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1000. Buyers

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

April 8, 1918.
Bulletin No 107.

STAMP TAX ON PROMISSORY NOTES SECURED BY UNITED STATES

GOVERNMENT OBLIGATIONS.

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:

The "War Finance Corporation" bill which became a law on April 5, 1918, provides that no stamp tax shall be required or imposed upon a promissory note secured by the pledge of bonds or obligations of the United States, issued since April 24, 1917, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations; PROVIDED that in either case the par value of such bonds or obligations shall equal the amount of such note.

We are enclosing herewith a supply of note forms and collateral forms of agreement for your use in borrowing from us for fifteen day periods, basis United States Government Liberty Loan Bonds or Certificates of Indebtedness as collateral. As stated above these forms do not require revenue stamps, and will take the place of the purchase and resale agreement blanks sent you on December 8, 1917.

Respectfully,

JAMES B. McDOUGAL,

Governor.