

ACT NO. II OF 1898.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

*(Received the assent of the Governor General on the 31st
January, 1898.)*

An Act to provide for the issue of currency notes on the security of gold received in England.

WHEREAS it is expedient to provide for the issue of currency notes on the security of gold received in England; It is hereby enacted as follows:—

1. (1) This Act may be called the Indian Paper Currency Act, 1898.

Short title commencement and duration.

(2) It shall come into force at once; and

(3) It shall remain in force for six months from its commencement, and no longer.

2. After section 13 of the Indian Paper Currency Act, 1882, the following section shall be added, namely:—

Addition of new section after section 13, Act XX of 1882. Issue of notes against gold received in England.

“13A. The Governor General in Council may, from time to time, by an order notified in the Gazette of India, direct that currency notes shall be issued at such offices of issue as are named in the order to an amount equal to the value of gold held by the Secretary of State for India at the rate, and subject to the conditions, fixed by that order:

Provided that—

(1) the power conferred by this section shall not be exercised unless the Secretary of State for India shall consent to hold in gold coin or gold bullion what he shall determine to be

- be equivalent in value to the notes so issued, as a reserve to secure the payment of such notes, until he shall transmit the same, or what he shall determine to be equivalent to the same, in gold coin or gold bullion to India, or until the Government of India shall appropriate and set apart in India, as a part of the currency reserve under section 19, an amount of coin of the Government of India equal in value to such notes ;
- (2) gold coin or gold bullion so remitted shall be deemed to be received, within the meaning of section 19, when it is received in India by the Governor General in Council ; and
- (3) gold coin or gold bullion so retained shall, until its arrival in India, be distinguished from other gold coin or gold bullion in the abstract account published under section 27 "