1. (1) The Treasury may, subject to the provisions of this Act, issue currency notes for one pound and for ten shillings, and those notes shall be current in the United Kingdom in the same manner and to the same extent and as fully as sovereigns are current and shall be legal tender in the United Kingdom for the payment of any amount.

(2) [Form and design]

(3) The holder of a currency note shall be entitled to obtain on demand, during office hours at The Bank of England, payment for the note at its face value in gold coin which is for the time being legal tender in the United Kingdom.

(4) The Treasury may, subject to such conditions as to time, manner, and order of presentation as they think fit, call in any currency notes under this Act on paying for them notes at their face value in gold.

(5) [Currency notes subject to Forgery, Larceny, Stealing and Truck acts, as to current coin of the realm]
(6) For the purpose of meeting immediate exigencies all postal orders issued either before or after the passing of this
Act shall temporarily be current and legal tender in the
United Kingdom in the same manner and to the same
extent and as fully as current coin, and shall be
legal tender in the United Kingdom for the payment
of any amount.

The holder of any such postal order shall be
entitled to obtain on demand, during office hours
at the Bank of England, payment for the postal order
at its face value in any coin which is for the
time being legal tender in the United Kingdom for
the amount of the note.

[Post Office Act, 1908, Section 24, (6) and (8), do not apply]

This subsection shall have effect only until His
Majesty by proclamation revokes the same, and any
proclamation revoking this subsection may provide
for the calling in or the exchange of any postal
orders affected thereby.

2. Currency notes may be issued to such persons
and in such manner as the Treasury direct, but
the amount of any notes issued to any person shall
by virtue of this Act and without registration or
further assurance, be a floating charge in priority
to all other charges, whether under statute or otherwise,
on the assets of that person.

1. Revoked by Proclamation, February 3, 1915.
3. The governor and company of the Bank of England and any persons concerned in the management of any Scottish or Irish bank of issue may, so far as temporarily authorized by the Treasury and subject to any conditions attached to that authority, issue notes in excess of any limit fixed by law; and those persons are hereby indemnified, freed and discharged from any liability, penal or civil, in respect of any issue of notes beyond the amount fixed by law which has been made by them since the first day of August nineteen hundred and fourteen in pursuance of any authority of the Treasury or of any letter from the Chancellor of the Exchequer, and any proceedings taken to enforce any such liability shall be void.

4. Any bank notes issued by a bank of issue in Scotland or Ireland shall be legal tender for a payment of any amount in Scotland or Ireland respectively, and any such bank of issue shall not be under any obligation to pay its notes on demand except at the head office of the bank, and may pay its notes, if thought fit, in currency notes issued under this Act:

Provided that notes which are legal tender under this section shall not be legal tender for any payment by the head office of the bank by whom they are issued for the purpose of the payment of notes issues by that bank.

This section shall have effect only until His Majesty, by proclamation revoked the same, and any proclamation revoking this section may provide for the calling in or exchange of notes affected thereby.
5. (1) In this Act, the expression "bank of issue" means any bank having power for the time being to issue bank notes.

(2) [Short title, as above]

(3) [Applies to Isle of Man, but not to any other British possession]

Paper issued by the Treasury on August 27, 1914, relating to the issue of currency notes.

The following are the arrangements made in accordance with the provisions of the Currency and Bank Notes Act, 1914, for placing currency notes at the disposal of the banks for meeting exceptional demands.

(1) England and Wales.

Currency notes are issued through the Bank of England to bankers as and when required up to a maximum limit not exceeding, in the case of any bank, 20 per cent. of its liabilities on deposit and current accounts.

The amount of notes issued to each bank is treated as an advance by the Treasury to that bank bearing interest from day to day at the current Bank rate, the security for the Treasury advance consisting of a floating charge on the assets of the bank up to the amount of the notes issued. The bank is permitted to repay the whole or any part of any advance at any time. Any amount repaid can be renewed if and when nec-
escity arises, provided that the total amount outstanding at any one time does not exceed the authorised percentage of the bank's liabilities.

Any sums received by the Bank of England in repayment of advances are either applied forthwith to cancelling any currency notes which have been returned from circulation and are for the time being in the hands of the Bank of England, or, in so far as any such sums may exceed the amount of currency notes returned from circulation in the hands of the Bank of England at the time of receipt, are carried to a separate account in the Books of the Bank of England and applied to the cancellation of notes as and when they return from circulation.

In order to give the banks the advantage of the credit allowed under this arrangement, even though actual currency may not be required, it is proposed by the amending Bill to take power to issue certificates in lieu of actual notes.

The effect of the issue of these certificates will be that the banks will be able to obtain credits with the Bank of England on the same terms as currency notes, and the expense of printing and handling notes will be avoided except in so far as the notes may be required for actual circulation.

(2) Scotland and Ireland.

The arrangement in England and Wales applies generally to Scotland and Ireland; but in the case of banks of issue in Scotland and Ireland currency notes, instead of being issued to the public, are used as cover for the banks' own notes. This arrangement has in practice the effect of
enabling the Scottish and Irish banks of issue to exceed the normal limits of issue of fiduciary notes so long as such excess issues are covered by currency notes.

The new certificates will also be available for the purpose of cover for those issues.

[Provision for publication of returns each Friday]
If on the presentation for payment of a bill of exchange, other than a cheque or bill on demand, which has been accepted before the beginning of the fourth day of August, nineteen hundred and fourteen, the acceptor re-accepts the bill by a Declaration on the face of the bill in the form set out hereunder, that bill shall, for all purposes, including the liability of any drawer or indorser or any party thereto, be deemed to be due and be payable on a date one calendar month after the date of issue, original maturity, and to be a bill for the original amount thereof increased by the amount of interest thereon calculated from the date of re-acceptance to the new date of payment at the Bank of England rate current on the date of the re-acceptance of the bill.

Form: Re-accepted under Proclamation for £...

(insert increased sum)

Signature: ____________________________

Date: _______________
The Chancellor of the Exchequer has for several days past been in close and constant consultation with the Governor of the Bank of England, the bankers, the accepting houses and the principal traders for the purpose of providing the country with all the banking facilities it needs in the present emergency. We are now able to announce that the Chancellor of the Exchequer has completed arrangements with the Bank of England for terminating the present deadlock in the money market, and for enabling the trade and commerce of the country to resume its normal course. The greatest difficulty arose from the stoppage of remittances to London both from the provinces and from other countries, not only in Europe, but in all parts of the world. This caused a breakdown in the foreign exchanges and deterred bankers from discounting bills in the normal way. To overcome this difficulty as well as that of providing traders in this country with all the banking facilities they need, the Government have now agreed to guarantee the Bank of England from any loss it may incur in discounting bills of exchange either home or foreign, bank or trade, accepted prior to August 4, 1914. Accordingly we are authorised to make the following announcement:—

"The Bank of England are prepared on the application of the holder of any approved bill of exchange accepted before the 4th day of August, 1914, to discount at any time before its due date at Bank rate without recourse to such holder, and upon its maturity the Bank of England will, in order to assist the resumption of normal business operations, give the acceptor the opportunity until further notice of postponing payment, interest being payable in the meantime at 2 per cent. over Bank rate varying. Arrangements will be made to carry this scheme into effect so
as to preserve all existing obligations.

"The Bank of England will be prepared for this purpose to approve such bills of exchange as are customarily discounted by them, and also good trade bills and the acceptances of such foreign and colonial firms and bank agencies as are established in Great Britain."

E C

(Record of Arrangement between the Treasury and the Bank of England, dated August 27, 1914. Expanding D)

1. The Bank of England will, upon the application of the holder of any approved bill of exchange before August 4, 1914, discount such bill at any time before its due date at Bank rate without recourse to such holder.

   (In the case of date bills, the acceptance, if undated, may be deemed to have been given in course of post from the date on which the bills were drawn.)

2. It will be for the Bank of England to decide in any particular case whether a bill is to be approved, but the Bank will be prepared to approve such bills of exchange as are customarily discounted by them, and also good trade bills and the acceptances of such foreign and colonial firms and bank agencies as are established in Great Britain.
3. Upon the maturity of any bill so discounted the Bank of England will give the acceptor the opportunity of postponing payment pending further notice, interest being payable in the meantime at 2 per cent. over Bank rate varying.

4. The date at which such further notice shall be given shall be determined by the Bank after consultation with the Treasury.

5. Arrangements will be made for preserving all existing obligations, so far as possible, in respect of bills discounted.

6. The Bank of England are to be indemnified for any action taken by them in the matter, and to be guaranteed by the Treasury against any loss which may be incurred by the Bank as the result of their operations.

7. Such loss is to be calculated in accordance with an account to be kept in the following form:

<table>
<thead>
<tr>
<th>Amount of approved bills discounted at Bank rate, payment of which has been postponed</th>
<th>Amount realized by the Bank in respect of approved bills, payment of which has been postponed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net deficiency</td>
<td>Interest received at 2 per cent. (above bank rate carrying) in respect of approved bills, payment of which has been postponed, less allowance to the Bank for interest (at 1 per cent. below Bank rate varying) and expenses (one-half per cent.)</td>
</tr>
</tbody>
</table>

8. The Chancellor of the Exchequer has undertaken to ask Parliament to pass the legislation necessary for giving statutory authority for this scheme, and for charging against the Exchequer the amount of the ultimate loss which may be incurred by the Bank in varying it into effect.
Appendix II  

French Law of August 5, 1914, Suspending Specie Payments

Art. 1. The amount of note issued by the Bank of France and its branches, fixed at the maximum of six milliards eight hundred millions (6,800,000,000) (Law of December 29, 1911) is raised provisionally to twelve milliards. It will be possible to raise this limit by a Decree made by the Conseil d'Etat on a proposal from the Minister of Finance.

Art. 2. The limit of the Bank of Algeria was raised from 300,000,000 to 400,000,000, and denominations of 5 francs were authorized.

Art. 3. Until otherwise ordered by law, the Bank of France and the Bank of Algeria are relieved from the obligation to redeem their notes in specie.

Art. 4. Approves agreements made between the Minister of Finance and the Governor of the Bank of France and the Director General of the Bank of Algeria.

Suspension of specie payments by colonial banks was authorized on August 4, 1914. See Palloz: Guerre de 1914, Documents Officiels, Vol. I., from which the French laws and Decrees were taken.
On July 29, 1914, the first moratorium was decreed. Obligations entered into before August 13, 1914, and falling due after that date or before August 15, 1914, is postponed 30 days.

On August 2, 1914, the above decree was applied to deposits in banks and institutions of credit: if less than 250 fr. the whole could be drawn; if more than that sum, only 5 fr. cent. of the excess, in addition to 250 fr.; commercial or industrial employers of labor could draw the whole for wages; and the decree was applied to savings and insurance contracts.

These two early decrees were completed by that of August 9, 1914, which follows.

End of Gal 143
For all negotiable instruments falling due after July 31, 1914, inclusively, or maturing before September 1, 1914, the rate of payment is delayed thirty days, on condition that they were underwritten previous to August 4, 1914.

The negotiable instruments in the view of the present article are: bills of exchange; notes to order, or to bearer; checks, with the exception of those presented by the drawer himself; orders and warrants.

Not falling under the application of the present article are negotiable instruments issued upon the public Treasury.

Art. 2. [Applies to commitments for notes, entered into before August 4, 1914.]

Art. 3. [Applies likewise to advances on movable.]

Art. 4. [Applies to demands for deposits, except up to 250 francs, plus 5 per cent. on; not to demands for paying labor; not to those whose establishments have been requisitions.]

Art. 5. The postponement of thirty days dating from August 1, 1914, is applicable to the redemption of obligations or contracts of insurance, of capitalization or savings for fixed terms, or those stipulated to be redeemable at the will of the owner or bearer.

[A new moratorium of thirty days additional to the above was decreed August 29, 1914, and again September 27, 1914.]
On August 10, 1914, all prescriptions and limitations, civil, commercial, or administrative were suspended until the end of the war. They were further treated by the decree of December 16, 1914, and modified by that of May 12, 1915.

The main moratorium of August 9 was given more in detail on August 29, 1914, and extended until October 1, 1914. On the same day a decree suspended payments on obligations of departments, communes, etc., until the end of the war.

From time to time the moratorium was extended by many decrees as follows:
- September 27, 1914, 30 days to November 1, 1914.
- October 27
- December 15
- February 25, 1915
- April 15
- June 24
- October 16
- December 28, 1915
- March 18, 1916
- June 24
- September 20

Out of a total of 4,480 millions of French francs (from which should be deducted the Bank of France) (from which should be deducted the amount remaining December 14, 1916, was only 1,346 millions. Successful efforts had made to have posthumous debts paid up, and in December, 1916, practically no delay was granted unless good cause could be shown to a magistrate. Thereafter moratorium: decrees ceased.
Decree of September 27, 1914, Concerning Transactions in Securities

art. 1. Provisionally suspended are all demands for payment and all judicial actions relative to the sale and purchase in the period previous to August 4, 1914, of rents, public securities, and other transferable instruments, as well as the dealings for carrying them forward.

The sums due by reason of these sales, purchases, and carrying charges should be increased by interest for the time of postponement at the rate of 5 per cent. per annum.

[This decree was modified by that of September 14, 1915, which brought pressure on all not under the colors or in occupied territory to make payment of 10 per cent. of difference due in settlements, and 6 per cent. on delayed payments.]
On July 3, 1915, the sending out, or re-exportation, under any customs rule, of gold in bullion, ingots, bars, powder, articles, or coin was forbidden by decree. This prohibition, however, did not apply to exportations by the Bank of France.

August 26, 1915, silver coins were included.
§ 1. The right of issuing notes can be conferred only by 
an Act of the Empire; nor can any issues be extended 
beyond the amount fixed by the present Act except by a 
similar Act. If the Bank notes issued according to this 
Act are assimilated the State paper notes which have been 
transferred to a bank with a view to increase its working 
capital.

§ 2. No one can be forced to accept bank notes [orders 
for payments which by law must be paid in money; nor 
can the officer of the Empire be obliged to receive bank 
notes in payment of any dues of a State (landseiden)].

§ 3. Bank notes are to be issued only in denominations of 
100, 200, 500 and 1000 marks, or in multiples of 1000 marks.

§ 4. Every bank is bound to redeem its notes on presentation at 
their full nominal value. Banks are also bound to accept 
their notes at their full nominal value in payments, and 
that not only at the central establishment, but at all the 
branch offices. [must return mutilated notes]

§ 5. [soiled or damaged notes not to be issued]

§ 6. The calling in and withdrawal of the notes of a bank, 
or of any kind of bank-notes, can only take place with 
the explicit permission, or by order of the Federal Council. 
[order granted in case of soiled notes, loss of right to issue as 
for severely, Council To prescribe a time and regulations for 
the security of note-holders]

1. The German text is given by Bezold, Gesetzgebung des 
Deutschen Reiches, 2. Theil, I, pp. 255-381. A transla-
tion in English by E. Seidt was published in the Journal of the 
Statistical Society, 1875, pp. 261-279; and later another was 
The last document also reprints the Statute of May 21, 1875, 
The law of June 7, 1899, and the law of June 1, 1909.

In view of the difficulty of access by most readers 
To the set of documents above mentioned, it was thought 
worth while to present here with the Original Bank Act, so 
that the relation of recent war legislation to it might be 
conveniently studied.
§7. No bank issuing notes has power—(1) to accept bills of exchange; (2) to buy or sell on time, either for its own account or for account of others, merchandise or negotiable change securities, or undertake to guarantee the fulfilment of such transactions.

§8. Banks issuing notes are obliged to publish in the Reichsbanker at their own expense: (1) a statement of their assets and liabilities on the 7th, 15th, 23rd and last day of each month, not later than the fifth day following these dates. (2) An exact balance sheet of assets and liabilities, as well as the profit and loss account of the year, to be published not later than three months after the close of their business year. The weekly publication must specify the following amounts: 1) Under the head of liabilities: the subscribed capital; the surplus; notes in circulation; other demand liabilities; liabilities at notice; remaining liabilities. 2) Under the head of assets: the stock of coin and bullion (i.e., German current coin, gold in bars or foreign coin, at the rate of 1392, marks to the pound); imperial coin; Treasury notes [Reichsbankerscheine]; notes of other banks; bills of exchange; Lombard advances [i.e., advances on pledges]; securities; remaining assets. The Federal Council will decide which part of the assets and liabilities in the year's balance sheet are to be specially shown. Both returns must specify the contingent liabilities when inland bills of exchange which have passed into other hands.
§ 9. Banks whose circulation exceeds their amount of cash, and the amount assigned to them in the subjoined list, must pay yearly to the Imperial Treasury on the excess a tax of 5 per cent. after January 1, 1876. In calculating the tax the following items are to be reckoned as cash: current German money, Imperial Treasury notes [Reichskassenscheine], notes of other German banks, and gold bars or foreign gold coins calculated at the rate of 1392 marks to the pound. If a bank lose the right of issuing notes (§ 49), it is shown in the right of issue of uncurrend notes not subject to taxation falls to the Reichsbank.

§ 10. For the purpose of computing the amount of the tax, the administration of the bank has to make out a statement on the 7th, 15th, 23rd, and the last day of each month of the cash and notes outstanding of the bank, and submit this statement to the Imperial Chancellor. At the close of every year the controlling authorities will, upon the basis of these statements, fix the amount of tax to be paid by each bank, as follows: 5 per cent. of the surplus of uncurrend notes subject to the tax, as fixed in each of the different statements, is to be calculated as part of the tax, and the total of these separate tax debits is the amount of tax which the bank has to pay to the Imperial Treasury at the latest on the 31st of January of the year following.

§ 11. [Foreign bank notes or obligations issued to bearer, not acceptable means of payment, even of issued in the standard 1876 by the Empire or a German State.]

2. By act of June 1, 1909, "German money" was changed to "German gold coins."
§ 12. Under the control and direction of the Empire, a Bank will be established, bearing the name of "Reichsbank," which possesses the quality of a legal person, and the function of regulating the monetary circulation in the whole of the German Empire, facilitating the settlement of payments, and putting available capital into effective use. The Reichsbank has its head office in Berlin. It is authorized to establish branches in any place in the Empire. The Federal Council may order the establishment of such branches in designated places.

§ 13. The Reichsbank is empowered to transact the following kinds of business:
1. To buy and sell gold and silver coin and bullion.
2. To discount, buy, and sell bills of exchange, whose maturity does not exceed three months and which are guaranteed usually by three, but at least by two, solvent persons; also obligations of the Empire or any German State, or domestic municipal corporations, which are redeemable at their face value at the latest in three months.
3. To make loans bearing interest for not longer than three months against the pledge of transferable property (Lombards), as follows:
   a) Gold and silver, coined or uncrowned,
   b) Obligations of the Empire, of a German State, or of a domestic municipal corporation, payable to bearer, which bear interest or fall due within three months; or obligations bearing interest, payable to bearer, whose interest is guaranteed by the Empire or a German State; fully paid shares, preference shares.
prior-iene bonds of German railway companies whose lines are in active operation; mortgage bonds of German joint-stock banks or cooperative mortgage banks, standing under the control of provincial, municipal, or any other state authority, at a valuation of not over three-fourths of their market value;

c) Foreign obligations, bearing interest, payable to bearer, and foreign prior-lien railway obligations having a state guaranty, at not over 50 per cent of their market value;

d) Bills of exchange, endorsed by persons of recognized standing, at a margin of at least 5 per cent, below their market value;

e) Pledges of merchandise stored within the country, at not over two-thirds of their value;

4. To buy and sell securities under the conditions stated in 3. b); the instruction of the Direktorium of the Reichsbank (§ 23) determines what proportion of the working capital shall be invested in such securities.

5. To collect funds for the account of private persons, establishments, or officials; to make payments when funds in hand; and to provide checks or drafts on their or their branches or correspondents.

6. To buy, for outside account securities of any kind, or the precious metals, from funds in hand, and to sell them on due delivery.

7. To accept money, yielding interest or not, on account of deposits or for transfer account (giving value) the total interest-bearing deposits not to exceed the capital and surplus of the bank.
§ 14. The Reichsbank is obliged to exchange its notes for gold bullion at the fixed rate of 13.92 marks for a pound. The bank is entitled to have such gold assayed by experts appointed by itself at the expense of the one presenting it.

§ 15. The Reichsbank must publish the rate at which it discounts (§ 13.2) or makes an advance or interest (§ 13.3). [Returns for each week are based on the records of the bank and its branches.]

§ 16. The Reichsbank has the right to issue bank-notes according to the needs of its business. [Fabrication, emission, withdrawal, and destruction of notes is under the Imperial Debt Commission of the Empire.]

§ 17. The Reichsbank is obliged to hold in its vaults as cover at least one-third of the amount of its notes outstanding in current German money, Imperial Treasury notes (Reichs-Ausser-Scheine), gold bars or foreign coins, reckoned at 13.92 marks to the pound; and in bonds as cover for the rest of discounted bills of exchange which have a maturity of not over three months and for which as a rule there is at the bank, two persons of known solvency and guarantee.
§ 18. The Reichsbank is obliged to redeem its notes in current German money to bearer (a) at its head office on presentation, (b) at its branches, so far as its means and the need of money permits.

§ 19. The Reichsbank is obliged to receive, at their full face value, the notes of the banks designated by the Imperial Chancellor according to the instructions in § 45 of this Act, not only in Berlin, but also at its branches in cities having more than 80,000 inhabitants, or at the site of the bank which has issued the notes, so long as the issuing bank strictly obeys the rules for the redemption of its notes. The bank-notes thus received must either be presented for redemption, or in payments to the bank itself, or used for payments in the places where the bank has its head office.

The Reichsbank is empowered to make agreements with other German banks regarding the renouncing of their right to issue notes.

§ 20. If the debtor on a Lombard loan (§ 13. 3) should default, the Reichsbank is authorized, without an order of the Court, to sell publicly the collateral through one of its officials or through an official duly qualified as an auctioneer; or should the collateral be quoted on the Bourse or market, the sale may be made privately through an official, or a broker, or, in the latter, by the latter, by a duly qualified auctioneer, at the ruling price, and from the proceeds to reimburse itself for the principal, interest and expenses.
The bank retains this right also for other debts and
the assets of the debtor.
§ 21. The Reichsbank and its branches throughout
the Empire are exempt from duties and income taxes.

§ 22. The Reichsbank is obliged, for its own
charge, to receive payments for the account of the Empire, and to
make payments to the full extent of the funds of the
Empire, if it is empowered to undertake the same business
for the German States.

§ 23. The capital of the Reichsbank consists of 120
million marks, divided into 40,000 shares of 3,000
marks each, registered in the names of the owners.
The shareholders are not held personally liable for
the liabilities of the Reichsbank.

§ 24. The earnings of the Reichsbank at the end of
the year are to be thus disposed of:
1. First, a regular dividend to the shareholders of
4½ per cent. reckoned on the capital;
2. From the residue a sum of 20 per cent. to be
encumbered in a reserve fund [Surplus] until it
has reached one-fourth of the capital.
3. Of any remaining balance one-half is to be
paid to the Imperial Treasury, and one-half to
the shareholders, provided the total dividend to
the shareholders does not exceed eight per cent.
From any remainder, the shareholders receive one
quarter, the Imperial Treasury three-quarters.

1 By the Statute of May 21, 1875, and by the Act
of June 7, 1899, an additional capital of 60,000,000
marks was added.
2. By the Act of June 7, 1899, the regular dividend was
changed to 3½ per cent.
Should the net earnings not amount to 4½ per cent of the capital, the deficiency is to be made up from the surplus of the Reichsbank. If the shares are issued at a premium, the gain goes to the surplus.

Postponed dividends after running four years, dating from the day of maturity, become outlined in favor of the Bank.

§ 25. The control over the Reichsbank vested in the Empire will be exercised by a Bank-Kuratorium which consists of the Imperial Chancellor as Chairman and four members. One of these members is named by the Emperor, the three others by the Federal Council.

The Kuratorium meets once a quarter. At these meetings a report upon the condition of the Bank and all matters relating thereto, and a general statement of the accounts of all operations, and the regulations pertaining thereto, shall be submitted.

§ 26. The direction of the Bank vested in the Empire will be exercised by the Imperial Chancellor, and under him by the Directorium of the Reichsbank; in case the Imperial Chancellor is prevented from exercising this duty, the direction will be taken over by a substitute named by the Emperor.

The Imperial Chancellor directs the whole administration of the Bank, in accordance with the provisions, unconditionally, and in favor of the Bank, free from any right of prescription.
of this act and of those to be annexed thereunder (§ 40). He publishes the regulations for the conduct of business by the Directorium and the branches, as well as the instructions for the officers of the Bank; and he is empowered to make any desired changes in existing regulations and instructions.

§ 27. The Directorium is the administrative and executive authority by which the Reichsbank is officially represented. It consists of a president and a certain number of members; it reaches its decisions by a majority vote, and in its administration it is entirely subject to the instructions and directions of the Imperial Chancellor. The president and members of the Directorium of the Reichsbank are appointed for life by the Kaiser on the nomination of the Federal Council.

§ 28. [Officials of the bank are imperial functionaries: the Directorium] Salaries, pensions, re, etc. to be borne by the Bank; salaries, etc., are fixed by the imperial budget; of others by the Emperor with the agreement of the Federal Council, on the advice of the Chancellor. No official to hold shares.

§ 29. [Accounts are submitted to the Court of Accounts, or Rechnungshof, of the Empire. Their form to be determined by the Chancellor, but the Court of Accounts to be consulted as to the directions therefor.]
§ 30. The shareholders have a share in the administration of the Reichsbank through a general assembly, acting through a board of 15 members, consisting of the members of the Central auschuss, chosen out of their ranks, and in accordance with the following rules:

§ 31. The Central auschuss is the permanent representative of the shareholders in matters of administration. It consists of 15 members, and besides of 15 alternates are chosen. The members and alternates should be elected from the list of these shareholders holding at least three shares in their name. All members and alternates must be resident within the Empire, and at least nine members and nine alternates in Berlin. One-third of the members retire annually, but are eligible for re-election.

The Central auschuss meets under the chairmanship of the President of the Directorium at least once a month, and extraordinary meetings can be called. The quorum consists of 7 members; the instructions will determine in what cases and in what order the alternates are to be called.

§ 32. To the Central auschuss will be submitted the condition of each month the weekly statements on discounts, bills of exchange, Lombard; of the note circulation, cash reserves, deficits, purchase and sale of gold, bills, and securities; the distribution of funds to the branches; as well as the results of the regular and special examinations of the cash; as well as the views and proposals of the Directorium concerning
The course of business in general and any needful regulations.

The Central auschuss is especially asked to give its opinion on the following:

a) The balance and earnings, which will be drawn up at the end of the business year by the Directorium, to be laid with their opinion before the Chancellor for his final approval, and then to the shareholders in their regular assembly.

b) Changes in salaries and pensions (§ 26).

c) The filling of vacancies in the Directorium, with the exception of President, before the final decision by the Federal Council (§ 27).

d) The maximum of funds to be loaned on Lombards. The purchase of securities for the account of the Bank cannot be accommodated to the maximum of the bank's funds, which can be employed for this purpose, only with the approval of the Central auschuss.

e) The rate of discount, and that on Lombards; together with changes in the principles and maturities of credit operations.

f) Arrangements with other German banks (§ 19) and the principles to be followed in these relations. General business regulations and instructions to officials are to be communicated to the Central auschuss as soon as they are published (§ 26).
§ 33. The members of the Centralauschuss are not

salaries.

If a member of the Assembly [Aussechuss] betrays

a bank secret (§ 29), which has come to him in

his official position, or has in any other way lost

public confidence, or if through him the interest of

the institution is endangered, the General Assembly is

empowered to sever his connection with it.

A member of the Assembly who has become bank-

rupt, who has been absent from meetings for a

half-year, or has lost his eligibility (§ 31), is to be

regarded as no longer a member.

§ 34. The permanent special control over the management

of the Reichsbank is to be exercised by three deputies,

chosen by the Centralauschuss from the list of its

own members for one year, for whom respectively

3 alternates shall likewise be chosen. The business

regulations shall state in what cases and in what

order the alternates shall be called.

The Deputies are given the special right to attend

all the meetings of the Directorium and join in the

discussions.

They are further empowered and obliged, in the

customary hours of business and in company with a

member of the Directorium, to make themselves ac-

quainted with the course of business, to inspect the

books and the portfolios of the bank, and to be pres-

ent at the regular and special examinations of the

bank. As to their findings they are to report at
The monthly meeting of the Central auschuss.

A deputy may be suspended by the Central auschuss under § 33, paragraph 2, without waiting for the action of the general assembly.

§ 35. Dealing with the Finance Administration & the Empire or of the German States must be carried on only within the restrictions of this Act and the Bank statutes, and, if any transactions should not fall under the general nature of the bank's operations, they must be brought to the attention of the deputies, and, if only one of them objects, they must be laid before the Central auschuss. If the latter in a definitive meeting does not accept them as permissible by a majority vote, the dealings cannot be carried through.

§ 36. Besides the location of the head office of the bank, the Federal Council is to determine the larger places where the chief offices are to be established, which come under the control of a management consisting of at least two members, subordinate to a Bank Commissioner appointed by the Emperor.

For each chief office of the Reichsbank, there are a sufficient number of shareholders. There should be a District [Bezirk] Committee whose number of members are chosen by the Imperial Chancellor, furnished by the Bank Commissioner and the Central auschuss, and whose residence must be in the place of the chief office or in its immediate neighborhood.
To this Committee will be communicated at its regular
monthly meetings the reports on the business of the
chief officers of the Bank and the general regulations
issued by the Central Administration. Proposals or
motions upon the District Committee which are
not approved by the management are to be presented by
the latter to the Chancellor in a report.

The permanent special control over the business of the
chief officers of the Bank, according to the regulations
in § 34, so far as it does not interfere with the
daily course of business, is to be exercised by two
or three deputies, chosen from its own membership
by the District Committee; or, if there is no
District Committee, to be appointed by the Chancellor
according to paragraph 2.

§ 37 The establishment of branches elsewhere,
if they are directly under the control of the Direc-
torium (Reichsbank Stellen) is in the hands of the Chancellor;
if they are under the control of another branch [Zweig-
anstalt], in the hands of the Directorium.

The Bank is responsible for the
§ 38 [Signatures of Those acting for the Bank - even
if specially authorized, must be made by two members of
The Directorium. Suits must be brought against anyone
of the officers of the Bank in the place where it is situated]
§ 39. Every official in the administration of the Bank, member of a committee, or deputy, are obliged to keep silence regarding any individual transaction of the bank, especially that with private persons and the credit awarded to them. Deputies of the Central banks and their alternates, as well as the officials of the chief offices of the Reichsbank, before entering on their duties, must bind themselves to this observance by a clause of the hand instead of an oath.

§ 40. The Statutes, according to §§ 12-39, should be published, concerning technical details of contracts, transfers, cancellation, dividends, yearly balance sheet, meetings, voting (no one person having over 100 votes), elections of committees, public announcements, liquidation of the bank (§ 41), collection of original capital, and conditions of sale and purchase of securities.

§ 41. The Empire has the right, on January 1, 1871, and at every ten years thereafter, on one year's previous notice, by imperial decree, in agreement with the Federal Council, delivered by the Chancellor to the President, and by it to publish in order to abolish the Reichsbank established by this Act and to acquire the real estate of the same at its value on the books of the bank, or by acquire all the shares of the Reichsbank at their face value.

In both cases, the remaining surplus, not required to cover losses, given one-half to the shareholders, and the other half to the Empire.
For the extension of the term, according to the intent of the first paragraph, the approval of the Reichstag is necessary.

Title III - Private Note-Banks

§ 42. [Banks already having the right to issue notes are confined to business within the State which granted the right]

§ 43. [Notes of such banks not receivable in other States]

§ 44. [Banks are freed from § 43 if they fulfill by January 1, 1876, the following conditions: (1) to invest by January 1, 1877, not to exceed one-half their capital and surplus in business described in § 13, 1-4, (especially 4) and publish its rates on discounts and discounts 5
to set aside 20 per cent. from profits above 4½ per cent. until surplus reaches one-fourth of capital; (3) to keep the same cover for its notes as the Reichsbank (one-third cash, two-thirds commercial paper); (4) to redeem its notes in Berlin or Frankfurt; (5) to accept all other privileged banks' notes at par; (6) not to object to right of issue granted to other banks; nor if its notes are refused at public offices; (7) to have its right of issue terminated by the Federal Council, as in § 41, without compensation, to provide for uniformity of issues.

Banks fulfilling the above conditions may, with the consent of the Federal Council, be freed from § 42. If their notes do not exceed their capital, banks are freed from condition (2), and so business in the whole Empire. The Federal Council may mitigate condition (2).]
§ 45. [Banks wishing to comply with § 44 must prove: (1) That Their statutes comply; (2) That the redemption offices have been established. Then the Chancellor will publicly announce their acceptance.]

§ 46. [This act is to be regarded as notice of termination, in case the right to issue may be stopped. Statutes are hereby repealed which make the right dependent on the note-issues of the Transession Bank.]

§ 47. Any change in the fundamental law, the statutes, or privileges of a bank, which already possesses the right to issue notes, must, so long as this authority exists, be submitted to the approval of the Federal Council, if it concerns the capital, the surplus, its field of business, or the continuance of its outstanding notes, or the duration of its privilege to issue notes. Directions and concessions of the statutes, which limit a bank's operations regarding discounts, Lombards, securities and deposits, and which are not contained in this act, are not prohibited.

The approval of the request for the additional requirement is to be obtained through the government of the State concerned; but it must be refused, if the Bank has not complied with the provisions of § 44.

[The Bavarian Government is empowered to extend the issues of the Bavarian Note-Bank to the maximum of 70,000,000 marks; or it can reduce this authority or any other bank, if it complies with § 44]
§ 48. [The Chancellor is given authority to examine the books and cash, of banks, having the right to issue notes, at any time, to ascertain if it is complying with the law, in §§ 42 and 43, and as to the accuracy of the statements of the reports on which taxation is based (§ 10). The rights of control by the several States is not interfered with.]

§ 49. [The right of issue is lost by (1) the close of the period for which it was granted; (2) renouncing the right; (3) bankruptcy; (4) verdict of a court; (5) The regulations of a State]

§ 50. [The right of issue can be taken away by a Court on the suit of the Chancellor or a German State, if (1) the rules as to content of the notes have been violated; (2) §§ 42 and 43 have been followed, in the period before the Chancellor's publication in § 45; (3) redemption has not been strictly carried out; (4) capital has been impaired by one-third. Such suits come under the commercial provisions of the Imperial Code of laws. The verdict must order the withdrawal of all notes in circulation.]

§§ 51, 52, 53 [Details for carrying out the judgment of the Court.]

§ 54. [Corporations, not being banks, but having the right to issue notes, bonds or obligations, without interest, pay able to become, much conform to the conditions in §§ 2-6, § 43, and § 47, so long as they have paper money in circulation]
§§ 58-59. [Relate to penalties for violation of the Debt]

V. Conclusion

§ 60. [§§ 6, 42, 43 and penal clause of §56 and 58, come into force January 1, 1876]

§ 61. [Details arrangement by which the Prussian Bank is ceded to the Empire and merged into the Reichsbank: (1) Prussia withdraws the capital (1,706,800 marks) and one-half the surplus, and cedes its rights on following conditions: (2) Empire to pay an indemnity of 15 million marks; (3) one share of old, for one of new; (4) return old capital and proportion of surplus to old shareholders; (5) Reichsbank to assume liability for Prussian loan of 16,589,000. The treaty of January 28, 1856; (6) agreement to be made on value of real estate]

§ 62. [Chancellor to put out Treasury notes (Schatzanweisungen) at interest to the amount of shares not issued, to obtain the necessary capital (§ 23)]

§§ 63-66. [These Treasury notes to be prepared by the Prussian Administration of the Debt; the rate of interest to be fixed by the Chancellor; to be redeemed from revenues of the Empire; to be issued through the Imperial Treasury; interest postponed 3 years, or capital payments postponed 30 years, become outdated. Inscription in the commercial register not required of the Reichsbank]

Berlin, March 14, 1875.
Act altering The Bank Act.
August 4, 1914.

§1. §§9 and 10 of the Bank Act are suspended for the Reichsbank.

§2. Satisfactory bills of exchange which are endorsed by the Empire and have a maturity of not over three months, even if they have no other guarantee, meet the requirements of §18, No. 2 and §17 of the Bank Act.

§3. Obligations of the Empire which are payable at far within three months hold the same position, in the meaning of §17 of the Bank Act, as the aforesaid bills of exchange.

§4. [Federal Council to fix the date when this Act goes into effect]

§5. [Act goes into effect when promulgated]
Supplement to Regulations of the Imperial Debt

August 4, 1914.

§ 1. For securing credit to defray the temporary extraordinary expenses of the Empire, and thereby to enhance the ordinary funds of the Imperial Treasury, means of payment may be provided, within the limits of the legal requirements (§ 1 of the Regulation of the Imperial Debt), by the issue of bills of exchange.

§ 2. The bills of exchange shall be drawn, at the order of the Imperial Chancellor, by the administration of the Imperial Debt, with the signature of two of its members. So far as the rules governing bills of exchange so forbid, these bills are governed by the same regulations as those applying to Treasury bills [Schatzanweisungen] in the terms of the Act of February 22, 1904. (R. S. B. p. 66).

§ 3. The bills issued by the Empire are free from the stamp duty on bills.

§ 4. The Federal Council is empowered to fix the date when this law shall no longer be in force.

§ 5. [Act goes into effect when promulgated]
§1. Until further notice the provisions of §9, Sec. 2, Paragraph 2 of the Mint Act of June 1, 1909, (R. B. B. p. 507) are hereby changed so that Imperial Treasury notes [Reichsbanknotes] and Reichsbank notes may be delivered instead of gold coin.

§2. [The Federal Council to fix the date when the original order shall be restored]

§3. [Act in force on promulgation]

1. §9. No one is compelled to accept in payments silver coins to an amount greater than 20 marks, nor nickel or copper coins to a greater amount than 1 mark.

Silver coins will be accepted in any sums by The Treasurer of the Empire or of the Country. The Federal Council designates those officers which will pay on demand, gold coins on presentation of silver coins in sums of not less than 200 marks, or of nickel or copper coins in sums of not less than 50 marks. It also fixes the detailed conditions for the exchange.
§ 1. In Berlin and those places within the Empire, in which there is a branch or agency of the Reichs
Bank, shall be established, wherever necessary, on
The order of the Imperial Chancellor, according
the report of the Committee on Trade and Commerce [Reichsgerichtsbl. p. 340]
for the purpose of making loans on
security to meet the need of credit, especially
in the interest of trade and industry.

Subsidiary branches of the Darlehnskassen may be
established in other than the designated places to aid
in the work of lending and of building up deposits.

§ 2. For the full amount of the loan granted shall
be paid out a special form of money known as "Darlehnskassen scheine". These notes shall be received
at their full face value in payment at all the Imperial
offices as well as at all the public offices of the
States of the Empire; in private transactions they
shall not be a compulsory means of payment.

In the meaning of §§ 137 and 144 of the Bank
Act of March 14, 1875, the Notes of the Loan Bureau stand
on the same footing as the Reichskassen scheine [Em-
perial Treasury notes].

The total amount of the Notes of the Loan Bureau shall not exceed 1,500 million marks. The Imperial Council is empowered
in case of necessity to raise the amount of notes out
of standing.
No notes of Loan Bureaus shall be issued by the management of the Loan Bureaus (§ 13) for which sufficient security, as fixed by § 4 and 6, shall not be provided.

Before their issue, an exact description of the notes shall be made public by the management of the Loan Bureau.

§ 3. The loans can be given for not less than 100 marks, and shall not run for a longer term than three, and only in exceptional circumstances for six months.

§ 4. The security may consist of:

a) The pledge of industrial, agricultural, and mineral products, merchandise, undamaged, and stored within the limits of the Empire, as a rule, for one-half, or in exceptional cases, for two-thirds of their value, according to differences of circumstances and salability.

b) The pledge of securities issued by the Empire, or by the government of a German State, or those conformed to legal requirements issued by corporation, joint-stock companies, or limited partnerships, which are located within the Empire, at a reduction from their current or market price. Paper not running in the name of the bearer must be transferred to the Loan Bureaus.
5. Commodities which are subject to sudden changes of price will be accepted as pledge only if a third solvent person guarantees the payment of the loan.

§ 6. A loan may also be protected by the pledge of claims, which have been entered in the Imperial Debt Register [Reichsschuldbuch] or in that of a German State, at a reduction from the current value determined according to the face value and the rate of interest of the obligations corresponding to the pledged claims.

In case a mortgage on a claim of the sort mentioned in the first paragraph, has been entered on the records in favor of the loan bureau, it is sufficient to have the attestation of two members of the Board of Directors.

As to the attestation, the regulations of § 183 of the code concerning matters of voluntary jurisdiction have like application.
§ 7. If a mortgage to a Loan Bureau has been entered on the records (§ 6), the thereby acquires a right, even if a third person has a claim on it, prior to the rights of that third person; unless the right of the third person had entered at the time of the inscription of the mortgage on the records, or was known at that time to the Bureau; or was not known because of gross negligence.

If the Debtor has delayed meeting the obligation secured by the pledge, the Administration of the Debt Records is thereby empowered and obliged, on a written request of the Loan Bureau, without requiring any proof of the delay, to order an order by the court intervenes which forbids the payment to the Loan Bureau; or unless some right of a third person, or a limitation of the mortgage in favor of the third person has been recorded, which was entered earlier than the pledge in favor of the Loan Bureau.

The Administration of the Records must inform the Loan Bureau of later entries affecting the adequacy of the obligation.

As to the satisfaction of the Loan Bureau regarding the obligations discharged by the Administration of the Records, the regulations of § 10, 11 have corresponding application.

Under gal 1883

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[Handwritten note: to issue obligations payable to bearer to liquidate whole or a corresponding part of the claims;]
§ 8. The rate of interest on a loan granted shall be a rate not to be higher than the published rate at which the Reichsbank buys bills of exchange.

§ 9. The security should suffice for the principal, interest, and expenses; these secondary claims should be deducted from the sum of the loan.

§ 10. If payment is not made at maturity, the loan bureau may sell the security through one of its officials or a broker and reimburse itself out of the proceeds. The loan bureau shall dispose of the security only to the highest bidder in the open market.

§ 11. Also, if the debtor should go into bankruptcy, the loan bureau retains the right to sell the security without an order of the Court. [§ 127, S. 2. of the Bankruptcy Act of May 20, 1898 does not apply]

§ 12. The loan bureaus, as independent institutions with the attributes and rights of a legal person, enjoy freedom from stamps and duties.

§ 13. The Reichsbank assumes the management of the loan bureaus under the direction of the Imperial Chancellor in the interest of the Empire, but quite apart from its other business. The general administration shall be established in Berlin in a special bank department known as the "Hauptverwaltung der Darlehenskassen" according to more detailed directions given by the Imperial Chancellor. In addition, there shall be ap-
points for each Loan Bureau a Special Board of Directors subordinate to the Inspector general to which shall be appointed by the Imperial Chancellor a representative of the Empire as well as members from the commercial or industrial classes. The Imperial Chancellor issues instructions for the conduct of the business of the Loan Bureaus.

§ 14. The opening of the Loan Bureaus is to be brought to general attention over the names of the imperial representative and the members of the Board of Directors through the official journals designated for official notices.

§ 15. Two of the members of the Board of Directors chosen from the commercial or industrial classes shall, in alternate weeks, manage the business of the Loan Bureaus and see that the provisions of this Act are observed.

§ 16. The imperial representative must keep informed of the whole business of the Bureau and has a right of veto upon applications for loans. The determination of the reduction to be made from the current or market price of the securities pledged, within the limits set by the regulations of the business, vests with the imperial representative after receiving the advice of the Board of Directors.
An Act To authorize an issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend credit to foreign governments, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for the purposes of this Act, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law not exceeding in the aggregate $5,000,000,000, exclusive of the sums authorized by section four of this Act, and to issue therefor bonds of the United States.

The bonds herein authorized shall be in such form and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate and time of payment of interest, not exceeding three and one-half per centum per annum, as the Secretary of the Treasury may prescribe. The principal and interest thereof shall be payable in United States gold coin of the present standard of value and shall be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, imposed by authority of the United States, or its possessions, or by any State or local taxing authority; but such bonds shall not bear the circulation privilege.

The bonds herein authorized shall first be offered at not less than par as a popular loan, under such regulations prescribed by the Secretary of the Treasury as will give all citizens of the United States an equal opportunity to participate therein; and any portion of the bonds so offered and not subscribed for may be otherwise disposed of at not less than par by the Secretary of the Treasury; but no commissions shall be allowed or paid on any bonds issued under authority of this Act.

SEC. 2. That for the purpose of more effectually providing for the national security and defense and prosecuting the war by establishing credits in the United States for foreign governments, the Secretary of the Treasury, with the approval of the President, is hereby authorized, on behalf of the United States, to purchase, at par, from such foreign governments then engaged in war with the enemies of the United States, their obligations hereafter issued, bearing the same rate of interest and containing in their essentials the same terms and conditions as those of the United States issued under authority of this Act; to enter into such arrangements as may be necessary; or desirable for establishing such credits and for purchasing such obligations of foreign governments and for the subsequent payment thereof before maturity, but such arrangements shall provide that if any of the bonds of the United States issued and used for the purchase of such foreign obligations shall thereafter be converted into other bonds of the United States bearing a higher rate of interest than three and one-half per centum per annum under the
provisions of section five of this Act, then in and in that event the obligations of such foreign governments held by the United States shall be, by such foreign governments, converted in like manner and extent into obligations bearing the same rate of interest as the bonds of the United States issued under the provisions of section five of this Act. For the purposes of this section there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,000,000,000, or so much thereof as may be necessary: Provided, That the authority granted by this section to the Secretary of the Treasury to purchase bonds from foreign governments, as aforesaid, shall cease upon the termination of the war between the United States and the Imperial German Government.

Sec. 3. That the Secretary of the Treasury, under such terms and conditions as he may prescribe, is hereby authorized to receive on or before maturity payment for any obligations of such foreign governments purchased on behalf of the United States, and to sell at not less than the purchase price any of such obligations and to apply the proceeds thereof, and any payments made by foreign governments on account of their said obligations to the redemption or purchase at not more than par and accrued interest of any bonds of the United States issued under authority of this Act; and if such bonds are not available for this purpose the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest.

Sec. 4. That the Secretary of the Treasury, in his discretion, is hereby authorized to issue the bonds not already issued heretofore authorized by section thirty-nine of the Act approved August fifth, nineteen hundred and nine, entitled "An Act to provide revenue, equalize duties, increase the duties on foreign imports, and for other purposes"; section one hundred and twenty-four of the Act approved June third, nineteen hundred and sixteen, entitled "An Act to provide revenue, equalize duties, increase the duties on foreign imports, and for other purposes"; section one hundred and thirty-nine of the Act approved August fifth, nineteen hundred and nine, entitled "An Act to provide revenue, equalize duties, increase the duties on foreign imports, and for other purposes"; section one hundred and fifty-four of the Act approved March fourth, nineteen hundred and seventeen, entitled "An Act to provide revenue, equalize duties, increase the duties on foreign imports, and for other purposes"; and the public resolution approved March fourth, nineteen hundred and seventeen, entitled "Joint resolution to expedite the delivery of materials, equipment, and munitions and to secure more expeditious construction of ships," in the manner and under the terms and conditions prescribed in section one of this Act.

That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time, in addition to the sum authorized in section one of this Act, such additional amount, not exceeding $63,945,460 as may be necessary to redeem the three per cent loan of nineteen hundred and eight to nineteen hundred and eighteen, maturing August first, nineteen hundred and eighteen, and to issue therefore bonds of the United States in the manner and under the terms and conditions prescribed in section one of this Act.

Sec. 5. That any series of bonds issued under authority of sections one and four of this Act may, under such terms and conditions as the Secretary of the Treasury may prescribe, be convertible into bonds bearing a higher rate of interest than the rate at which the same were issued if any subsequent series of bonds shall be issued at a higher rate of interest before the termination of the war between the United States and the Imperial German Government, the date of such termination to be fixed by proclamation of the President of the United States.

Sec. 6. That in addition to the bonds authorized by sections one and four of this Act, the Secretary of the Treasury is authorized to borrow from time to time, on the credit of the United States, for the purposes of this Act and to meet public expenditures authorized by law, such sum or sums as, in his judgment, may be necessary, and to issue therefor certificates of indebtedness at not less than par in such form and subject to such terms and conditions and at such rate of interest, not exceeding three and one-half per centum per annum, as he may prescribe; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year after the date of its issue, as the Secretary of the Treasury may prescribe. Certificates of indebtedness herein authorized shall not bear the circulation privilege, and the sum of such certificates outstanding shall at no time exceed the aggregate $2,000,000,000, and such certificates shall be exempt, both as to principal and interest, from all taxation, except estate or inheritance taxes, imposed by authority of the United States, or its possessions, or by any State or local taxing authority.

Sec. 7. That the Secretary of the Treasury, in his discretion, is hereby authorized to deposit in such banks and trust companies as he may designate the proceeds of any sale of the bonds and certificates of indebtedness authorized by this Act, or the bonds previously authorized as described in section four of this Act, and such deposits may bear such rate of interest and be subject to such terms and conditions as the Secretary of the Treasury may prescribe: Provided, That the amount so deposited shall not in any case exceed the amount withdrawn from any such bank or trust company and invested in such bonds or certificates of indebtedness plus the amount so invested by such banks and trust companies as is hereby authorized to be invested in such deposits by section one hundred and twenty of the United States, and amendments thereto; and the provisions of section five of the Act approved March fourth, nineteen hundred and seventeen, as amended by the amendments thereof, with respect to national banking associations, shall not apply to any United States in designated deposits.
Sec. 8. That in order to pay all necessary expenses, including rent, connected with any operations under this Act, a sum not exceeding one-twentieth of one per centum of the amount of bonds and one-tenth of one per centum of the amount of certificates of indebtedness herein authorized is hereby appropriated, or as much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated, to be expended as the Secretary of the Treasury may direct: Provided, That, in addition to the reports now required by law, the Secretary of the Treasury shall, on the first Monday in December, nineteen hundred and seventeen, and annually thereafter, transmit to the Congress a detailed statement of all expenditures under this Act.

Approved, April 24, 1917.
§ 17. The profits of the Loan Bureaus, after deducting the expenses of administration, shall be applied to covering any losses and to the future redemption of the notes of the Bureaus. Any possible surplus goes to the Imperial Treasury.

§ 18. The notes of the Loan Bureaus shall be issued in denominations of 5, 10, 20, and 50 marks. The issue of larger denominations of the notes, and the proportions in which the various denominations are to be used, will be determined by the regulations of the Imperial Chancellor. [Under this provision, and by act of August 31, 1914, denominations of 1 and 2 marks were issued]

The notes of the Loan Bureaus shall be issued by the Administration of the Imperial Debt (Reichsschuldenverwaltung), within the maximum limits (§ 2, sec. 3), according to the orders of the Imperial Chancellor given to the Administration in Chief of the Loan Bureaus, which assumes the responsibility for the issue.

The control over the preparation and issue of the notes of the Loan Bureaus is exercised by the Commission on the Imperial Debt.

The Imperial Chancellor is to make public monthly the amount of the notes of the Loan Bureaus outstanding.
§ 19. As soon as the need for a Loan Bureau no longer exists, the Imperial Chancellor is to close it up and make public the fact.

On the return of peace, the notes of the Loan Bureaus, issued by virtue of this Act, shall be withdrawn according to the detailed instructions of the Federal Council.

§ 20 [§§ 146-149, 151, 152, and 260, Numbers 4-6, of the Criminal Code apply to these notes]

§ 21 The advances on securities [loans] granted by the Reichsbank, in the period from August 3, 1914, to The establishment of the Loan Bureaus, on other securities than those mentioned in § 13, No. 3, of the Bank Act [March 14, 1875] are hereby ratified.

§ 22 This law goes into effect on the day of its promulgation.

[Signature]
[Public No. 163—63d Congress.]
[S. 6192.]

An Act To amend section twenty-seven of an Act approved December twenty-third, nineteen hundred and thirteen, and known as the Federal Reserve Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section twenty-seven of the Act approved December twenty-third, nineteen hundred and thirteen, known as the Federal Reserve Act is hereby amended and reenacted to read as follows:

"SEC. 27. The provisions of the Act of May thirtieth, nineteen hundred and eight, authorizing national currency associations, the issue of additional national-bank circulation, and creating a National Monetary Commission, which expires by limitation under the terms of such Act on the thirtieth day of June, nineteen hundred and fourteen, are hereby extended to June thirtieth, nineteen hundred and fifteen, and sections fifty-one hundred and fifty-three, fifty-one hundred and fifty-two, fifty-one hundred and ninety-one, and fifty-two hundred and fourteen of the Revised Statutes of the United States, which were amended by the Act of May thirtieth, nineteen hundred and eight, are hereby reenacted to read as such sections read prior to May thirtieth, nineteen hundred and eight, subject to such amendments or modifications as are prescribed in this Act: Provided, however, That section nine of the Act first referred to in this section is hereby amended so as to change the tax rates fixed in said Act by making the portion applicable thereto read as follows:

"National banking associations having circulating notes secured otherwise than by bonds of the United States, shall pay for the first three months a tax at the rate of three per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-half of one per centum per annum for each month until a tax of six per centum per annum is reached, and thereafter such tax of six per centum per annum upon the average amount of such notes: Provided further, That whenever in his judgment he may deem it desirable, the Secretary of the Treasury shall have power to suspend the limitations imposed by section one and section three of the Act referred to in this section, which prescribe that such additional circulation secured otherwise than by bonds of the United States shall be issued only to National banks having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than forty per centum of the capital stock of such banks, and to suspend also the conditions and limitations of section five of said Act except that no bank shall be permitted to issue circulating notes in excess of one hundred and twenty-five per centum of its unimpaired capital and surplus. He shall require each bank and currency association to maintain on deposit in the Treasury of the United States a sum in gold sufficient in his judgment for the redemption of such notes, but in no event less than
five per centum. He may permit National banks, during the period for which such provisions are suspended, to issue additional circulation under the terms and conditions of the Act referred to as herein amended: Provided further, That the Secretary of the Treasury, in his discretion, is further authorized to extend the benefits of this Act to all qualified State banks and trust companies, which have joined the Federal reserve system, or which may contract to join within fifteen days after the passage of this Act."

Approved, August 4, 1914.
[Public No. 175—63d Congress.]
[H. R. 18292.]

An Act To provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the words "not more than five years old at the time they apply for registry" in section five of the Act entitled "An Act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone," are hereby repealed.

Sec. 2. That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Under like conditions, in like manner, and to like extent the President of the United States is also hereby authorized to suspend the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this Act.

Sec. 3. This Act shall take effect immediately.

Approved, August 18, 1914.