

TITLE XLII.

THE PUBLIC DEBT.

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Payment in coin. **SEC. 3693.** The faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligations has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of the interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time United States notes are convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. The faith of the United States is also solemnly pledged to make provisions at the earliest practicable period for the redemption of the United States notes in coin.

Application of coin paid for duties. **SEC. 3694.** The coin paid for duties on imported goods shall be set apart as a special fund, and shall be applied as follows:

Payment of interest on public debt. **First.** To the payment in coin of the interest on the bonds and notes of the United States.

25 Feb., 1862, c. 33, s. 5, v. 12, p. 346.

Sinking-fund.

Second. To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year, which is to be set apart as a sinking-fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

Third. The residue to be paid into the Treasury.

Cancellation of bonds redeemed or paid. **SEC. 3695.** All bonds applied to the sinking-fund, and all other United States bonds redeemed or paid by the United States, shall be canceled and destroyed. A detailed record of the bonds so canceled and destroyed shall be first made in the books of the Treasury Department. The amount of the bonds of each class that have been canceled and destroyed shall be deducted respectively from the amount of each class of the outstanding debt of the United States.

14 July, 1870, c. 256, s. 6, v. 16, p. 273.

Addition to sinking-fund.

Ibid.

SEC. 3696. In addition to other amounts that may be applied to the redemption or payment of the public debt, an amount equal to the interest on all bonds belonging to the sinking-fund shall be applied, as the Secretary of the Treasury shall from time to time direct, to the payment of the public debt.

Redemption of six per cent. bonds.

Ibid., s. 4.

SEC. 3697. The Secretary of the Treasury is authorized, with any coin in the Treasury which he may lawfully apply to such purpose, or which may be derived from the sale of any of the bonds which he may be authorized to dispose of for that purpose, to pay at par and cancel any six per centum bonds of the United States of the kind known as five-twenty bonds, which have become or shall hereafter become redeemable by the terms of their issue. But the particular bonds so to be paid and canceled shall in all cases be indicated and specified by class, date, and

number, in the order of their numbers and issue, beginning with the first numbered and issued, in a public notice to be given by the Secretary of the Treasury, and, in three months after the date of such public notice, the interest on the bonds so selected and advertised to be paid shall cease.

SEC. 3698. The Secretary of the Treasury shall cause to be paid, out of any money in the Treasury not otherwise appropriated, any interest falling due, or accruing, on any portion of the public debt authorized by law.

SEC. 3699. The Secretary of the Treasury may anticipate the payment of interest on the public debt, by a period not exceeding one year, from time to time, either with or without a rebate of interest upon the coupons, as to him may seem expedient; and he is authorized to dispose of any gold in the Treasury of the United States, not necessary for the payment of interest of the public debt. The obligation to create the sinking-fund shall not, however, be impaired thereby.

SEC. 3700. The Secretary of the Treasury may purchase coin with any of the bonds or notes of the United States, authorized by law, at such rates and upon such terms as he may deem most advantageous to the public interest.

SEC. 3701. All stocks, bonds, Treasury notes, and other obligations of the United States, shall be exempt from taxation by or under State or municipal or local authority.

33, s. 2, v. 12, p. 346. 3 Mar., 1863, c. 73, s. 1, v. 12, p. 710. 3 Mar., 1864, c. 17, s. 1, v. 13, p. 13. 30 June, 1864, c. 172, s. 1, v. 13, p. 218. 28 Jan., 1865, c. 22, s. 1, v. 13, p. 425. 3 Mar., 1865, c. 77, s. 2, v. 13, p. 469. 14 July, 1870, c. 256, s. 1, v. 16, p. 272.—Bank v. Supervisors, 7 Wall., 26.

SEC. 3702. Whenever it appears to the Secretary of the Treasury, by clear and unequivocal proof, that any interest-bearing bond of the United States has, without bad faith upon the part of the owner, been destroyed, wholly or in part, or so defaced as to impair its value to the owner, and such bond is identified by number and description, the Secretary of the Treasury shall, under such regulations and with such restrictions as to time and retention for security or otherwise as he may prescribe, issue a duplicate thereof, having the same time to run, bearing like interest as the bond so proved to have been destroyed or defaced, and so marked as to show the original number of the bond destroyed and the date thereof. But when such destroyed or defaced bonds appear to have been of such a class or series as has been or may, before such application, be called in for redemption, instead of issuing duplicates thereof, they shall be paid, with such interest only as would have been paid if they had been presented in accordance with such call.

SEC. 3703. The owner of such destroyed or defaced bond shall surrender the same, or so much thereof as may remain, and shall file in the Treasury a bond in a penal sum of double the amount of the destroyed or defaced bond, and the interest which would accrue thereon until the principal becomes due and payable, with two good and sufficient sureties, residents of the United States, to be approved by the Secretary of the Treasury, with condition to indemnify and save harmless the United States from any claim upon such destroyed or defaced bond.

SEC. 3704. Whenever it is proved to the Secretary of the Treasury, by clear and satisfactory evidence, that any duly registered bond of the United States, bearing interest, issued for valuable consideration in pursuance of law, has been lost or destroyed, so that the same is not held by any person as his own property, the Secretary shall issue a duplicate of such registered bond, of like amount, and bearing like interest and marked in the like manner as the bond so proved to be lost or destroyed.

SEC. 3705. The owner of such missing bond shall first file in the Treasury a bond in a penal sum equal to the amount of such missing bond, and the interest which would accrue thereon, until the principal thereof becomes due and payable, with two good and sufficient sureties,

Payment of interest.

9 Feb., 1847, c. 7, v. 9, p. 123.

Anticipation of interest.

17 Mar., 1864, Res. No. 20, v. 13, p. 404.

Purchase of coin.

17 Mar., 1862, c. 45, s. 1, v. 12, p. 370.

Exemption from taxation.

25 Feb., 1862, c.

3 Mar., 1864, c. 17, s. 1, v. 13, p. 13. 30 June, 1864, c. 172, s. 1, v. 13, p. 218. 28 Jan., 1865, c. 22, s. 1, v. 13, p. 425. 3 Mar., 1865, c. 77, s. 2, v. 13, p. 469. 14 July, 1870, c. 256, s. 1, v. 16, p. 272.—Bank v. Supervisors, 7 Wall., 26.

Duplicate for bonds destroyed.

1 June, 1872, c. 254, s. 1, v. 17, p. 196.

Indemnity for destroyed bond.

Ibid., s. 2.

Duplicate of lost registered bond may be issued.

3 Mar., 1871, Res. 49, v. 16, p. 600.

Indemnity for missing bond.

Ibid.

residents of the United States, to be approved by the Secretary of the Treasury, with condition to indemnify and save harmless the United States from any claim because of the lost or destroyed bond.

Exchange of registered for coupon bonds.

30 June, 1864, c. 172, s. 7, v. 13, p. 220.

SEC. 3706. The Secretary of the Treasury is hereby authorized to issue, upon such terms and under such regulations as he may from time to time prescribe, registered bonds in exchange for and in lieu of any coupon-bonds which have been or may be lawfully issued; such registered bonds to be similar in all respects to the registered bonds issued under the acts authorizing the issue of the coupon-bonds offered for exchange.

Credit to officers for stolen notes.

10 Aug., 1846, c. 180, s. 2, v. 9, p. 107.

SEC. 3707. When any officer or agent duly authorized to receive, redeem, or cancel any Treasury notes issued by authority of law, shall receive, or pay, any Treasury note which has been previously received or redeemed by any officer or agent having authority to receive or redeem such note, and which has subsequently thereto been purloined and put into circulation, the Secretary of the Treasury, upon full and satisfactory proof that the same has been received or paid in good faith, and in the exercise of ordinary prudence, may allow a credit for the amount of such note, to the officer or agent so receiving or paying the same.

Imitating United States securities, or printing business cards, &c., on them; penalty.

5 Feb., 1867, c. 26, ss. 2, 3, v. 14, p. 383.

SEC. 3708. It shall not be lawful to design, engrave, print, or in any manner make or execute, or to utter, issue, distribute, circulate, or use, any business or professional card, notice, placard, circular, handbill, or advertisement, in the likeness or similitude of any bond, certificate of indebtedness, certificate of deposit, coupon, United States note, Treasury note, fractional note, or other obligation or security of the United States which has been or may be issued under or authorized by any act of Congress heretofore passed or which may hereafter be passed; or to write, print, or otherwise impress upon any such instrument, obligation, or security, any business or professional card, notice, or advertisement, or any notice or advertisement of any matter or thing whatever. Any person violating this section shall be liable to a penalty of one hundred dollars, recoverable one-half to the use of the informer. [See §§ 5413, 5414.]