

FEDERAL RESERVE BANK
OF NEW YORK

Government Bond
Department

[Circular No. 491, October 2, 1922.]
Subject to Treasury Department Circulars 301
and 302. Reference to our Circular No. 423.

Advance in Price of Treasury Savings Certificates
Interest Basis Readjusted
Sale of \$1 Treasury Savings Stamps Discontinued

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

Your attention is directed to the increase in the purchase price of Treasury Savings Certificates which became effective on October 1. The new prices are \$20.50 for the \$25 certificate, \$82 for the \$100 certificate, and \$820 for the \$1000 certificate.

The \$1 Treasury Savings Stamp was withdrawn from sale at the close of business September 30, 1922. Accordingly, you are requested to return to us for credit, not later than October 31, 1922, any unsold Treasury Savings Certificates or Stamps you may have had on hand, September 30, 1922, and to obtain a supply of the new certificates which go on sale today.

Apart from the change in price the new Treasury Savings Certificates correspond in all essential respects to the certificates which have been on sale to the public. At the new prices the certificates will yield about 4 per cent. compounded semiannually if held to maturity and about 3 per cent. simple interest if redeemed before maturity.

Banks may handle the sale of Treasury Savings Certificates in either of two ways:

1. You may obtain a consignment of unissued certificates from us upon deposit of certain designated collateral, such as Liberty Bonds, etc., and have the use of the proceeds of sale until the 20th of the following month, an average of 35 days,

or

2. We will issue certificates and mail them to you or to your customer, as you may elect, upon receipt of the name and address of the purchaser, together with your check to our order, or authority from you to charge your reserve account, if a member bank.

A number of banking institutions are already assisting in the sale of Treasury Savings Certificates and the cooperation of all would be cordially welcomed.

Very truly yours,

BENJ. STRONG,
Governor.