

Col. J. H. ...

AN ACT

TO REDUCE THE CURRENCY AND TO AUTHORIZE A NEW ISSUE OF
NOTES AND BONDS.

The Congress of the Confederate States of America do enact, That the holders of all treasury notes above the denomination of five dollars, not bearing interest, shall be allowed until the first day of April, eighteen hundred and sixty-four, east of the Mississippi river, and until the first day of July, eighteen hundred and sixty-four, west of the Mississippi river, to fund the same; and until the periods and at the places stated, the holders of all such treasury notes shall be allowed to fund the same in registered bonds, payable twenty years after their date, bearing interest at the rate of four per cent. per annum, payable on the first day of January and July of each year.

SEC. 2. The Secretary of the Treasury is hereby authorized to issue the bonds required for the funding provided for in the preceding section, and until the bonds can be prepared he may issue certificates to answer the purpose. Such bonds and certificates shall be receivable, without interest, in payment of all Government dues payable in the year eighteen hundred and sixty-four, except export and import duties.

SEC. 3. That all treasury notes of the denomination of one hundred dollars, not bearing interest, which shall not be presented for funding under the provisions of the first section of this act, shall, from and after the first day of April, eighteen hundred and sixty-four, east of the Mississippi river, and the first day of July, eighteen hundred and sixty-four, west of the Mississippi river, cease to be receivable in the payment of public dues, and said notes, if not so presented at that time, shall, in addition to the tax of thirty-three and one-third cents imposed in the fourth section of this act, be subject to a tax of *ten per cent. per month* until so presented, which taxes shall attach to said notes wherever circulated, and shall be deducted from the face of said notes whenever presented for payment or for funding, and said notes shall not be exchangeable for the new issue of treasury notes provided for in this act.

SEC. 4. That on all said treasury notes not funded or used in payment of taxes at the dates and places prescribed in the first section of this act, there shall be levied at said dates and places a tax of thirty-three and one-third cents for every dollar promised on the face of said notes. Said tax shall attach to said notes wherever circulated, and shall be collected by deducting the same at the Treasury, its depositories, and by the tax collectors, and by all Government officers receiving the same, whenever presented for payment, or for funding, or in payment of Government dues, or for postage, or in exchange for new notes as hereinafter provided; and said treasury notes shall be fundable in bonds as

provided in the first section of this act until the first day of January, eighteen hundred and sixty-five, at the rate of sixty-six and two-third cents on the dollar.

And it shall be the duty of the Secretary of the Treasury at any time between the first April east, and the first July, eighteen hundred and sixty-four, west of the Mississippi river, and the first January, eighteen hundred and sixty-five, to substitute and exchange new treasury notes for the same, at the rate of sixty-six and two-third cents on the dollar: *Provided*, That notes of the denomination of one hundred dollars shall not be entitled to the privilege of said exchange: *Provided further*, That the right to fund any of said treasury notes after first day of January, eighteen hundred and sixty-five, is hereby taken away: *And provided further*, That upon all such treasury notes which may remain outstanding on the first January, eighteen hundred and sixty-five, and which may not be exchanged for new treasury notes as herein provided, a tax of *one hundred per cent.* is hereby imposed.

SEC. 5. That after the first day of April next, all authority heretofore given to the Secretary of the Treasury to issue treasury notes shall be, and the same is hereby, revoked: *Provided*, The Secretary of the Treasury may, after that time, issue new treasury notes in such form as he may prescribe, payable two years after the ratification of a treaty of peace with the United States, said new issues to be receivable in payment of all public dues except export and import duties, and to be issued in exchange for old notes, at the rate of two dollars of the new for three dollars of the old issues, whether said old notes be surrendered for exchange by the holders thereof, or be received into the Treasury under the provisions of this act; and the holders of the new notes or of the old notes, except those of the denomination of one hundred dollars, after they are reduced to sixty-six and two-third cents on the dollar, by the tax aforesaid, may convert the same into call certificates, bearing interest at the rate of four per cent. per annum, and payable two years after the ratification of a treaty of peace with the United States, unless sooner converted into new notes.

SEC. 6. That to pay the expenses of the Government not otherwise provided for, the Secretary of the Treasury is hereby authorized to issue six per cent. bonds to an amount not exceeding five hundred millions of dollars, the principal and interest whereof shall be free from taxation, and for the payment of the interest thereon the entire nett receipts of any export duty hereafter laid on the value of all cotton, tobacco, and naval stores, which shall be exported from the Confederate States, and the nett proceeds of the import duties now laid, or so much thereof as may be necessary to pay annually the interest, are hereby specially pledged: *Provided*, That the duties now laid upon imports and hereby pledged, shall hereafter be paid in specie, or in sterling exchange, or in the coupons of said bonds.

SEC. 7. That the Secretary of the Treasury is hereby authorized, from time to time, as the wants of the Treasury may require it, to sell or hypothecate for treasury notes said bonds, or any

part thereof, upon the best terms he can, so as to meet appropriations by Congress, and at the same time reduce and restrict the amount of the circulation in treasury notes within reasonable and safe limits.

SEC. 8. The bonds authorized by the sixth section of this act may be either registered or coupon bonds, as the parties taking them may elect, and they may be exchanged for each other under such regulations as the Secretary of the Treasury may prescribe. They shall be for one hundred dollars, or some multiple of one hundred dollars, and shall, together with the coupons thereto attached, be in such form and of such authentication as the Secretary of the Treasury may prescribe. The interest shall be payable half yearly on the first January and July in each year—the principal shall be payable not less than thirty years from their date.

SEC. 9. All call certificates shall be fundable, and shall be taxed in all respects, as is provided for the treasury notes, into which they are convertible. If not converted before the time fixed for taxing the treasury notes, such certificates shall, from that time, bear interest upon only sixty-six and two-third cents for every dollar promised upon their face, and shall be redeemable only in new treasury notes at that rate, but after the passage of this act, no call certificates shall be issued until after the first day of April, eighteen hundred and sixty-four.

SEC. 10. That if any bank of deposit shall give its depositors the bonds authorized by the first section of this act in exchange for their deposits, and specify the same on the bonds by some distinctive mark or token, to be agreed upon with the Secretary of the Treasury, then the said depositor shall be entitled to receive the amount of said bonds in treasury notes bearing no interest and outstanding at the passage of this act: *Provided*, The said bonds are presented before the privilege of funding said notes at par shall cease, as herein prescribed.

SEC. 11. That all treasury notes heretofore issued, of the denomination of five dollars, shall continue to be receivable in payment of public dues, as provided by law, and fundable at par under the provisions of this act, until the first of July, eighteen hundred and sixty-four, east, and until the first October, eighteen hundred and sixty-four, west of the Mississippi river, but after that time they shall be subject to a tax of thirty-three and one-third cents on every dollar promised on the face thereof, said tax to attach to said notes wherever circulated, and said notes to be fundable and exchangeable for new treasury notes, as herein provided, subject to the deduction of said tax.

SEC. 12. That any State holding treasury notes, received before the times herein fixed for taxing said notes, shall be allowed until the first day of January, eighteen hundred and sixty-five, to fund the same in six per cent. bonds of the Confederate States, payable twenty years after date, and the interest payable semi-annually. But all treasury notes received by any State after the time fixed for taxing the same, as aforesaid, shall be held to have been received diminished by the amount of said tax. The discrimina-

tion between the notes subject to the tax and those not so subject shall be left to the good faith of each State, and the certificate of the Governor thereof shall in each case be conclusive.

SEC. 13. That treasury notes heretofore issued, bearing interest at the rate of seven dollars and thirty cents on the hundred dollars per annum, shall no longer be received in payment of public dues, but shall be deemed and considered bonds of the Confederate States, payable two years after a ratification of a treaty of peace with the United States, bearing the rate of interest specified on their face, payable on the first January in each and every year.

SEC. 14. That the Secretary of the Treasury be, and he is hereby authorized, in case the exigencies of the Government should require it, to pay the demand of any public creditor whose debt may be contracted after the passage of this act, willing to receive the same, in a certificate of indebtedness to be issued by said Secretary in such form as he may deem proper, payable two years after a ratification of a treaty of peace with the United States, bearing interest at the rate of six per cent. per annum, payable semi-annually, and transferable only by special endorsement under regulations to be prescribed by the Secretary of the Treasury, and said certificates shall be exempt from taxation in principal and interest.

SEC. 15. The Secretary of the Treasury is authorized to increase the number of depositories so as to meet the requirements of this act, and with that view to employ such of the banks of the several States as he may deem expedient.

SEC. 16. The Secretary of the Treasury shall forthwith advertise this act in such newspapers published in the several States and by such other means as shall secure immediate publicity, and the Secretary of War and the Secretary of the Navy shall each cause it to be published in general orders for the information of the army and navy.

SEC. 17. The forty-second section of the act for the assessment and collection of taxes approved May first, eighteen hundred and sixty-three, is hereby repealed.

SEC. 18. The Secretary of the Treasury is hereby authorized and required, upon the application of the holder of any call certificates—which by the first section of the act “to provide for the funding and further issue of treasury notes,” approved March twenty-third, eighteen hundred and sixty-three, was required to be thereafter deemed to be a bond—to issue to such holder a bond therefor upon the terms provided by said act.

APPROVED February 17, 1864.