

equivalent of that quotation at the exchange of the day. In the case of unquoted securities, or in the case of quoted securities in respect of which the current quotation may not be regarded as representing a true market value, the price will be fixed by agreement with the person tendering the securities.

The Exchequer Bonds will bear interest from the day following that on which the purchase is made. Where the quotation of the securities purchased does not include accrued interest or dividend, the amount of such accrued interest or dividend to the date of purchase will be added to the price.

In the event of future loans (other than issues made abroad or issues of Exchequer Bonds, Treasury Bills, or similar short dated securities) being raised by His Majesty's Government for the purpose of carrying on the war, Bonds of this issue will be accepted, together with all undue coupons, as the equivalent of cash to the amount of their face value, for the purpose of subscription to any such loan. Interest accrued to the date of surrender of a Bond will be paid in cash.

Securities upon which British Stamp Duty has not previously been paid need not be stamped for the purpose of sale to the Treasury.

II.—DEPOSIT ON LOAN.

In the case of holders who for any reason are not prepared to sell their securities, the Treasury are willing to accept securities on deposit, subject to a right of purchase in certain contingencies, on the following terms:—

(1) The securities to be transferred to the Treasury for a period of two years from the date of transfer.

(2) While the securities are on deposit under this arrangement the lender to receive from the Treasury all interest and dividends paid in respect of them, and also, by way of consideration for the loan, a payment at the rate of one-half of one per cent. per annum calculated on the face value of the securities.

(3) If the depositor at any time during the currency of the loan desires to realise all or any of his securities, the Treasury will, upon receipt of a notification from him specifying the securities which he desires to realise, either—

(i) sell (subject to any limit as to price which may be specified in the notification) the securities on his behalf in New York, and pay over to him the proceeds in London in sterling at the exchange of the day on which such proceeds are received in New York, without any deduction for brokerage or commission, or (at the depositor's option)

(ii) release the securities in New York for the purpose of sale by the depositor himself, such release to be made (unless the Treasury otherwise agree) only against payment of the proceeds in dollars to the Treasury Agent in New York, the depositor to be paid in London by the Treasury in sterling at the exchange of the day.

Alternatively the Treasury will, at any time during the currency of the loan, be prepared to consider proposals that they should themselves take over all or any of the securities from the

depositor at the New York Stock Exchange closing quotation of the day upon which the proposal is received; the purchase money to be paid in sterling at the exchange of the day without any deduction for brokerage or commission.

The purchase money will in each case be payable in London against the surrender of the Treasury Certificate.

(4) In case the Treasury should find it necessary to sell all or any of the securities deposited, the Treasury may take over all or any of such securities on sending notification in writing to the registered address of the holder of the certificate. The Treasury to pay the value of the securities mentioned in the notification, calculated at the New York Stock Exchange closing quotation of the day the notification is sent, with an addition of $2\frac{1}{2}$ per cent. on the value so calculated. Payment to be made in London in sterling at the exchange of the day, without any deduction for brokerage and commission, against the surrender of the Treasury Certificate.

(5) So far as circumstances may permit, arrangements will be made for enabling a depositor at any time to obtain the release of deposited securities in exchange for the deposit of other suitable American securities of equal value.

(6) Holders of Bearer Bonds (or share certificates transferable by delivery) will be required to lodge the bonds and coupons with the Treasury, and holders of registered stock will be required to execute a transfer of the stock in favour of the Treasury. Bonds upon which British Stamp duty has not previously been paid may be deposited unstamped. The bonds or stock will then be entered in the holder's name in a register kept by the Treasury for the purpose, and a certificate of entry in this register will be issued to the holder. The title to bonds or stock entered in the Treasury Register may be transferred upon that register by deed in the ordinary way. In the case of registered stock, the Treasury will bear all charges in respect of the original transfer into their name in the company's books, and of the re-transfer in the company's books into the name of the person in whose name the stock stands in the Treasury Register when it is finally released; transfer deeds for intermediate transfers in the Treasury Register will be subject to stamp duty in ordinary course, and to a registration fee of 2s. 6d. All transfer deeds in respect of Bearer Bonds or share certificates transferable by delivery will be free of stamp duty and registration fee. At the end of the period of the loan the bonds or certificates deposited (or bonds or certificates identical in all respects with those deposited) will be delivered to the depositor in exchange for the surrender of the Treasury Certificate.

(7) The Stock Exchange Committee will be asked to make arrangements for dealings on the Stock Exchange in the Treasury Certificates of Securities deposited under the scheme.

(8) The interest and dividends on all deposited securities, together with the additional payment at the rate of one-half of one per cent. per annum, will be paid by Treasury Warrant to