

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 27, 1948

MATURING UNITED STATES SAVINGS BONDS OF SERIES D-1939

To Agents Qualified to Pay or Issue

United States Savings Bonds:

Secretary of the Treasury Snyder has asked that your attention be called to the copy of his statement concerning the payment at maturity of United States Savings Bonds of Series D-1939, beginning on January 1, 1949, which is reproduced on the reverse side hereof.

It will be noted that any individual (natural person in his own right) owner or coowner desiring, instead of receiving cash, to exchange his maturing bonds for bonds of Series E registered in his own name in any authorized form of registration may do so at any time without regard to the annual limitation of \$10,000 maturity value ordinarily applicable to savings bonds of Series E. However, if such owner or coowner desires to preserve the continuity of his investment he should present his maturing bonds for payment in the month in which they mature and make the exchange at that time. The Secretary wishes institutions which are qualified both as paying and issuing agents to make the exchange for registered owners or coowners through their established payment and issue procedures. Such institutions will note that where exchange is authorized bonds of Series E may be issued up to such denominational amount as the proceeds of the maturing bonds will fully cover or such lesser amount as the owner may direct, any remaining balance to be paid to the owner or coowner of the bonds presented. Series D bonds not owned by individuals are not eligible to be accepted in payment of United States Savings Bonds of Series E.

All Series E bonds issued against the proceeds of Series D bonds must be dated as of the first day of the month in which the Series D bonds are presented and the notation "EXCH" imprinted in the lower left corner on original registration stubs of bonds so issued. Rubber stamps bearing the prescribed notation may be obtained from this bank or appropriate branch upon request.

Registration stubs from Series E bonds issued concurrently against payment with the proceeds of matured Series D bonds should be consolidated with registration stubs from bonds of Series E sold for cash and included in the customary sales reports.

Attention of paying agents is called to current Treasury Department regulations which provide that they may make payment of bonds of Series A, B, C, D and E to natural persons only. Bonds of Series A, B, C and D which are inscribed in forms of registration other than to an individual (authorized prior to April 1, 1940) should, after proper certification of the request for payment, be forwarded to this bank or the appropriate branch for payment direct to the registrant entitled.

Yours very truly,

R. R. GILBERT

President

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

Monday, December 20, 1948

Secretary of the Treasury Snyder today reminded bond holders and bond buyers generally of the fact that the Treasury is urging individuals to buy more savings bonds as a means of combating inflation.

The campaign to increase the sale of savings bonds is being stimulated in various ways. In furtherance of this campaign, the Secretary has decided to permit individual holders of the Series D-1939 Savings Bonds, which start maturing January 1, 1949, to reinvest the proceeds, as they mature, in the Series E savings bonds which are currently on sale, without regard to the annual limitation. This can be accomplished through the established payment and issue procedure, and the Series E bonds so acquired will be exempt from the \$10,000 (maturity value) annual limitation on holdings of Series E bonds. Holders will be permitted to reinvest any part of the proceeds of their maturing bonds up to such denominational amount as the proceeds will fully cover. Since Series E bonds may be purchased only in the names of individuals, only those Series D-1939 Savings Bonds held by individuals will be eligible for this privilege.

Any agent qualified to pay savings bonds, which is also an issuing agent, can accomplish this exchange through the simple procedure of redeeming matured bonds registered in the name of an individual owner or coowner, and applying the proceeds to the purchase of new Series E bonds. The bonds may also be exchanged, of course, at any Federal Reserve bank or branch, or at the Treasury Department.

The new bonds will be dated as of the first day of the month in which the matured Series D-1939 Savings Bonds are presented for payment. In order to preserve the continuity of the investment, individual holders of the maturing bonds should present them for exchange during the month in which they mature.

The Secretary took occasion to express appreciation for the splendid response of the people of the country to the Treasury's savings bond program. He also expressed his confidence that people will divert their spending dollars to savings bonds to the fullest extent, in recognition of the check which this action has against inflationary pressures.