

FEDERAL RESERVE BANK  
OF NEW YORK

*Government Bond  
Department*

[Circular No. 503  
November 18, 1922]

Exchange of War-Savings Certificates, Series of 1918  
For New Treasury Savings Certificates

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May Be Made Through Banks Acting as Collateral Agents

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*To All Banks, Trust Companies and Savings Banks  
in the Second Federal Reserve District:*

Attention is called to the fact that War-Savings Certificates, Series of 1918, which are not registered may be exchanged by holders for the current issue of Treasury Savings Certificates through banking institutions which have qualified as collateral agents. Such banks will be entitled to credit, at maturity value, for War-Savings Certificates received in exchange, and "may make cash adjustments in connection with such exchanges" as provided in Treasury Circular 308.

If a bank has not become a collateral agent it may do so in a simple way by pledging securities such as Government obligations with us, and we will thereupon send the new Treasury Savings Certificates on consignment.

The various forms to be used in handling the redemption and exchange of 1918 War-Savings Certificates, referred to in our Circular 499, were sent to you last night as stated in our circular 502 with which we enclosed an outline of the procedure for banking institutions to follow.

Very truly yours,

BENJ. STRONG,

*Governor.*

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1922.  
Department Circular No. 308.  
Public Debt.

## TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY,

Washington, November 9, 1922.

To Holders of War-Savings Certificates of the Series of 1918, Postmasters, Federal Reserve Banks, and Others Concerned:

United States War-Savings Certificates of the Series of 1918 become due and payable January 1, 1923, according to their terms. The Secretary of the Treasury offers special facilities for their redemption and exchange, as follows:

1. *General.*—Holders of War-Savings Certificates, Series of 1918, will be entitled to receive on or after January 1, 1923, \$5.00 for each War-Savings Stamp of the Series of 1918 then affixed thereto. Certificates having registered stamps affixed are payable only at the post office where registered. Unregistered certificates are payable at any money-order post office or at the Treasury Department in Washington, and will likewise be accepted for payment at the Federal Reserve Banks and their branches, acting as fiscal agents of the United States. Holders may, on or after January 1, 1923, redeem their certificates in cash, at maturity value, or beginning November 15, 1922, may exchange them, at maturity value, with any necessary adjustments in cash, for Treasury Savings Certificates, Series of 1923, issued pursuant to Treasury Department Circular No. 301, dated September 30, 1922. Certificates presented for either redemption or exchange must be duly receipted in the name inscribed thereon, or, in the event of the death or disability of the owner, in the name of the person authorized to receive payment under the provisions of Treasury Department Circular No. 108, dated January 21, 1918, as amended and supplemented. Banking institutions generally will handle redemptions and exchanges for their customers, but the only official agencies are the post offices, the Federal Reserve Banks and branches, and the Treasury Department at Washington, except that duly qualified collateral agents for the issue and sale of Treasury Savings Certificates may make exchanges of unregistered War-Savings Certificates for Treasury Savings Certificates.

2. *Cash redemption.*—Holders desiring cash redemption must present their certificates, at their own expense and risk, to the post office where registered in the case of registered certificates, or to any money-order post office, Federal Reserve Bank or branch, or the Treasurer of the United States, at Washington, D. C., in the case of unregistered certificates. Holders will facilitate redemption by presenting unregistered certificates through their own banks, for recognized banking institutions generally will receive such certificates for collection, for account of the holders, or may cash unregistered certificates for the holders and get cash reimbursement therefor, at maturity value, on or after January 1, 1923, upon surrender of the certificates, duly receipted as herein provided, to the Federal Reserve Bank of the district.

(a) *Presentation before maturity.*—In order to facilitate redemptions of maturing certificates holders are offered the privilege, beginning November 15, 1922, of surrendering their certificates, receipted as of January 1, 1923, to the post office where registered in the case of registered certificates, or to any money-order post office, Federal Reserve Bank or branch, or the Treasurer of the United States, in the case of unregistered certificates, for redemption as of January 1, 1923. Postmasters receiving certificates in advance of January 1, 1923, for redemption on that date as herein provided, will transmit the certificates appropriately scheduled, and in the case of registered certificates with appropriate certification as to discharge of registration, to the nearest Federal Reserve Bank or branch. Payment for all certificates thus presented, including certificates presented direct to Federal Reserve Banks and branches or the Treasurer for redemption as of January 1, 1923, will be made by check payable to the order of the holder, which will be mailed to reach him on or about January 1, 1923.

(b) *Presentation at or after maturity.*—Cash redemption will be made only as of January 1, 1923, or on later surrender. Certificates presented on or after January 1, 1923, should be receipted as of the date of presentation. The Treasurer of the United States and the Federal Reserve Banks and branches will be prepared to make payment of matured certificates immediately upon presentation. Post offices are not required to make payment until ten days after receiving written demand therefor, but wherever practicable will waive this requirement and make payment at an earlier date. Payment of certificates surrendered through banks will be made to the bank through which presented, while payment of certificates presented direct to post offices, Federal Reserve Banks and branches, or the Treasurer of the United States will be made direct to the holder.

3. *Exchange for Treasury Savings Certificates.*—Holders desiring to exchange their War-Savings Certificates for Treasury Savings Certificates must present their certificates, at their own expense and risk, to the post office where registered in the case of registered certificates,

or to any money-order post office, Federal Reserve Bank or branch, or the Treasurer of the United States at Washington, in the case of unregistered certificates. Duly qualified collateral agents for the issue and sale of Treasury Savings Certificates may receive unregistered War-Savings Certificates, Series of 1918, in exchange for Treasury Savings Certificates, and will be entitled to credit, at maturity value, in their accounts with the Federal Reserve Bank of the district, for War-Savings Certificates received in exchange, duly receipted as herein provided, upon surrender to the Federal Reserve Bank. Collateral agents may make cash adjustments in connection with such exchanges, as herein provided, accounting therefor to the Federal Reserve Bank.

(a) *Presentation between November 15, 1922, and January 15, 1923.*—Exchanges of War-Savings Certificates, Series of 1918, for Treasury Savings Certificates, Series of 1923, will be made as of January 1, 1923, upon applications filed between November 15, 1922, and January 15, 1923, accompanied by the War-Savings Certificates to be exchanged, duly receipted as herein provided. Treasury Savings Certificates dated January 1, 1923, will be delivered promptly upon exchange, registered in the name and address requested by the holder of the surrendered War-Savings Certificates. Cash adjustments, if in favor of the United States, must be made upon exchange, or if in favor of the applicant, will be made as of January 1, 1923, except that in all cases where the applicant takes the maximum amount of Treasury Savings Certificates covered by the maturity value of the War-Savings Certificates surrendered, immediate payment will be made of any cash difference. Treasury Savings Certificates will not in any event be redeemable before the date of issue stated thereon.

(b) *After January 15, 1923.*—Exchanges after January 15, 1923, will be made as of the date of presentation and surrender. The Treasury Savings Certificates issued upon such exchange will be dated and carry interest from the date of the exchange, and will be registered in the name and address requested by the holder of the surrendered War-Savings Certificates. All cash adjustments on such exchanges, whether in favor of the United States or in favor of the applicant, will be made at the time of the exchange.

4. *Further Details*—(a) *Forms.*—In presenting War-Savings Certificates, Series of 1918, for redemption or exchange, whether in advance of January 1, 1923, or on or after that date, holders may use Form P. D. 750, copies of which may be obtained upon application from any post office, any Federal Reserve Bank or branch, or the Treasury Department, Washington, D. C. A copy of this form, giving examples of exchanges of War-Savings Certificates for Treasury Savings Certificates, is attached to this circular as an exhibit.

(b) *Procedure in case of death or disability of the owner.*—The provisions of Treasury Department Circular No. 108, dated January 21, 1918, as amended and supplemented, further define the rights of holders of War-Savings Certificates and subject to the provisions hereof will govern the presentation and surrender of certificates for redemption or exchange in the event of the death or disability of the owner. Where certificates are inscribed in the name of a deceased owner and the estate is being administered in a court of competent jurisdiction, the certificates should be receipted by the legal representative of the estate and accompanied by a certificate of his appointment or by duly certified copies of the letters testamentary or letters of administration, as the case may be. Certificates inscribed in the names of minors should be receipted by the legal guardian, or, if there is no guardian, by the minor himself if of sufficient competency and understanding to sign the receipt and comprehend the nature thereof, or, if not of sufficient competency and understanding, receipted for the minor by the parent or natural guardian with whom the minor resides. Holders may obtain further information as to the provisions of the circular from their own banks or post offices.

(c) *Limitation of holdings.*—Under the provisions of Section 6 of the Act of Congress approved September 24, 1917, as amended, it is not lawful for any one person at any one time to hold War-Savings Certificates of the Series of 1918 to an aggregate amount exceeding \$5,000 (maturity value). Holders may, however, redeem their excess holdings in accordance with the provisions of Treasury Department Circular No. 178, dated January 15, 1920, as amended and supplemented.

(d) *Further information.*—Any further information which may be desired as to the redemption or exchange of War-Savings Certificates of the Series of 1918 may be obtained from post offices, Federal Reserve Banks and branches, or the Treasury Department, Division of Loans and Currency, Washington, D. C.

5. The Secretary of the Treasury may at any time or from time to time prescribe supplemental or amendatory rules and regulations governing the redemption and exchange of War-Savings Certificates, Series of 1918.

A. W. MELLON,  
*Secretary of the Treasury.*

## REQUEST FOR REDEMPTION OR EXCHANGE OF WAR-SAVINGS CERTIFICATES, SERIES OF 1918.

**IMPORTANT:** WAR-SAVINGS CERTIFICATES DUE JANUARY 1, 1923, MAY BE PRESENTED AT ANY TIME ON OR AFTER NOVEMBER 15, 1922, FOR IMMEDIATE EXCHANGE OR FOR PAYMENT AT MATURITY. REGISTERED CERTIFICATES MUST BE PRESENTED AT THE POST OFFICE OF REGISTRATION; OTHER CERTIFICATES MAY BE PRESENTED THROUGH THE APPLICANT'S OWN BANK OR TRUST COMPANY, OR AT ANY MONEY-ORDER POST OFFICE, AT ANY FEDERAL RESERVE BANK OR BRANCH, OR TO THE TREASURER OF THE UNITED STATES, WASHINGTON, D. C.

*Cash redemptions of certificates will be made only as of January 1, 1923, or upon later surrender. Exchanges for Treasury Savings Certificates, Series of 1923, will be made as of January 1, 1923, upon applications presented between November 15, 1922, and January 15, 1923, and new certificates dated January 1, 1923, will be delivered promptly upon surrender. Exchanges after January 15, 1923, will be made as of the date of surrender. Immediate payment will be made of any cash difference due you on exchange if you take the largest amount of Treasury Savings Certificates you can get for your surrendered War-Savings Certificates; in all other cases the cash difference due you will be paid as of January 1, 1923, or upon later surrender. Any cash difference due from you must accompany the application. (See examples on other side.)*

To the Secretary of the Treasury, Washington, D. C.

THE UNDERSIGNED PRESENTS HEREWITH—

\_\_\_\_\_ War-Savings Stamps affixed to War-Savings Certificates, duly received  
 (How many) \_\_\_\_\_  
 in the name inscribed thereon, having an aggregate maturity value of \_\_\_\_\_ \$\_\_\_\_\_

Cash, to the amount of \_\_\_\_\_ \$\_\_\_\_\_

(To be applied on exchange for Treasury Savings Certificates; see examples 2 on other side.)

TOTAL \_\_\_\_\_ \$\_\_\_\_\_

AND REQUESTS:

Cash, in the amount of \_\_\_\_\_ \$\_\_\_\_\_

(To be paid to the bank through which presented; otherwise to the applicant direct.)

Treasury Savings Certificates, having a maturity value of \$\_\_\_\_\_, as described below,\* at an aggregate issue price of \_\_\_\_\_ \$\_\_\_\_\_

(Issue prices: \$20.50 for a \$25 certificate; \$82 for a \$100 certificate; and \$820 for a \$1,000 certificate.)

TOTAL (which must agree with total given above) \_\_\_\_\_ \$\_\_\_\_\_

\*Issue Treasury Savings Certificates, Series of 1923, as follows:

NAME IN WHICH TREASURY SAVINGS CERTIFICATES ARE TO BE ISSUED	POST OFFICE ADDRESS	NUMBER DESIRED	DENOMINATION	MATURITY VALUE	ISSUE PRICE

-----  
 (Signature of applicant)

-----  
 (Number)

-----  
 (Street)

-----  
 (Town or city)

-----  
 (State)

**IF REGISTERED WAR-SAVINGS CERTIFICATES ARE SURRENDERED, THE POSTMASTER MUST EXECUTE THE FOLLOWING FORM:**

I hereby certify that registration cards covering the registration of \_\_\_\_\_ War-Savings Stamps,  
 Series of 1918, being all the registered stamps surrendered with this application, are on file in this office,  
 (How many) \_\_\_\_\_  
 and that such cards have been marked "Paid." I am satisfied that the applicant who signed this request is the registered owner of the registered certificates surrendered herewith (or the authorized payee in case of death or disability).

POST OFFICE  
 STAMP

-----  
 (Signature of postmaster)

-----  
 (Post office)

-----  
 (State)

**(SEE OTHER SIDE FOR FURTHER DETAILS.)**

# EXCHANGE YOUR WAR-SAVINGS CERTIFICATES

FOR

## THE NEW TREASURY SAVINGS CERTIFICATES.

WAR-SAVINGS CERTIFICATES, SERIES OF 1918, mature January 1, 1923, when \$5 will be payable for each War-Savings Stamp, Series of 1918, then affixed thereto. The certificates may be redeemed in cash on or after January 1, 1923, or may be

### EXCHANGED AT ANY TIME ON OR AFTER NOVEMBER 15, 1922, FOR TREASURY SAVINGS CERTIFICATES.

TREASURY SAVINGS CERTIFICATES are issued in denominations of \$25, \$100, and \$1,000 (maturity value), and sold on a discount basis for \$20.50, \$82, and \$820, respectively. The certificates mature five years from the date of issue, or may be redeemed at any time on demand, and at these prices yield 4 per cent interest per annum, compounded semiannually, if held to maturity, or 3 per cent simple interest if redeemed before maturity. The certificates are registered on the books of the Treasury Department, which protects the owner against loss or theft, and are exempt from the normal Federal income tax and from all State, county, and local taxation (except estate or inheritance taxes). Any one person—that is to say, an individual (including each member of a family, adults and minors), firm, corporation, or association—may hold Treasury Savings Certificates of any one series to an aggregate amount not exceeding \$5,000 (maturity value) at any one time.

Exchanges of War-Savings Certificates for Treasury Savings Certificates, Series of 1923, will be made as of January 1, 1923, upon applications filed between November 15, 1922, and January 15, 1923, and new certificates dated January 1, 1923, will be delivered promptly upon surrender. Exchanges after January 15, 1923, will be made as of the date of surrender. War-Savings Certificates will be received by post offices, Federal Reserve Banks and branches, and the Treasury in advance of January 1, 1923, for redemption on that date, payment to be made by check to the order of the holder, which will be mailed so far as possible to reach the applicant on or about January 1, 1923.

### WHAT YOU CAN GET BY EXCHANGING YOUR WAR-SAVINGS CERTIFICATES.

MATURITY VALUE OF WAR-SAVINGS STAMPS SURRENDERED.	EXAMPLE NO.	TREASURY SAVINGS CERTIFICATES IN EXCHANGE.		CASH ADJUSTMENT DUE YOU.	CASH ADJUSTMENT TO BE PAID BY YOU.
		<i>Maturity Value.</i>	<i>Issue Price.</i>		
\$1,000	Example 1	\$1,200	@ \$984.00	\$16.00	
	Example 2	1,225	@ 1,004.50		\$4.50
	Example 3	1,000	@ 820.00	180.00	
\$500	Example 1	\$600	@ \$492.00	\$8.00	
	Example 2	625	@ 512.50		\$12.50
	Example 3	500	@ 410.00	90.00	
\$100	Example 1	\$100	@ \$82.00	\$18.00	
	Example 2	125	@ 102.50		\$2.50
	Example 3	75	@ 61.50	38.50	
\$50	Example 1	\$50	@ \$41.00	\$9.00	
	Example 2	75	@ 61.50		\$11.50
	Example 3	25	@ 20.50	29.50	
\$25	Example 1	\$25	@ \$20.50	\$4.50	
	Example 2	50	@ 41.00		\$16.00

These examples may be applied to other maturity values in the same relation. The cash adjustments due the United States, as in the examples numbered 2, must be paid in all cases at the time of exchange. Cash adjustments due the applicant will be paid on January 1, 1923, or upon later exchange, except that immediate payment of the cash difference will be made wherever the applicant takes the largest possible amount of Treasury Savings Certificates for his maturing War-Savings Certificates, as in the examples numbered 1. It will be noted that in no case will the cash differences payable to applicants before January 1, 1923, exceed \$20, since a cash difference of \$20.50 would make it possible to buy another Treasury Savings Certificate, and the applicant must take the full amount of Treasury Savings Certificates in order to get advance payment of the cash difference. Cash differences in cases like the examples numbered 3 will not be paid before January 1, 1923.

CONSULT YOUR BANK OR YOUR POSTMASTER.