

An Act

Establishing Government Banking for the United States of America, and for other Purposes.

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SECTION 1, Part 1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That there is by this act established a system of Government Banks with a Savings Bank department for each, with each Bank to be known as Government Bank of the United States of America, and to make this banking service available to as many communities as possible, and at the same time profitable to the Government and its associates, there shall not be but one Bank in any town or city under twenty thousand inhabitants, nor shall there be any Bank in any town under five hundred inhabitants, unless it has nearly attained to that number, is growing rapidly as a manufacturing and business center, with twenty thousand inhabitants; two, seventy-five thousand; three, with all over one hundred thousand; one for each forty thousand and a three-fourths major fraction of forty thousand inhabitants, and their capital shall not be less than eighteen thousand dollars, nor to exceed three millions of dollars to begin with, but may be increased to the requirements of the place needing it. One-third of said capital shall be in coin, half silver, while the other two-thirds shall be in the government paper money, described in another part of the act, as the Government's share, while the coin shall be by its associates.

SECTION 1, Part 2. That the Government's associates shall all be citizens of the United States and shall give a penalty bond in a sum of money equaling four times the entire cash capital

of the Bank to be in charge of conditional for honest, faithful service while a partner with the Government in the banking business, signed by themselves and others whose real estate property shall schedule on a cash basis to fully cover the amount specified in their bond, said property to be unincumbered at the time and shall not be incumbered otherwise while a basis of security to the Government, nor sold without other property of equal value is put in its place, and they shall conduct the banking without cost to the Government under such rules and penalties as in the law for the controlling of the present National Bank associations, and a board of directors for the Government shall determine, while the Government for its part shall not only furnish the two-thirds part of the cash capital, but a fire-proof building in which to do the banking business, furnished complete, with the best vaults, safes and all other necessary furnishings, including a telegraphic, telephonic or telautograph connection between every Bank and Postoffice in all the towns, cities and places in the cities that will be entitled under this act to have a bank service, and shall keep the same in good repair, besides guaranteeing depositors against loss while their money is on deposit at any Government Bank, and by reason of all this on the Government's part, none of the capital of the Banks nor any of the Government's property shall ever be taxed for any purpose by any authority whatever; with these terms complied with the partnership shall be complete and they shall

share equally in the incomes, the Government's share to be returned to the United States Treasury, or any sub-treasury, person or place upon the order of the Secretary of the Treasury at the Government's expense for transportation.

SECTION 1, Part 3.—That the board of directors shall be known as Government Bank directors and are to be as here related, to-wit: Secretary of the Treasury, who shall be its president; the Comptroller of the Currency, the secretary; and two experienced bankers from each State, Territory and District of Columbia, chosen by their governors to give all parts of the country representation, and that said board shall be as nearly non-political as possible; these appointees shall be from the two leading political parties at the time of the appointment, and they, too, shall be all citizens of the United States and shall not have any interest in any bank at and during the time they are members of said board. Besides they are each to give a penalty bond in the sum of fifty thousand dollars for honest, faithful service, giving their entire time to it, their duties being to see that each bank is properly organized and conducted according to law and such rules or by-laws as they are to provide, inspecting them personally not less than twice each year or as the law requires for the National banks and for these services their compensation shall be for the time remaining of this century, which time is to be known as the Transition Period in this Act—for the president, fifteen thousand dollars a year, said amount to include his salary as Secretary of the Treasury; that of the comptroller and secretaryship and all members of the board, twelve thousand dollars each, per year; the members to receive but their car or transportation fare only, over their salary while out inspecting the banks; their terms of service shall be for the president and secretary, the Presidential term; the others six years, and to be eligible to re-appointment.

SECTION 1, Part 4.—That all bank buildings shall be centrally located in the communities they are to serve and shall be so constructed as to accommodate not only the business when established, but for a much greater population, and shall be ample for the postoffice and rapid message service, which later service shall be for the

banks and all Government's use without cost, and for others at a reasonable fee, they to be in charge of the Postmasters under the general supervision of the Postmaster General who, with the board of bank directors shall have the choosing of the method or methods to be used, and the money for their construction and the capital for the banks shall be as nearly as possible as by the following table, although these amounts may be allowed to vary considerable to meet the cost of sites, material, labor and capital for seven thousand banks:

No. of banks	Av. capital.	Aggregate capital in class.	Av. cost of bld'gs. each class.	Ag. cost of bld'gs. each class.
1st class, 100	\$500,000	\$50,000,000	\$500,000	\$50,000,000
2d class, 100	400,000	40,000,000	400,000	40,000,000
3d class, 100	300,000	30,000,000	300,000	30,000,000
4th class, 200	200,000	40,000,000	200,000	40,000,000
5th cl'ss, 2000	75,000	150,000,000	75,000	150,000,000
6th cl'ss, 2000	50,000	100,000,000	50,000	100,000,000
7th cl'ss, 2500	36,000	90,000,000	36,000	90,000,000
7,000	71,428	500,000,000	71,428	500,000,000

SECTION 1, Part 5.—That if any township center or any city where a bank is established needs a town hall or a city building with an auditorium hall by the proper authorities furnishing a suitable site of not less than one hundred feet square, separated from other buildings by streets and alleys and some part of the construction fund such a union building as will be ample for their bank, postoffice, rapid message service, township or city hall, shall be allowed and built, it being hereby expressly provided that these Government Banks may be organized and begin business as soon as the new paper money can be provided by the Treasury department in any suitable building at the Government's expense till the buildings are ready for use.

SECTION 1, Part 6.—That the Government Banks shall be perpetual and take the place of all present forms of banking institutions by the end of the century, or as soon as practicable. The protective and other advantages offered by this Act, it is expectant will make it an object for said banking institutions to close up their business and adjust themselves to this government system. The States being hereby requested to repeal all their banking laws and abolish all State and other private banks within their borders, that there be to begin the coming century only the one permanent and safe banking sys-

tem, which will be by and for the people, and no more charters nor extensions to any National bank associations shall be granted after this Act becomes a law; but all whose charters expire within this nineteenth century may continue until the time chartered for expires, when they shall close up. It being herewith expressly provided that for all National bank associations whose charters do not expire before January first, A. D. 1901, that they may surrender their charters and circulation to either retire from the banking business or to begin under the provisions of this Act by the Government paying them the face of their Government bonds in the Treasury as security for their circulation in coin, half silver and half gold, and fifty per cent. of the face of their notes in circulation at the time in the new paper money. It being further provided, however, if they will receive the paper money for the coin, half gold and half silver, that said coin remain in the Treasury to pay on other bonds as they become due, they shall be given a bonus of three per cent, and those associations whose charters expire within this century may close at once, receiving the face of their bonds in coin and twenty-five per cent. in the paper money for their notes if they want to commence under this Government system, or to retire from the banking business. All National Bank Associations intending to change into a Government Bank shall give notice within three months of the passage of this act, their intentions, whether to begin anew or to retire, they to have a reasonable time to make the change in, which shall not be sooner than the Government buildings and its paper money can be provided, the number of banks for any town or city shall not exceed, however, the number fixed by this act.

SECTION 1, Part 8. That by reason of the great amount of building, furnishing and repairing to be done in future for the Government, and to not overtax any department's secretary, another Executive Department is deemed to be necessary and is hereby created to have in charge all construction work that does not properly belong to the War and Navy, said department to be known as Building Department, with its chief officer, in charge a Cabinet officer, to be known as Constructor General, and for the time of the transition period the inventor and chief

author of this banking system, Improved Postal and Rapid Message Services, shall be the Constructor General, after which time ends the Constructor General shall receive his appointments as other Cabinet officers. And the Constructor General shall have the selecting of all assistants and heads of bureaus under his management. All of the bureaus of any of the other executive departments that of right should be in this department shall be transferred to it, beginning with the supervising architect from the Treasury department. From the War office the Bureau of Public Buildings and Grounds. The department to have a Bureau of Printing, stationery, postage and express, its chief to be known as Commissioner of Printing and Stationery, an Auditing Bureau with Auditor and Deputy Auditor, Attorney and Assistant Attorney, Stenographer, Secretary and Assistant Secretary, Private Secretary to the Constructor General, and Deputy Constructor General to assist the chief in the duties of the office and to have charge of the department during his absence or during any disability, and who shall succeed to the Constructor General's place if from any cause the place becomes vacant, to the end of the time for which appointed. And the Constructor General shall furnish the names of all heads of bureaus, secretaries and all others to fill the places above named and any others that may be required to complete the working force of the department, to the President, who in turn shall present them to the Senate for confirmation, all of whom shall be confirmed by the Senate before entering on the duties of their respective positions, and all heads of bureaus and others who may need assistants shall have them, and shall have, with the advice and consent of the Constructor General, the hiring and discharging when their services are no longer needed, or for cause, and from all from whom bonds will be required they shall give them before being allowed to enter on the duties of their respective appointments. That of the Treasurer, who is to have in charge all money to be used by the department, and a fund to be known as Miscellaneous—which is for the payment of the officers and others of the Building Department and all its incidental expenses before there can be any incomes from these services to pay with, until exhausted, after which there will be funds from said services.

which shall be for their support, and the increase of all of said banking, improved postal and rapid message services to other towns, cities and places in the great cities. His bond shall be equal to that of the First Assistant United States Treasurer, and all of said funds shall be furnished him by the Treasury Department from time to time, only as needed, from which he shall pay all bills duly made out, audited and signed by the chief of the department, his deputy or private secretary in charge of the office at the time; and their salaries shall be, for the Constructor General the same as for the Secretary of the Treasury, and President of the Board of Government Bank Directors as fixed by this act, while his deputy, private secretary, the heads of bureaus, secretary, assistant secretary, commissioner of printing and all holding first places, ten thousand dollars each per year, and those holding second places eight thousand dollars each per year, and all others from five to six thousand dollars each per year, for the Transition Period, it being herewith Expressly Provided that before said time ends, which is December 31, A. D. 1900, the Congress shall remodel the entire salary list for all in the Government's service, making their pay more equal to each than now, to be commensurate for the work to be performed and the then times, and the Presidential term, that of the Congressional term, and fiscal year of the Government shall all end then, and thereafter begin with the first day of the year, the opening of the Congress to be the first Tuesday in January after election, and to give all needed time after the election of the President and Members of the House of Representatives, the election shall be the first Tuesday in October or September, as the Congress shall decide.

SECTION 1, Part 7.—That in addition to heads of bureaus named above for the building department, it shall have an executive committee for the purpose of adjusting any salaries for the services of the arbitration committee; and counsel for the communities to have a bank, bank and postoffice building, and the department or any other department of the Government whose work and responsibilities are made greater by reason of the provisions of this Act. During the Transition Period said committees and counsel shall be to have them near at hand, as follows, to-wit: For the executive

committee the entire membership of the President's cabinet. The arbitrating committee and counsel for the States shall be the two Senators and the member of Congress of the district in which there may be any rivalry for a bank, bank and postoffice site, and for the Territories and District of Columbia the vice-President, Secretary of the Treasury, and Postmaster General, whose reports after careful investigation shall be final, and for which extra work they shall be given compensation out of the miscellaneous fund, to be named by another section of this Act, equal to the worth of the services rendered as shall be agreed to by the said executive committee; seventy-five per cent. of said miscellaneous fund being hereby set apart for these committees and counselors' services for the said Transition stage; the time to begin or to be in readiness for work shall be immediately after the passage of this Act, for the 54th Congress if it pass the act, and their terms of service to end when the succeeding Congress shall meet in regular session.

SECTION 1, Part 8.—This building department shall be provided with suitable rooms for its every department, with vaults, safes, and all other needed furniture, heated and lighted when needed to be in the Treasury or the State War and Navy building if there is any room in either that can be made available for it; but if not in either, then in some other building until there can be an annex to the Treasury or War and Navy building, or a new one constructed commensurate for its needs.

SECTION 2, Part 1.—That the money of the United States of America shall hereafter all of it be furnished by the Government and shall consist in the Government coins as now established by law and which shall so remain until there shall be an international agreement between the principal nations for a universal coin standard, and a new paper money that shall be interchangeable at par with the Government's coin everywhere within the Government's domain, and all of said Government money shall be a full legal tender in any amount, except for the subsidiary coins which are to be as now established, and the duties on imports, which shall be to keep this country from being drained of its gold, paid in gold, and for the keeping of the gold part of the bank's capital intact when the gold is loaned, the principal and interest

shall be paid in gold; the Government being only required to furnish new bills in place of worn out ones or those that from any cause become unfit for circulation, until the Government's debts are all paid; and not then, if the people are satisfied with their money, the same to be ascertained by a vote of the people at a Presidential election, for or against coin exchange by the Government.

SECTION 2, Part 2.—That the Government's paper money shall be made in series of a Presidential term in denominations of one, two, five, ten, fifteen, twenty, twenty-five, fifty, one hundred, five hundred and one thousand dollars, in such amounts of each as will best suit the business requirements of the people, it being herewith required that every bill shall have on its face side on the top margin, these words "Government money of the United States of America," and on the lower margin the following: "This bill is a part of the money of the United States of America; is a full legal tender and interchangeable at par with the Government's coin, and will be replaced with a new bill when from any cause it becomes unfit for circulation, at the United States Treasury or any sub-Treasury or Government Bank." By Act of Congress, A. D. 1896, this being of the first series; besides there shall be lettering on the front, noting the denomination, with figures at both ends, on the face and back of every bill, denoting the number of dollars that it is intended to represent; there to be, however, as few bills under five dollars as can be got along with to make room for silver coins; and there shall be until otherwise ordered by act of Congress, twenty-five millions of dollars of the Government paper money, twenty-five millions of dollars of the silver coin and twenty-five millions of dollars in gold coined each year, and no more. The Government may, however, receive at its mints gold and silver from the miners within its domain, and refine it fit for its coins, putting on a seal and number denoting the number of dollars that each piece will make of its own coin for the mere cost of the service.

SECTION 2, Part 3.—That all present forms of the Government's paper currency shall be redeemed and destroyed, as herewith stated. The gold and silver certificates in the coin representing the same that is in the Treasury, with all bullion to be coined that is uncoined

for the purposes intended. The old "greenbacks" that have been redeemed no doubt several times in gold coin for it, shall be given the Government paper money only at par, thus liberating the gold reserve that the Government may use in redeeming its bonds now held in its Treasury as security for the National bank notes, for all of said National bank associations, as may decide to retire from the banking business or to begin again under this Act, and all paper currency when redeemed shall be cancelled with a cancelling stamp in carmine ink, either by or in the presence of the person for whom the exchanges are made, after which they shall be sent to the proper department of the Treasury and destroyed. Any person offering any cancelled bill for circulation shall be subject to the same penalties as if it were a counterfeit, and for all bills not presented for redemption before December 31, A. D. 1900, shall be treated as lost or forfeited to the Government; it being hereby expressly provided that if any holder of any gold or silver certificate and Treasury notes other than those known as greenbacks will take in place of the coin the paper money that the said coin remain in the Treasury to apply on the payment of other bonds as they become due, may be given a bonus of three per cent.; the coin so left must be not less than half of its gold, and for all bonds of the Government reading payable in coin, their payment shall be in equal dollars of gold and silver and there shall not be any more gold and silver coined into money than shall be required by this Act, nor any more Government bonds issued unless by a special act of Congress, the amount and interest shall be stated also, in the Act and the people of the Government shall have the first chance of investment in them.

SECTION 2, Part 4.—That in case at any time more coin money shall be needed for the payment of the Government debts, the Secretary of the Treasury shall purchase the bullion produced by the miners of the United States with the paper money and have it coined for that purpose.

SECTION 3, Part 1.—That as soon as this Act becomes a law, as it shall be possible to have the plates provided for the new paper money in the best manner of the engraver's art, from designs to be furnished by the inventor for the first series or as may be selected by

him and the Government Bank directors. The Secretary of the Treasury shall have printed and complete from time to time only as needed, one thousand millions of dollars plus ten per cent., which is to be known as the first issue and is for the following purposes: First, the Government's share of the bank's capital, and second that for the buildings, telegraphs, telephones or telautographs, and all their furnishings as named by the table in Section 1, Part 4, of this Act, paying one per cent. of the said issue to the inventor of this banking, improved postal and rapid message services as patented by copyright in such installments as he or his heirs may ask for it. Besides the ten per cent. extra shall be upon the inventor's order or that of his heirs or legal representatives for those assisting him in the authorship of the Act and sale of the franchise to the Government, which assistants may be any persons he may choose for the revision and the publishers of the daily, weekly, semi-weekly and monthly newspapers who shall publish complete this Act before and after its passage in Congress, favoring and working continually for it until it shall be a law and doing any advertising called for by this Act; they all never to ask a cent for said services of the inventor before the same is a law, when they shall be paid by the treasurer of the building department when duly organized and the Government paper money is ready, one part for those whose bonafide circulation is more than one thousand and less than ten thousand, and two parts to those whose circulation exceeds ten thousand, eighty per

cent. less one per cent. for office help of the said ten per cent. extra shall be paid said publishers and shall be divided by the whole number of applicants conforming to these terms or some number that will produce the necessary number of parts, they each and all to send a copy of their papers containing the same and favorable comments to the inventor, whose name and address is placed immediately following the title of this act, and shall verify their claims further by sending copies to the Commissioner of Printing and Stationery of the said Building Department, who shall have the matter in charge for adjustment, the Treasurer paying only on his order audited by the auditor of the department, and all of the remainder of said issue shall constitute the miscellaneous fund mentioned in another section of this act.

SECTION 3, Part 2. That there shall be other issues to redeem worn out bills and for the bonuses for the retiring of the National Bank notes, and any Government bonds, and the twenty-five millions of dollars of the paper money annually to meet the increase of population as it shall be needed, and as there will be money needed to inaugurate this banking and other services before the Government paper money can be provided, the same shall be from any money in the treasury that is unappropriated, or from any suitable plates in the Department, the same to be redeemed after the said paper money is ready with it at par.

SECTION 4. That all of the provisions of this act shall be in full force from the date of its passage.

To the Congress, Newspaper Publishers and All Citizens of the United States of America:

As you are all aware the verdict of the voters of the late Presidential election is for tariff revision and sound money; they want these two things, and more—a safe banking system.

The proposed bill herewith, if enacted into law, will give money and banking, increasing the money supply to the needs of business, mostly to be earned into circulation, and will not be more than needed for increased population and business by the beginning of the coming century, with the tariff properly regulated.

The tariff laws in force before the act of 1890, with the best features of that 1890 act on agricultural products, lumber, and some kinds of manufactures, can be re-enacted, and should be at once to be of any benefit to our home manufactures and agriculturalists to prevent the flooding of this country with foreign productions.

The Congress need not spend much time on this tariff in the preparation of a bill when the one proposed is good enough and can be substituted for the Dingy bill now in the Senate, and passed by a joint resolution soon and no doubt receive the sanction of President Cleveland.

Then take up the banking bill, revise if needed, to give it better language—and it may be in some of its parts—and pass it; that there can be work begun soon on the buildings and their furnishings that will give employment to many thousands during the remnant of the century.

Newspaper publishers, by giving the bill in full in their papers with favorable notices, acquainting their readers with its possibilities, will do them a kind act and with the bill a law a liberal reward for themselves. See Section 3, part 1.

Let the Congress pass these two acts as quickly as possible, thereby benefiting every person within the domain of Uncle Sam. The President sanctioning them will prevent a called session; it will bring in all needed revenue, thereby superseding the necessity of any further tariff legislation for years. The 54th Congress and President Cleveland honors easily won at the close of their terms. We see that some member of the Congress has introduced a bill to increase the salaries of the Senators and Representatives per year to \$7,500—fifty per cent. Let the Congress pass the bill herewith and they will obtain more liberal pay for the Transition Period to end December 31, 1900, before which time the Congress is to remodel the salaries of all in the Government's service to correspond to the then times. The 54th Congress will get a share of its benefits, as their time of service will not end until the opening of the Congress in regular session.

Your attention is called to the failure of the National Bank of Illinois at Chicago, a two million dollar bank, carrying down with it three or four more and creating a panic among depositors.

With Government Banks there would be absolute safety with no losses to bill holders or depositors. Then why not have the Government Banks and close out the National Banks that have cost the Government in interest paid them and the other expenses to keep them going, not less than \$2,000,000,000? and the people and depositors in losses direct of their money and with a panic—of which there has been a number—in all probability as much, if not many times as much more, in the shrinkage of the value of nearly every kind of property, giving the people permanent safe banks, and their Government a plant that will be considerable of a revenue producer; and the banker who is to be a partner, receiving one-half the incomes with but an outlay of cash capital of one-half that of the Government, and that never taxed; his place of business and telegraphy free, a more profitable business than by the National system.

If any Senator or Representative wishes to make any change in the bill by writing the author, it will be duly considered, and if not inconsistent with the objects of the bill will be conceded. Letters from any at any time are respectfully solicited.

J. M. GALE, Yorkville, Illinois.

READ !

Let Every Senator and Representative Read Every Line of the
Proposed Act for Government Banking Herewith Offered.

Its provisions it is believed to be ample for the establishing of permanent, safe Banks, by the Government giving the very best of money, doing equal justice to all gold and silver mine owners of the United States and the Government something to show for its expenditures and banking service ; something more than the backing of a system that does not give the least security to the people who leave their money on deposit with them—the National Banks—they being no safer than a private individual Bank except only to the bill-holder ; this decade alone having furnished conspicuous proof of the unreliableness of all Bank systems in the many failures, entailing immense losses to depositors and everybody else in the disturbances, uneasiness and the shrinkage of all property in value that can and should be stopped. The 54th Congress cannot afford to let their opportunity go by without enacting this proposition into a law. This should be a special work by each one, the President signing, each and all doing the most glorious, progressive act of the century, enabling this nation to begin the coming century free from debt, or nearly so ; and in shape to enter upon other equally meritorious progressive work in the making of improvements to the great waterways that it is possible to do at cost for the cheapening of transportation within the Government's domain as also the Nicaragua Interocean canal. The adoption and the doing of these things will put this nation in the lead of all others financially, socially and politically in the near future ; besides the Congress the honor of creating a new department to have charge of the building of business houses for the Banks, Postoffices and rapid message services, and the uniqueness of selecting the author of the Act as its chief, who would be of great service on the executive committee and the arbitrating committees of which every member of this and all future Congresses are to act, each one's salary being increased to correspond to the services to be performed ; provision being made in the bill for the Transition, for the 54th, 55th and 56th Congresses, the 54th ending till December, 1897. Let some member introduce, have it read and ordered to a second reading and printed, each and every one seeing that the newspaper publishers of his State and district get a copy, that they can acquaint their constituents of the proposed law, each publisher copying from some other paper if perchance they do not receive a copy. Political preferences laid aside for the time, all will go well. And while this banking business will cost the Government some money, it will be but a bagatelle of its worth to it in a short time, less by far than the gift of \$350,000,000 to start the National system. The National Banks will get a better thing than they now have, in the end, they having about four years to make the change in and get one-half their notes redeemed for them in the new paper money that will, after the plates are prepared, cost but the paper and press work. Keep this Circular.