

Art. 7th. As soon as the changing of the above-mentioned sum of 11,000,000\$000, the inutilized notes shall be sent to the bank, and the directory of the said bank shall give to the Treasury in exchange for them an acquittance of the sum above referred to, giving back to them the documents pertaining to the loan, to which the Art. 57 of the statutes of 31st August, 1853, refer.

Art. 8th. As the Treasury Bills which the bank now has in its safe to the amount of 3,837,700\$000 fall due, they shall be paid to the bank in its own notes, previously stamped and inutilized in the Treasury, which shall emit a like sum, in lieu of them, in paper money which shall be furnished by the Sinking Fund Office, in conformity with Art. 1st, § 5, of the before cited law of 12th September of present year.

Art. 9th. Within 6 months' date of the publication of this decree, the Bank shall cause the bullion which it has in its vaults to be sold, converting its product into notes of said Bank which shall be immediately stamped and inutilized; and as fast as the said notes become inutilized, they shall send them to the Sinking Fund Office with an account of the sale of bullion.

§ 1. The Sinking Fund Office shall, in conformity with Art. 1st, § 5th of the above cited law, go on delivering to the Treasury in paper money, a sum equal to the inutilized notes received in virtue of this Article.

§ 2. The term of 6 months, marked in this Article, having elapsed, the Sinking Fund Office shall transmit to the Treasury, an account of the notes inutilized, as also of the bullion sold invested in the cancelling of the notes referred to.

Art. 10th. The bullion existing in the coffers of the branches of the Bank of Brazil, shall also be sold within the period of 6 months, to commence from the day in which the Presidents of the respective provinces shall present to them an authentic copy of this decree, and the product of the same, converted into notes of the same branch, in conformity with the preceding Article, and the said notes, as fast as they become inutilized shall be taken in, and together with the account of sale of the bullion, remitted to the Treasury which will transmit them to the Bank, and this again to the Sinking Fund Office.

Art. 11th. The Minister of Finance, consulting with the Directory of the Bank, shall determine as to the proportion between the quantity of notes, of the head bank, and that of each one of the branches that ought to be cancelled, with the product of the reserved bullion of the same bank; which bank may effect the carrying from one to another (of the coffers of the branches) the portion of bullion (or its equivalent in paper money) which it may judge necessary for that effect.

Art. 12th. The Bank shall also transmit to the Sinking Fund Office, being previously stamped and inutilized; the notes which it may cancel in virtue of § 6, Art. 1st, of the above cited law of 12th September, and the amount of which shall be fixed yearly by decree of the Government, in the ratio of 5 to 8 per cent. of the emission of the same bank, which may remain in circulation after the dispositions of Arts. 6, 8, 9, and 10, shall be carried into execution.

Art. 13th. The burning of the notes substituted or inutilized, of which Arts. 6 and 8 treat, shall be effected in the bank, in presence of a delegate of the Government, and the others in

the Sinking Fund establishment, in presence of the respective "junta," and a representative of the bank—the competent edicts and advertisements preceding the operation, and the necessary minutes made in duplicate for the bank and for the Government, or for the Sinking Fund Office.

Art. 14th. When the bank shall have occasion to proceed to the substitution of its notes, the Sinking Fund Office shall announce by edicts, affixed to public places, and transcribed repeatedly in the periodical journals, the time within which the said substitution should terminate, from which time forward the notes shall only be substituted for ten months, at a discount of 10 per cent. in each month, until they become of no value whatever, in conformity with Art. 5th of the law No. 54, of 6th October, 1835.

Art. 15th. The abatement or total value of the notes not substituted shall revert to the bank, in benefit of same.

Art. 16th. As soon as the discount shall commence, in conformity with the preceding Articles, the notes changed in the bank and in its respective branches, at their value, and remitted by the bank to the Sinking Fund Office, where they shall be changed for others of an equivalent nominal value.

Art. 17th. The operations of which the present decree treats, have nothing in common in the treasury, in the treasuries of finance, and Sinking Fund Office, with the operations of the public funded debt, and substitution of paper money, and the respective books shall be kept entirely separate and distinct.

Sole paragraph. In the books relating to the changing and substitution of the notes of the bank, the rules established for similar operations in paper money shall be observed.

Art. 18th. The responsibility of the employes of the Sinking Fund Office, as to the value of amounts consisting of notes and other objects of the emission of the Bank of Brazil; their duties and obligations, and the method to be used in the changing and substitution of the notes shall be governed by the disposition of the rules and decisions of the Government, on the changing, substitution and cancelling of paper money.

Art. 19th. The treasurer and other employes of the department for substituting notes in the Sinking Fund Office, who are obliged to give security, shall ratify for the due effect of the present decree, and within the term which may be marked for them, the security given to the public treasury.

Art. 20th. Should the employes of the substitution department of the Sinking Fund not be sufficiently numerous for the operations of which this Decree treats, the Minister of Finance shall name, *ad interim* those who shall be indispensable, preferring the employes of extinct departments, and those pensioned (for long service,) and arbitrating to them reasonable gratuities; Zacarias Goes de Vasconcellos, of my Council, Senator of the Empire, President of the Council of Ministers, Minister and Secretary of State for the affairs of Finance, and President of the Tribunal of Ministers—say the National Treasury. Let him so have understood it, and cause it to be put in execution.

Palace of Rio de Janeiro, 18th October, 1866, 45th year of the Independence of the Empire, with the sign manual of His Majesty the Emperor.

ZACARIAS GOES DE VASCONCELLOS.