

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3051
January 11, 1946]

UNITED STATES SAVINGS BONDS

**Purchase of Bonds of Series E, F or G with Proceeds of
Matured Bonds of Series B**

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following press statement was today made public:

Secretary of the Treasury Vinson today announced that United States Savings Bonds of Series B, which will be due for payment during 1946, will be paid at their face or denominational value as they mature ten years from their issue date, on presentation in accordance with the applicable regulations to any Federal Reserve Bank or branch, the Treasurer of the United States, Washington 25, D. C., or to any qualified paying agent.

The bonds do not increase in value after maturity and individuals who wish to continue their investment in similar bonds without interruption, such as United States Savings Bonds of Series E, F or G, should present their matured bonds for payment in the month of maturity and ask that the proceeds thereof be applied to the purchase of United States Savings Bonds of Series E, F or G.

Bonds of Series E, F or G purchased with the proceeds of matured bonds of Series B will be issued in any form of registration authorized for bonds of the respective series, will be subject to the limitation on holdings applicable thereto, and will be dated as of the first day of the month in which the matured bonds are presented for payment. Any difference between the redemption value of the matured bonds and the purchase price of bonds of Series E, F or G will be paid to the owner of the bonds presented.

Close relatives having possession of maturing bonds of Series B belonging to servicemen abroad are authorized to redeem such bonds for the purpose of purchasing bonds of Series E, F or G for the servicemen. Full instructions regarding procedure in any such case will be given on application to any Federal Reserve Bank or branch.

The original issues of Series B bonds during 1936 aggregated \$493,075,050, maturity value, for which cash amounting to \$369,806,287.50 was received into the Treasury. About 70 percent of the bonds originally issued remain outstanding at this time.

The arrangements referred to in the foregoing statement differ in certain respects from those provided for the purchase of bonds of Series E with the proceeds of matured bonds of Series A. Bonds of Series E, the entire purchase price of which was paid with the proceeds of matured bonds of Series A, were not subject to the limitation on holdings of bonds of Series E acquired on original issue. You will observe, however, that bonds of Series E, F or G purchased with the proceeds of matured bonds of Series B are subject to the respective limitations on holdings of bonds of such series acquired on original issue.

Qualified paying agents are authorized to pay maturing bonds of Series B to the extent provided in Treasury Department Circular No. 750, Revised, which is set forth in our Circular No. 2972, dated July 10, 1945. Bonds which paying agents are not authorized to pay under the Treasury Circular should be sent to us for redemption. Paying agents which are also qualified as issuing agents will not be required to make any special notation on registration stubs of bonds of Series E purchased with the proceeds of matured bonds of Series B.

ALLAN SPROUL,
President.