

ANNO VICESIMO PRIMO

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CAP. I.

An Act to indemnify the Governor and Company of the Bank of *England* in respect of certain Issues of their Notes, and to confirm such Issues, and to authorize further Issues for a Time to be limited. [12th *December* 1857.]

WHEREAS by the Act of the Session holden in the Seventh and Eighth Years of Her Majesty, Chapter Thirty-two, "to regulate the Issue of Bank Notes and for giving to "the Governor and Company of the Bank of *England* certain "Privileges for a limited Period," the Governor and Company of the Bank of *England* are prohibited from issuing Bank of *England* Notes either into the Banking Department of the Bank of *England* or to any Persons or Person whatsoever, save in exchange for other Bank of *England* Notes, or for Gold Coin, or for Gold or Silver Bullion received or purchased for the Issue Department of the said Bank under the 7 & 8 Vict. c. 32.

 Provisions

Provisions of that Act, or in exchange for Securities acquired and taken in the said Issue Department under the Provisions therein contained: And whereas under the said Act and an Order in Council issued under the Provisions thereof the Amount of Securities to be acquired and taken in the said Issue Department stands limited not to exceed the Sum of Fourteen million four hundred and seventy-five thousand Pounds: And whereas by a Letter dated the Twelfth Day of *November* last the First Lord of the Treasury and the Chancellor of the Exchequer informed the Governor and Deputy Governor of the Bank of *England* that Her Majesty's Government had observed with great Concern the serious Consequences which had ensued from the recent Failure of certain Joint Stock Banks in *England* and *Scotland*, as well as of certain large mercantile Firms chiefly connected with the *American* Trade; that the Discredit and Distrust which had resulted from these Events, and the Withdrawal of a large Amount of the Paper Circulation authorized by the existing Bank Acts, appeared to Her Majesty's Government to render it necessary for them to inform the Bank of *England* that if they should be unable in the present Emergency to meet the Demands for Discounts and Advances upon approved Securities without exceeding the Limits of their Circulation prescribed by the Act of One thousand eight hundred and forty-four, the Government would be prepared to propose to Parliament upon its meeting a Bill of Indemnity for any Excess so issued; and that, in order to prevent that temporary Relaxation of the Law being extended beyond the actual Necessities of the Occasion, Her Majesty's Government were of opinion that the Bank Terms of Discount should not be reduced below their then present Rate: And whereas the Governor and Company of the Bank of *England* have since the said Twelfth Day of *November* One thousand eight hundred and fifty-seven issued Bank of *England* Notes in exchange for Securities acquired and taken in the said Issue Department beyond the Amount limited by Law, and it is expedient that the Acts of the said Governor and Company in relation to the Matters aforesaid should be confirmed, and that the Restriction on the Amount of the Securities to be acquired and taken in the said Issue Department should be suspended for a limited Time: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows:

I. All

Bank Issues Indemnity.

Issues of Bank of England Notes since 12th Nov. 1857 in excess of those authorized by Law confirmed and made valid.

I. All such Issues of Bank of *England* Notes as may have been made by the said Governor and Company, or by their Order or Direction, since the said Twelfth Day of *November* One thousand eight hundred and fifty-seven, although beyond the Amount authorized by Law, and all Acts necessary for the making of such Issues, and for the acquiring and taking since the said Twelfth Day of *November* One thousand eight hundred and fifty-seven Securities in the Issue Department of the Bank of *England* beyond the Amount authorized by Law, shall be confirmed and made valid; and the said Governor and Company, and all Persons who have been concerned in such Issues or in doing or advising any such Acts as aforesaid, are hereby indemnified and discharged in respect thereof, and all Indictments and Informations, Actions, Suits, Prosecutions, and Proceedings whatsoever commenced or to be commenced against the said Governor and Company or any Person or Persons in relation to the Acts and Matters aforesaid, or any of them, are hereby discharged and made void.

The Restriction on the Amount of Securities to be taken in the Issue Department suspended.

II. So much of the said Act of the Seventh and Eighth Years of Her Majesty as limits the Amount of the Securities to be acquired and taken in the Issue Department of the Bank of *England* shall be and be deemed to have been suspended as from the Twelfth Day of *November* One thousand eight hundred and fifty-seven, and shall continue suspended until the Expiration of Twenty-eight Days after the First Meeting or Sitting of Parliament in the Year One thousand eight hundred and fifty-eight, subject to the Proviso herein-after contained, and during such Suspension the Provisions of the said Act in relation to the Issue of Bank of *England* Notes shall be construed and take effect as if the Restriction on the Amount of Securities in the said Issue Department, and the Prohibition of the Increase of such Amount and of the Issue of additional Bank of *England* Notes thereon, had not been contained in the said Act: Provided always, that if before the Expiration of the Time herein-before limited the Governor and Company of the Bank of *England* give public Notice that they have reduced the minimum Rate of Interest required by them below the Rate of Ten *per Centum per Annum*, the said Suspension shall cease.

The Issues in excess to be reduced on or before the Expiration of the Suspension.

III. Upon or before the Expiration or Cesser of the Suspension aforesaid the Excess of Issues herein-before confirmed shall be reduced to the Amount which would have been authorized by Law if this Act had

had not been passed; and, subject to the Indemnity and Discharge hereby given, all the Provisions of the said recited Act shall, after such Expiration or Cesser, be and remain in full Force.

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