

FEDERAL RESERVE BANK
OF NEW YORK

Government Bond
Department

[Circular No. 578
November 24, 1923]

Redemption and Exchange of
Unregistered 1919 War Savings Certificates (Stamps)

Procedure for Banks

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

In accordance with the recent public announcement by the Secretary of the Treasury and his general letter to banking institutions dated November 17, 1923, enclosing copies of Treasury Department Circulars 329 and 330, we shall be prepared, commencing December 1, to receive War Savings Certificates of the Series of 1919, due January 1, 1924, either for redemption and payment as of January 1, 1924, or for exchange for the new offering of Treasury Savings Certificates.

You will observe from the Treasury's circulars that we will handle the redemption and exchange of the maturing certificates in the same way in which we handled the 1918 issue of War Savings Certificates last year. For your convenient reference we are enclosing an up-to-date outline of the procedure to be followed by banking institutions in handling redemptions and exchanges for their customers. We are also sending separately a supply of the revised form of request, PD 830, for the use of applicants, as well as a quantity of letters of transmittal for your own use in forwarding certificates to us.

To Keep 1918 Stamps Separate

It is earnestly requested, in order to avoid confusion in our records and in yours, that you maintain separate records of any 1918 stamps you may send us in the future, covering them with separate letters of transmittal. You will receive separate checks or advices of credit in payment of 1918 and 1919 stamps.

New Offering of Treasury Savings Certificates

In connection with its offer of exchange, the Treasury will place on sale on December 1, 1923, a new issue of Treasury Savings Certificates. They will mature five years from the date of issue and will sell at the following prices: \$20 for the \$25 certificates, \$80 for the \$100 certificates, and \$800 for the \$1,000 certificates. Full information with respect to these certificates is contained in Treasury Department Circular 329.

Secretary Mellon in his statement on November 15 set forth the advantages of the new certificates and pointed out that they fulfill a double purpose:

"The money which the Treasury is receiving from their sale," he said, "is the best possible money to get into Government securities, partly because they are better distributed among the people than perhaps any other form of Government security, and partly because of what their sale can accomplish in combating the spread of fraudulent investments. I believe that the greater the number of holders of a Government's securities, the greater the number of good citizens that Government will have. Treasury Savings Certificates give to the man or woman who can save only a little at a time an opportunity to invest in a security as safe and with as good an interest return, all things considered, as other investments give to the man of wealth and large independent income."

Very truly yours,

BENJ. STRONG

Governor

Jones

Redemption and Exchange of Unregistered 1919 War Savings Certificates (Stamps) on and after December 1, 1923

Procedure for Banks

Banking institutions may accept unregistered 1919 War Savings Certificates (Stamps) and act in the capacity of forwarding agents for the holders. The Treasury has provided that the certificates are to be presented to us at the risk and expense of the forwarding bank. Only the 1919 series of War Savings Stamps, blue in color and bearing the portrait of Benjamin Franklin, mature January 1, 1924. War Savings Stamps of other series, Treasury Savings Certificates (except the new issue offered in exchange), 25-cent Thrift Stamps and \$1 Treasury Savings Stamps do not pertain to this operation.

Following the procedure established last year in the redemption and exchange of 1918 War Savings Certificates,* holders have been offered four options in connection with the maturity of their 1919 stamps, and banks may accordingly accept them for four separate purposes:

- Class 1. *Maximum Exchange*, where applicant takes the largest possible amount of new Treasury Savings Certificates dated January 1, 1924, covered by the face value of his maturing stamps, and receives payment of the cash difference due which in no case will exceed \$15,
- Class 2. *Excess Exchange*, where the applicant takes Treasury Savings Certificates to an aggregate cost price exceeding the value of his stamps, and pays the difference in cash,
- Class 3. *Partial Exchange*, where applicant takes less than the maximum amount of Treasury Savings Certificates in exchange and the balance (which will always be more than \$15) in cash on January 1, 1924,
- Class 4. *Cash Redemption* as of January 1, 1924.

Exchanges

Banks may forward War Savings Certificates with the accompanying applications on form PD 830 to the Federal Reserve Bank of New York, which will issue and at once forward new Treasury Savings Certificates as directed in the application. All such Treasury Savings Certificates will be dated January 1, 1924.

Checks for balance due holders will be drawn, unless otherwise requested, to the order of the holder. Checks in payment of the balance due holders requesting Maximum Exchange (Class 1) will bear the current date and be forwarded to them at once. Checks in payment of the balance due holders requesting only Partial Exchange (Class 3) will be dated January 1, 1924, and will be forwarded to holders so as to reach them about that time.

Cash Redemptions

Commencing December 1, 1923, banks may forward War Savings Certificates from day to day, for cash redemption as of January 1, 1924, indicating as provided in the letter of transmittal, whether they wish the Federal Reserve Bank to make payment to them on January 1, 1924, by (a) credit to their reserve account, or (b) check drawn to their order. Please note that on cash redemption transactions the Federal Reserve Bank will make payment to the sending bank unless otherwise directed.

*Reference to Federal Reserve Bank of New York, Circular 502.

General Provisions

For purposes of identification, it is essential that each War Savings Certificate and each application should bear the bank stamp of the forwarding bank.

Separate letters of transmittal (the forms are furnished by us) should be used in forwarding certificates for redemption or exchange.

Application Forms PD 830 should accompany War Savings Certificates and will be used as the basis of issuing checks and Treasury Savings Certificates.

Banks are urged to print or type the name and address on the application when it is illegible as, in issuing Treasury Savings Certificates, it is manifestly essential that the Federal Reserve Bank has the correct spelling of the name and the present address of the registrant.

Any one holder may file a single application to cover several War Savings Certificates in the same name providing the transaction is confined to one class and does not exceed \$5,000.

Receipt

Unregistered certificates presented for either redemption or exchange must be *duly received in the name inscribed thereon*.

Registered Certificates

Banks should not accept certificates or stamps which have been registered, as such certificates and stamps can be redeemed *only at the Post Office where registered*. Numbers appearing on the face of the stamps and certificates may be taken as evidence of registration.

Holders presenting *registered* certificates should be referred to the Post Office of registration. Certificate cards containing both registered and unregistered stamps are regarded as registered, and must accordingly be presented at the Post Office of registration.

Treasury Savings Certificates Checks

All certificates issued in exchange on or before *January 15, 1924*, will be dated January 1, 1924. All issued after that date will bear the current date.

Checks issued before January 1, 1924, against either Partial Exchanges (Class 3) or Cash Redemptions will be dated January 1, 1924; checks issued against Maximum Exchanges (Class 1) will bear the current date. All checks issued after January 1, 1924, will bear the current date.

Collateral Agents

Collateral Agents receiving unregistered War Savings Certificates for exchange may themselves issue Treasury Savings Certificates dated January 1, 1924, and make payment of any balance due the holder at once in connection with Maximum Exchange transactions (Class 1), and on January 1, 1924, in connection with Partial Exchanges (Class 3). Payments due from holders in connection with Excess Exchanges (Class 2) will be received immediately as in the case of ordinary sales.

Irregular Cases

Special forms are provided by the Treasury Department to cover cases of certificates held by a minor, a deceased owner with or without administration, or an absentee holder, as well as cases where payment is to be made to some person other than the owner whose name is inscribed on the certificate.

Generally speaking, 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. On application we will furnish the necessary forms, which should be properly executed and attached to the certificates and forwarded with a separate letter of transmittal.

Mutilated certificates and stamps may be accepted provided the space intended for entry of the name and address of the owner is present, and provided that manifestly more than one-half of each stamp is present. If that portion of the certificate intended for entry of the holder's name and address is missing, or if in any case less than one-half of any stamp is affixed, the certificate should be forwarded with separate letter of transmittal, as it will be necessary for the Treasury Department to authorize acceptance.

Certificates evidencing erasures in the date or amount will be accepted if officially certified to by the forwarding bank.

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States.

LIBRARY

NOV 16 1923

FEDERAL RESERVE BANK
OF N. Y.

UNITED STATES OF AMERICA.

NEW OFFERING OF TREASURY SAVINGS CERTIFICATES.

ISSUE OF DECEMBER 1, 1923.

1923.

DEPARTMENT CIRCULAR NO. 329.

PUBLIC DEBT.

TREASURY DEPARTMENT.

OFFICE OF THE SECRETARY.

November 15, 1923.

NEW OFFERING OF TREASURY SAVINGS CERTIFICATES.

1. Under authority of Section 6 of the Act of Congress approved September 24, 1917, as amended and supplemented, the Secretary of the Treasury offers for sale to the people of the United States, beginning December 1, 1923, an issue of United States War Savings Certificates, to be known as Treasury Savings Certificates and to be dated December 1, 1923. Pursuant to the provisions of Treasury Department Circular No. 301, dated September 30, 1922, Treasury Savings Certificates, Issue of September 30, 1922, offered thereunder, are hereby withdrawn from sale at the close of business November 30, 1923, and thereafter such certificates will not be issued for cash or in exchange, except as hereinafter provided for exchange of denominations. The Treasury Savings Certificates issued within any one calendar year shall constitute a separate series, under the serial designation of the year of issue. Treasury Savings Certificates, Issue of September 30, 1922, issued during the calendar year 1923, and Treasury Savings Certificates which may be issued hereunder during the remainder of the calendar year 1923, constitute the Series of 1923 of Treasury Savings Certificates. It shall not be lawful for any one person at any one time to hold United States Treasury (War) Savings Certificates of any one series to an aggregate amount exceeding \$5,000 (maturity value). The sum of United States Treasury (War) Savings Certificates of all series and issues outstanding shall not at any one time exceed in the aggregate \$4,000,000,000 (maturity value).

DESCRIPTION OF CERTIFICATES.

2. *Form and denominations.*—Treasury Savings Certificates will be issued only in registered form, in denominations of \$25, \$100, and \$1,000 (maturity value), and will bear the name and address of the owner and the date of issue, which shall be inscribed thereon by the issuing agent at the time of issue. At the time of issue of each such certificate the registration stub attached thereto shall be executed in the same manner by the issuing agent, and shall be detached and forwarded in the manner directed in paragraphs 8 and 9 hereof. The registration stubs will remain at the Treasury Department at Washington and will constitute the basis for the Department's record of the registered ownership of the certificates. In addition to the registration stub above described, each certificate will be provided with an additional or duplicate stub, which shall be executed at the same time and in the same manner as the original registration stub and retained by issuing post offices in such manner as the Postmaster General shall direct, and by Federal Reserve Banks and other issuing agents subject to the order of the Secretary of the Treasury. The certificates will mature five years from the date of issue in each case, and will be redeemable before maturity at the option of the owner. The certificates, at the issue prices hereinafter

named, yield about $4\frac{1}{2}$ per cent per annum, compounded semiannually, if held to maturity, and about $3\frac{1}{2}$ per cent per annum, compounded semiannually, if redeemed before maturity. The certificates will not be transferable, and will be payable only to the owner named thereon except in case of death or disability of the owner and in such case will be payable, or, in the case of the death of the owner prior to maturity, the certificate may be reissued to the person entitled thereto, as provided in regulations prescribed by the Secretary of the Treasury. (See Treasury Department Circular No. 149, Revised, dated August 1, 1922.) The certificates will not be valid unless the owner's name and address and the date of issue are duly inscribed thereon by an authorized agent at the time of issue. Treasury Savings Certificates issued hereunder will bear the facsimile signature of the Secretary of the Treasury.

3. *Issue prices.*—Treasury Savings Certificates are offered hereunder, until further notice, at the following flat issue prices:

Denomination (maturity value):	Issue price.
\$25	\$20
100	80
1,000	800

4. *Tax exemption.*—Treasury Savings Certificates shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds and certificates authorized by said Act approved September 24, 1917, and amendments thereto, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

5. *Payment at maturity.*—Owners of Treasury Savings Certificates issued hereunder will be entitled to receive at or after maturity, five years from the date of issue thereof, the respective face amounts as stated thereon, upon presentation and surrender of the certificates by mail or otherwise at the Office of the Secretary of the Treasury, Division of Loans and Currency, Washington, D. C., and upon compliance with all other provisions thereof, provided the form of demand for payment appearing on the back thereof shall be properly signed by the owner in the presence of, and duly certified by, a United States postmaster (who should also affix the official postmark of his office), an executive officer of an incorporated bank or trust company (who should also affix the corporate seal of the bank or trust company), or any other person duly designated by the Secretary of the Treasury for the purpose. In case of the death or disability of the owner, a special form of demand for payment prescribed by the Secretary of the Treasury must be duly executed.

6. *Payment prior to maturity.*—Owners of Treasury Savings Certificates issued hereunder, at their option, will be entitled to receive, prior to maturity, the lesser amount indicated for the respective months following issue in the following tables (and in the similar table appearing on the back of the certificate) with respect to certificates of the denomination concerned. Payment prior to maturity of the amount payable in respect of any such certificate will be made upon presentation, surrender, and demand made as aforesaid in paragraph 5 hereof, at the Office of the Secretary of the Treasury, Division of Loans and Currency, Washington, D. C., and upon compliance with all other provisions thereof.

TABLES SHOWING HOW TREASURY SAVINGS CERTIFICATES, ISSUE OF DECEMBER 1, 1923, INCREASE IN VALUE DURING SUCCESSIVE MONTHS FOLLOWING ISSUE.

DENOMINATION OF \$25.—ISSUE PRICE, \$20.

Month.	First year.	Second year.	Third year.	Fourth year.	Fifth year.
First.....	\$20.00	\$20.70	\$21.45	\$22.20	\$23.00
Second.....	20.05	20.75	21.50	22.25	23.05
Third.....	20.10	20.80	21.55	22.30	23.10
Fourth.....	20.15	20.85	21.60	22.35	23.15
Fifth.....	20.20	20.90	21.65	22.40	23.20
Sixth.....	20.25	20.95	21.70	22.45	23.25
Seventh.....	20.35	21.05	21.80	22.60	23.40
Eighth.....	20.40	21.10	21.85	22.65	23.45
Ninth.....	20.45	21.15	21.90	22.70	23.50
Tenth.....	20.50	21.20	21.95	22.75	23.55
Eleventh.....	20.55	21.25	22.00	22.80	23.60
Twelfth.....	20.60	21.30	22.05	22.85	23.65
At maturity, 5 years from date of issue.					\$25.00

DENOMINATION OF \$100.—ISSUE PRICE, \$80.

Month	First year.	Second year.	Third year.	Fourth year.	Fifth year.
First.....	\$80.00	\$82.80	\$85.80	\$88.80	\$92.00
Second.....	80.20	83.00	86.00	89.00	92.20
Third.....	80.40	83.20	86.20	89.20	92.40
Fourth.....	80.60	83.40	86.40	89.40	92.60
Fifth.....	80.80	83.60	86.60	89.60	92.80
Sixth.....	81.00	83.80	86.80	89.80	93.00
Seventh.....	81.40	84.20	87.20	90.40	93.60
Eighth.....	81.60	84.40	87.40	90.60	93.80
Ninth.....	81.80	84.60	87.60	90.80	94.00
Tenth.....	82.00	84.80	87.80	91.00	94.20
Eleventh.....	82.20	85.00	88.00	91.20	94.40
Twelfth.....	82.40	85.20	88.20	91.40	94.60
At maturity, 5 years from date of issue.					\$100.00

DENOMINATION OF \$1,000.—ISSUE PRICE, \$800.

Month.	First year.	Second year.	Third year.	Fourth year.	Fifth year.
First.....	\$800	\$828	\$858	\$888	\$920
Second.....	802	830	860	890	922
Third.....	804	832	862	892	924
Fourth.....	806	834	864	894	926
Fifth.....	808	836	866	896	928
Sixth.....	810	838	868	898	930
Seventh.....	814	842	872	904	936
Eighth.....	816	844	874	906	938
Ninth.....	818	846	876	908	940
Tenth.....	820	848	878	910	942
Eleventh.....	822	850	880	912	944
Twelfth.....	824	852	882	914	946
At maturity, 5 years from date of issue.					\$1,000

7. *Exchanges of denominations.*—Treasury Savings Certificates may be exchanged at the Treasury Department, Division of Loans and Currency, Washington (but not at Federal Reserve Banks, post offices, or other agencies), for Treasury Savings Certificates of the same issue and series with the same date of issue and date of maturity and inscribed in the same name but in other authorized denominations to the same aggregate maturity value.

TRANSMISSION OF REGISTRATION STUBS.

8. *Transmission of registration stubs by post offices.*—The original registration stubs detached from Treasury Savings Certificates sold by post offices shall be forwarded to the Third Assistant Postmaster General, Division of Stamps, in accordance with instructions issued by the Postmaster General.

9. *Transmission of registration stubs by other issuing agents.*—The original registration stubs detached from Treasury Savings Certificates sold by other issuing agents shall be forwarded to the Federal Reserve Bank from which such certificates were obtained, with the monthly accounts of such agents. The Federal Reserve Bank receiving such stubs will see that a registration stub is at hand for each such certificate reported sold and will forward such stubs, together with the original registration stubs detached from all Treasury Savings Certificates issued and sold by it, to the Treasury Department, Division of Loans and Currency, Washington, D. C. The original registration stubs detached from Treasury Savings Certificates sold by the Treasurer of the United States shall also be forwarded to the Division of Loans and Currency.

EXCHANGE OF WAR SAVINGS CERTIFICATES, SERIES OF 1919, AND TREASURY SAVINGS CERTIFICATES, SERIES OF 1919.

10. United States War Savings Certificates, Series of 1919, will be accepted in exchange for Treasury Savings Certificates offered hereunder, at the maturity value of \$5 for each War Savings Stamp, Series of 1919, affixed to the War Savings Certificates surrendered, pursuant to the provisions of Treasury Department Circular No. 330, dated November 15, 1923. United States Treasury Savings Certificates, Series of 1919, will be accepted in exchange for Treasury Savings Certificates offered hereunder, at the maturity value thereof, pursuant to the provisions of Treasury Department Circular No. 331, dated November 15, 1923.

WAR SAVINGS CERTIFICATES, SERIES OF 1918, AND TREASURY SAVINGS CERTIFICATES, SERIES OF 1918.

11. United States War Savings Certificates, Series of 1918, and Treasury Savings Certificates, Series of 1918, which matured and ceased to bear interest on January 1, 1923, will be accepted at their maturity value on and after December 1, 1923, on account of the purchase price of Treasury Savings Certificates offered hereunder, with immediate cash adjustment of any difference, whether in favor of the applicant or in favor of the United States. On and after December 1, 1923, Treasury Savings Certificates, Issue of September 30, 1922, will not be issued in exchange for War Savings Certificates, Series of 1918, or Treasury Savings Certificates, Series of 1918, and Treasury Department Circulars Nos. 308, dated November 9, 1922, and 310, dated November 15, 1922, are amended accordingly.

TREASURY SAVINGS STAMPS AND THRIFT STAMPS.

12. United States Treasury Savings Stamps and Thrift Stamps outstanding will be accepted at their face value of \$1 per stamp for Treasury Savings Stamps and 25 cents per stamp for Thrift Stamps on account of the purchase price of Treasury Savings Certificates offered hereunder, in any denomination, or, at the option of the holder, may be redeemed at face value in cash upon presentation and surrender to the Treasury Department, Office of the Treasurer of the United States, Washington, D. C., any Federal Reserve Bank, or any money-order post office.

CONVERSION OF POSTAL SAVINGS DEPOSITS.

13. Payment for Treasury Savings Certificates, when purchased at post offices having postal savings facilities, may be made with Postal Savings deposits, and interest upon deposits withdrawn for this purpose will be allowed at the current postal savings rate, in accordance with regulations prescribed by the Postmaster General, from the first day of the month following the date of deposit to the first day of the month in which such purchase is made.

AGENCIES FOR SALE.

14. United States Treasury Savings Certificates offered hereunder, in all denominations, may be purchased at the Treasury Department, Washington, D. C., at the Federal Reserve Banks, and from incorporated banks and trust companies and others which have duly qualified as collateral agents, and in such denominations as may be prescribed by the Secretary of the Treasury at post offices of the first and second class, and such other post offices as the Postmaster General may designate for the purpose. Sales by the Treasury Department, the Federal Reserve Banks, incorporated banks and trust companies and other duly qualified collateral agents, and post offices will be governed, subject to the provisions of this circular, by the same regulations, *mutatis mutandis*, as prescribed under Treasury Department Circular No. 216, dated December 15, 1920, as modified and extended by Treasury Department Circular No. 270, dated December 15, 1921, and Treasury Department Circular No. 301, dated September 30, 1922. Collateral agents already duly qualified to a sufficient amount will not be required to file anew formal applications or pledge agreements and may act as collateral agents for the sale of Treasury Savings Certificates offered hereunder without further application; and by the receipt or sale of Treasury Savings Certificates offered hereunder, such collateral agents will be conclusively presumed to have assented to all the terms and provisions of this circular and to the retention of any collateral security pledged or to be pledged as collateral security hereunder. Copies of Forms L. & C. 356, 357, and 358, with regard to collateral agents, revised to cover the Treasury Savings Certificates offered hereunder, are appended to this circular as exhibits, and additional copies may be obtained upon application from the Federal Reserve Banks.

SURRENDER OF TREASURY SAVINGS CERTIFICATES, ISSUE OF SEPTEMBER 30, 1922, BY COLLATERAL AGENTS AND POST OFFICES.

15. The sale of United States Treasury Savings Certificates, Issue of September 30, 1922, offered under the provisions of Treasury Department Circular No. 301, dated September 30, 1922, will cease at the close of business on November 30, 1923. Every collateral agent shall surrender, immediately thereafter, to the Federal Reserve Bank from which such certificates were obtained, all Treasury Savings Certificates, Issue of September 30, 1922, not sold before the close of business November 30, 1923, and upon such surrender shall receive appropriate credit for the certificates surrendered in its account with the Federal Reserve Bank. Post offices will be required to surrender all Treasury Savings Certificates, Issue of September 30, 1922, held by them for sale and remaining in their hands unsold at the close of business on November 30, 1923, in accordance with instructions issued by the Postmaster General.

MISCELLANEOUS PROVISIONS.

16. Treasury Savings Certificates are not receivable as security for deposits of public moneys and do not bear the circulation privilege.

17. The Secretary of the Treasury may at any time withdraw this circular as a whole or make from time to time any supplemental or amendatory regulations which shall not modify

or impair the terms and conditions of Treasury Savings Certificates issued hereunder. The Secretary of the Treasury may at any time withdraw the Treasury Savings Certificates offered hereunder from sale, or refuse to sell or to permit to be sold any such certificates to any person, firm, corporation, or association.

18. The provisions of Treasury Department Circular No. 149, as revised August 1, 1922, further defining the rights of holders of Treasury Savings Certificates, will apply to and govern, subject to the provisions of this circular, the rights of holders of Treasury Savings Certificates issued hereunder. The provisions of Treasury Department Circular No. 178, dated January 15, 1920, as amended and supplemented, with respect to holdings of United States War Savings Certificates in excess of the legal limit, apply to and govern Treasury Savings Certificates issued hereunder, subject to the provisions of this circular.

19. The issue of Treasury Savings Certificates of the Series of 1920 and 1921, in exchange for War Savings Certificates of the same series, respectively, will be continued until further notice upon the same terms and conditions as heretofore prescribed. Such issue will only be made at the Treasury Department, Washington; *Provided, however,* That when registered War Savings Certificates of any series are surrendered for such exchange, presentation and surrender must be made through the post office of registration. War Savings Certificates presented for such exchange must in each case be accompanied by a request for exchange on Form General 1020, when registered certificates are surrendered, or Form General 1021, when unregistered certificates are surrendered. Copies of these forms may be obtained at Federal Reserve Banks, duly qualified post offices, and the Treasury Department, Division of Loans and Currency, Washington.

20. Further details may be announced by the Secretary of the Treasury from time to time, information as to which will be promptly furnished to Federal Reserve Banks, to postmasters, and to other agents.

A. W. MELLON,
Secretary of the Treasury.

Upon delivery to the undersigned of any Treasury Savings Certificates desired to be obtained hereunder, this Pledge Agreement shall come into full force and effect, and the undersigned shall become a collateral agent as aforesaid.

In witness whereof, the undersigned has caused this agreement to be executed under seal by the officer below named thereunto duly authorized by action of its governing board.

Dated....., 192....

(Corporate Seal.)

(Signature in full).....

By

(Authorized signature required.)

(Address, number, and street).....

(City or town).....

(County).....

(State).....

TREASURY DEPARTMENT.
Loans and Currency.
Form L. & C. 357 (Revised, 1923)

Name.....

Street and number.....

City or town.....

County.....

State.....

Your pledge agreement on Form L. & C. 356 (Revised, 1923) has been approved, and you are hereby appointed a collateral agent for the sale of Treasury Savings Certificates, subject to the provisions of Treasury Department Circular No. 329, dated November 15, 1923, as from time to time amended and supplemented.

Federal Reserve Bank of.....
Fiscal Agent of the United States,

Dated....., 192....

By.....
Governor.

(Original to be issued to agent, duplicate to be forwarded to the Treasury Department, Division of Loans and Currency, and triplicate to be retained by Federal Reserve Bank.)

TREASURY DEPARTMENT.
Loans and Currency.
Form L. & C. 358 (Revised, 1923).

Serial No.

MONTHLY ACCOUNT OF SALES OF TREASURY SAVINGS CERTIFICATES BY COLLATERAL AGENT.

To Federal Reserve Bank of

The undersigned hereby renders the following account of transactions in Treasury Savings Certificates from

....., 192...., to, 192...., both inclusive:

Stock account.

	Number of pieces, Treasury Savings Certificates.		
	Denomination, \$25.	Denomination, \$100.	Denomination, \$1,000.
On hand at close of preceding month.....			
Obtained during month.....			
Total.....			
Sales during month.....			
Unsold stock returned.....			
Net total on hand.....			

Gross amount due in respect of sales.

	Number of pieces.	Issue price.	Total issue value.
Treasury Savings Certificates. { \$25 denomination.....			
{ \$100 denomination.....			
{ \$1,000 denomination.....			
Total.....			

The undersigned herewith remits for credit to its account the following:

Currency.....	\$	
Bank drafts or checks drawn upon the Federal Reserve Bank, or upon any member bank, payable to the order of "Federal Reserve Bank of, as Fiscal Agent of the United States," as follows:		
.....		
War Savings Certificates, Series of 1918, with War Savings Stamps affixed, received in exchange for Treasury Savings Certificates, stamps taken at \$5 each.....		
War Savings Certificates, Series of 1919, with War Savings Stamps affixed, received in exchange for Treasury Savings Certificates, stamps taken at \$5 each.....		
Treasury Savings Cards with Treasury Savings Stamps affixed, received in exchange for Treasury Savings Certificates, stamps taken at \$1 each.....		
Thrift Cards with Thrift Stamps affixed, received in exchange for Treasury Savings Certificates, Thrift Stamps taken at 25 cents each.....		

Remarks.....

(Signed).....
 (Name of Collateral Agent.)

By.....
 (Official signature required.)

(Address, number, and street).....

(City or town).....

(County).....

(State).....

NOTE 1.—A similar account must be rendered to cover each month's transactions.

NOTE 2.—No medium of payment other than above provided will be accepted by any Federal Reserve Bank except at its own risk, and no agent shall be entitled to credit, in respect of any payment to be made by check or draft, except when such draft shall have been collected by the Federal Reserve Bank, as fiscal agent of the United States.

REDEMPTION AND EXCHANGE OF WAR-SAVINGS CERTIFICATES, SERIES OF 1919.

578

LIBRARY

NOV 16 1923

FEDERAL RESERVE BANK
OF N. Y.

1923.
Department Circular No. 330.
Public Debt.

TREASURY DEPARTMENT.

OFFICE OF THE SECRETARY.

Washington, November 15, 1923.

To Holders of War-Savings Certificates of the Series of 1919, Postmasters, Federal Reserve Banks, and Others Concerned:

United States War-Savings Certificates of the Series of 1919 become due and payable January 1, 1924, 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 1919, will be entitled to receive on or after January 1, 1924, \$5.00 for each War-Savings Stamp of the Series of 1919 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, 1924, redeem their certificates in cash, at maturity value, or beginning December 1, 1923, may exchange them, at maturity value, with any necessary adjustments in cash, for Treasury Savings Certificates, Series of 1924, issued pursuant to Treasury Department Circular No. 329, dated November 15, 1923. 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 entitled to receive payment under the provisions of Treasury Department Circular No. 108, Revised, dated August 1, 1923. 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, 1924, 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 December 1, 1923, of surrendering their certificates, receipted as of January 1, 1924, 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, 1924. Postmasters receiving certificates in advance of January 1, 1924, 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 of the United States for redemption as of January 1, 1924, will be made by check payable to the order of the holder, which will be mailed to reach him on or about January 1, 1924.

(b) *Presentation at or after maturity.*—Cash redemption will be made only as of January 1, 1924, or on later surrender. Certificates presented on or after January 1, 1924, 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 1919, 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 December 1, 1923, and January 15, 1924.*—Exchanges of War-Savings Certificates, Series of 1919, for Treasury Savings Certificates, Series of 1924, will be made as of January 1, 1924, upon applications filed between December 1, 1923, and January 15, 1924, accompanied by the War-Savings Certificates to be exchanged, duly receipted as herein provided. Treasury Savings Certificates, dated and carrying interest from January 1, 1924, 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, 1924, 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, 1924.*—Exchanges after January 15, 1924, 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 1919, for redemption or exchange, whether in advance of January 1, 1924, or on or after that date, holders may use Form P. D. 830, 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, Revised, dated August 1, 1923, 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 1919 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 1919 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 1919.

A. W. MELLON,
Secretary of the Treasury.

REQUEST FOR REDEMPTION OR EXCHANGE OF WAR-SAVINGS CERTIFICATES, SERIES OF 1919.

IMPORTANT: WAR-SAVINGS CERTIFICATES DUE JANUARY 1, 1924, MAY BE PRESENTED AT ANY TIME ON OR AFTER DECEMBER 1, 1923, 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, 1924, or upon later surrender. Exchanges for Treasury Savings Certificates, Series of 1924, will be made as of January 1, 1924, upon applications presented between December 1, 1923, and January 15, 1924, and new certificates dated January 1, 1924, will be delivered promptly upon surrender. Exchanges after January 15, 1924, 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, 1924, 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 receipted
 (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 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 for a \$25 certificate; \$80 for a \$100 certificate; and \$800 for a \$1,000 certificate.)
TOTAL (which must agree with total given above) \$

*Issue Treasury Savings Certificates, Series of 1924, as follows:

~~Errors~~ Errors will be avoided if name and address are typewritten; otherwise write or print distinctly.

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,
 (How many.)
 Series of 1919, being all the registered stamps surrendered with this application, are on file in this office,
 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 1919, mature January 1, 1924, when \$5 will be payable for each War-Savings Stamp, Series of 1919, then affixed thereto. The certificates may be redeemed in cash on or after January 1, 1924, or may be

EXCHANGED AT ANY TIME ON OR AFTER DECEMBER 1, 1923, 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, \$80, and \$800, 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 about $4\frac{1}{2}$ per cent per annum, compounded semiannually, if held to maturity, or about $3\frac{1}{2}$ per cent per annum, compounded semiannually, 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, any 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 1924, will be made as of January 1, 1924, upon applications filed between December 1, 1923, and January 15, 1924, and new certificates dated January 1, 1924, will be delivered promptly upon surrender. Exchanges after January 15, 1924, 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, 1924, 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, 1924.

WHAT YOU CAN GET BY EXCHANGING YOUR 1919 WAR-SAVINGS CERTIFICATES.

In exchange for **\$1,000** (maturity value) of War-Savings Certificates, **\$1,250** (maturity value) of Treasury Savings Certificates will be issued; or, if the applicant desires, he may receive \$1,000 (maturity value) of Treasury Savings Certificates and a cash adjustment of \$200.

In exchange for **\$500** (maturity value) of War-Savings Certificates, **\$625** (maturity value) of Treasury Savings Certificates will be issued; or, if the applicant desires, he may receive \$500 (maturity value) of Treasury Savings Certificates and a cash adjustment of \$100.

In exchange for **\$100** (maturity value) of War-Savings Certificates, **\$125** (maturity value) of Treasury Savings Certificates will be issued; or, if the applicant desires, he may receive \$100 (maturity value) of Treasury Savings Certificates and a cash adjustment of \$20.

In exchange for **\$50** (maturity value) of War-Savings Certificates, **\$50** (maturity value) of Treasury Savings Certificates will be issued and the applicant will immediately receive payment of the cash difference of **\$10**; or, if the applicant desires, upon payment by him of a cash adjustment of \$10 he may receive \$75 (maturity value) of Treasury Savings Certificates.

In exchange for **\$25** (maturity value) of War-Savings Certificates, **\$25** (maturity value) of Treasury Savings Certificates will be issued and the applicant will immediately receive payment of the cash difference of **\$5**; or, if the applicant desires, upon payment by him of a cash adjustment of \$15 he may receive \$50 (maturity value) of Treasury Savings Certificates.

These examples may be applied to other maturity values in the same relation, and the applicant may receive lesser amounts of Treasury Savings Certificates, in multiples of \$25 (maturity value), than are indicated above, with corresponding increases in the cash adjustments to be paid by the United States. The cash adjustments due the United States, as, for example, where the holder of \$50 (maturity value) of War-Savings Certificates desires \$75 (maturity value) of Treasury Savings Certificates, must be paid in all cases at the time of exchange. Cash adjustments due the applicant will be paid on January 1, 1924, 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, for example, where the holder of \$50 (maturity value) of War-Savings Certificates applies for \$50 (maturity value) of Treasury Savings Certificates. It will be noted that in no case will the cash differences payable to applicants before January 1, 1924, exceed \$15, since a cash difference of \$20 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.

CONSULT YOUR BANK OR YOUR POSTMASTER.