

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 2040 ]  
March 26, 1940 ]

**RESTRICTIONS ON REGISTRATION OF UNITED STATES SAVINGS BONDS**

*To Banking Institutions in the  
Second Federal Reserve District:*

For your information we quote below the text of a statement for the press which was released by the Treasury Department on March 22, 1940.

“Secretary of the Treasury Morgenthau announced today that effective April 1, 1940, the registration of United States Savings Bonds sold on and after that date will be restricted to individuals.

“The permissible registration will be in one name only, in two names as co-owners, or in one name with another individual designated as beneficiary. Registration of bonds sold on and after that date will no longer be permitted in the names of corporations, partnerships, associations, trustees, guardians, etc. Likewise, the sale of Savings Bonds on and after April 1st will be restricted to residents of the United States, its Territories and Insular Possessions, the Canal Zone, the Philippine Islands and to citizens of the United States temporarily residing abroad.

“In explanation of these changes in conditions governing the registration of Savings Bonds, the Secretary stated that these bonds are intended primarily to furnish a type of Government security which will be attractive to any citizen desiring to lay aside funds for future use. These bonds are particularly intended as a repository for savings in relatively small amounts. These new restrictions are made in further emphasis of the basic purpose of these securities.

“An average of 200,000 investors buy Savings Bonds each month, and the bonds purchased are the nucleus of funds set aside for the education of children, for the purchase of homes, for rainy-day reserves, and for old-age security.

“Through March 18 of this year, approximately 12,000,000 Savings Bonds with a maturity value of \$3,805,957,700 had been bought. Less than 10 percent of the total, after five years of the sale of these bonds, have been redeemed.”

Additional copies of this circular will be furnished upon request.

GEORGE L. HARRISON,  
*President.*