the secretary of the treasury, transmit to the treasury an amount of gold coin equal thereto, and when received shall be paid into the issue and redemption division, and the notes shall then be returned to said bank.

Whenever a national bank shall present any United States notes at the United States treasury for indorsement, as aforesaid, it shall at the same time surrender to the United States

treasury an additional amount of United States notes equal to one-half of the United States notes presented for such indorsement and receive in exchange therefor gold coin; and the United States notes so redeemed shall be canceled and destroyed.

Sec. 3. That when the national banks of the United States shall have assumed the current redemption of United States notes amounting in the aggregate to one hundred and thirty million dollars, and the United States has redeemed and canceled United States notes amounting to sixty-five million dollars, no national bank shall thereafter pay out any United States notes the current redemption of which has not been assumed by some national bank, but shall return the same to the United States treasury for redemption, and the secretary of the treasury shall redeem the United States notes so returned out of the gold coin in the issue and redemption division of the treasury, and they shall not be reissued, but canceled and destroyed.

Sec. 4. That after the national banks have assumed the current redemption of one hundred and thirty millions of United States notes, and the United States shall have redeemed, canceled, and destroyed sixty-five millions of United States notes, in accordance with section two of this Act, any national bank which has not assumed the current redemption of any United States notes as hereinbefore provided may then take out an amount of circulation equal to ten per centum of its capital, and from year to year thereafter additional amounts of circulation in accordance with the provisions of section two of this Act; but upon the first twenty per centum of the total circulation to which it is entitled under this Act, it shall pay into the treasury of the United States, on the first days of January and July of each year, five-eighths of one per centum upon the average amount of such notes in actual circulation during the preceding six months, and upon all such notes taken out for issue in excess of said twenty per centum the same tax as prescribed in section two of this Act.

Sec. 5. That before any national bank shall receive any of the bank notes referred to in this section it shall first deposit in the treasury of the United States as a guaranty of the payment thereof, an amount of United States bonds or gold coin, or both, equal to five per centum of the amount of notes so taken out, and such deposit shall be counted as a part of the lawful reserve of said bank. The interest upon said bonds shall be paid to the bank so depositing them, and if said bank shall retire said circulation, or any portion thereof, an amount of bonds or gold coin, or both, equal to five per centum of the notes so retired shall be returned to said bank: Provided, however, that if it should be necessary to sell said bonds for the purpose defined in section eleven of this Act, the secretary of the treasury is hereby authorized to dispose of the same and use the proceeds in accordance with the provisions of law contained in said section.

Sec. 6. That all the bank notes taken out for issue in accordance with the provisions of this Act shall be furnished by the United States at the expense of the respective banks issuing them, and shall be in denominations of ten dollars and multiples thereof.

Sec. 7. That such notes shall be a first lien upon the assets of the respective banks issuing them, and shall be received upon deposit and for all purposes of debt or liability by every national bank at par and without any charge of whatsoever kind.

Sec. 8. That the total amount of circulating notes of all kinds of any national bank may equal, but shall not at any time exceed, the amount of its paid-up capital.

Sec. 9. That any national bank having notes outstanding to secure

the payment of which United States bonds have been deposited may, upon the deposit of lawful money for the redemption of said notes, take out for circulation the notes provided for in this Act, in the manner and at the times specified, without reference to the limitation of three million each month, prescribed in section nine of the Act approved July twelfth, eighteen hundred and eighty-two.

Sec. 10. That the secretary of the treasury is hereby authorized, in his discretion, to deposit all the money of the United States in excess of fifty million dollars, except that in the issue and redemption division of the treasury, in national banks, upon the condition that said banks shall first deposit in the United States treasury United States bonds equal in amount at par to the sum to be so deposited; and such banks shall, on the first days of January and July of each year, pay interest thereon to the United States at the rate of one per centum per annum upon the average balances of the preceding six months, but such banks shall not be required to hold any reserve against such deposits.

Sec. 11. That the United States bonds and the gold coin deposited by the banks as aforesaid, all the money received for taxes upon the bank-note circulation (except that herein otherwise appropriated), and all the interest upon the deposits of the United States with national banks, when paid into the treasury shall be set aside and constitute a fund which shall be designated as the guaranty and redemption fund.

First. A fund to pay circulating notes of any national bank outstanding at the time of its failure. But the United States treasury shall recover from the assets of the failed bank an amount equal to its outstanding notes, and the same shall be paid into the guaranty and redemption fund.

Any national bank desiring to go into liquidation shall first pay into the guaranty and redemption fund an amount of gold coin equal to the amount of its notes then outstanding.

If said fund shall for any reason fall below an amount equal to three per centum of the total amount of the bank notes taken out in accordance with the provisions of this Act, the board of control may impose an extraordinary tax, not exceeding one per centum in any one year, upon the amount of the notes at the time outstanding; but such extraordinary tax shall be refunded to the respective banks whenever such repayment shall not reduce said fund below an amount equal to five per centum of all the notes outstanding.

Second. A fund the accumulations of which in excess of an amount equal to ten per centum of all the notes taken out for circulation shall be applied to the redemption for cancellation of those United States notes which the banks have assumed to currently redeem: but this redemption shall be in the inverse order of the assumption of their current redemption by the banks: Provided, that no such application of said fund shall be made as will reduce the same below five million dollars.

Sec. 12. That if any national banking association which has undertaken to currently redeem any United States notes as aforesaid shall fail or liquidate, such United States notes shall be redeemed by the government out of the issue and redemption division, and shall not be reissued, but shall be canceled and destroyed; but as soon as the amount so paid out can be transferred from the guaranty and redemption fund to the issue and redemption division without reducing the same below an amount equal to ten per centum of all the bank notes taken out in accordance with the provisions of this Act, the same shall be done: Provided, that the amount in the guaranty and redemption fund

shall in no case be reduced below five million dollars

Sec. 13. That no national bank, after notice in writing has been given that the United States is prepared and desires to redeem any particular United States notes whose current redemption has been assumed by any national bank, shall pay out or hold the same in its reserve, but shall forthwith return them to the treasury for redemption.

Sec. 14. That when all of the United States notes whose current redemption was assumed by national banks have been redeemed, canceled, and destroyed, or provision has been made for their redemption by depositing in the issue and redemption division an amount of gold coin equal to the amount of those notes still outstanding, in which case they shall be redeemed out of said fund, and shall not be reissued, but shall be canceled and destroyed, the taxes upon the bank notes taken out for issue in accordance with the provisions of this Act shall thereafter be one-quarter of one per centum per annum upon the note circulation up to sixty per centum of the capital of the respective banks issuing it, and all the accumulations in said guaranty and redemption fund in excess of said ten per centum shall be paid into the general fund of the treasury.

The secretary of the treasury is hereby authorized to keep said guaranty and redemption fund invested in United States bonds.

Sec. 15. That the said board of control may grant charters to clearing houses running for twenty years, with such capital and powers to effect clearance between banks, bankers, trust companies, and other financial associations and to do and perform such other business and service as said board of control may approve.

Sec. 16. That the said board of control shall divide the United States into clearing-house districts, and each clearing-house district shall have one clearing-house city for all the bank notes issued by the banks located in said district, and every bank which has taken out circulation for issue in accordance with the provisions of this Act shall belong to some particular district, and the notes so taken out shall belong to some particular district, and the notes so taken out shall bear in bold and clear figures the number of the district to which the bank issuing them belongs; but any national banking association may have an agency for the redemption of its bank notes in each of the clearing-house cities.

Sec. 17. That the bank notes taken out for issue in accordance with the provisions of this Act shall be redeemed on demand in gold coin at the home office of the bank issuing them, and if said bank is located outside of a clearing-house city it shall then select a national bank as its agent in the clearing-house city of the district to which it belongs, which shall upon demand redeem said notes in gold coin, or for said clearing house its agent for such redemption, or for the transaction of any other business, and any money deposited at said clearing house by any national banking association for such purpose may be regarded as a part of its lawful reserve.

Sec. 18. That if any national bank shall receive such circulating notes of any other national bank, located outside of its own district, it shall not pay them out over its own counter, unless the bank of issue has an agency in said district for the redemption of said notes in gold coin, but shall forward them either to some bank in the district to which the notes belong, or to some bank in the district to which the notes belong, or to the clearing house, or to some bank located in the clearing-house city of its own district, and then they shall be returned to the bank issuing them or to the clearing

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