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The National Bank Acts of 1863 and 1935 played significant roles in shaping the United States' banking system, promoting economic stability, and establishing a national currency. The US government started issuing its own bank notes in 1864 with the help of the National Bank Act. This act was passed to create a national banking system, finance the Civil War, and establish a new currency. The act created a system where national banks could issue their own notes, backed by government bonds. However, this system had its limitations, as most of the money circulated in the East, leaving other parts of the country with limited access to funds. The National Bank Act of 1863 and its companion act in 1864 were pivotal pieces of legislation that aimed to establish a unified banking system across the United States. The first national currency attempt emerged during the Civil War with the Legal Tender Act of 1862, which allowed \$150 million in greenbacks and mandated paper money over gold and silver coins. The bills were only backed by government promises, relying on public trust and specie exchangeability for value. The Second and Third Legal Tender Acts expanded this limit to \$450 million. The National Bank Act created a single national currency, bank chartering system, and raised funds for the Union war effort. The Federal Reserve Act of 1913 marked a significant shift in the US banking system, enabling national banks and introducing a plan for a national currency backed by government securities. This act allowed for stricter regulation, higher capital requirements, and limited loan capacity to national banks. State banks faced substantial taxes to discourage competition, leading most to either adopt national charters or close by 1865. The National Banking Acts played a pivotal role in shaping the U.S. banking system and economy by establishing the federal-state dual structure that defines it today. These acts also led to significant changes in how banks operate, including the creation of demand deposit accounts and an increase in national banks, which substantially expanded the number of banking institutions. Today, the Comptroller of the Currency continues to have a profound impact on the U.S. economy, overseeing national banks as well as certain bank subsidiaries under the Gramm-Leach-Bliley Act of 1999. However, some critics argue that the resulting lack of oversight and regulation contributed to the late-2000s recession, the bailout of the U.S. financial system, and the subprime mortgage crisis. Historical records suggest that the National Banking Acts have had far-reaching consequences for the U.S. banking system, including the creation of new banking institutions and significant changes in how banks operate. Given article text [here](#)

What was the national banking act of 1863. What did the national bank act of 1863 do quizlet. What did the national banking act of 1863 set up.