RE-SALE OF CERTIFICATES TO CUSTOMERS OF THE BANKS

Dear Sirs:

In some localities, the banks are paying a good deal of attention to the desirability of the re-sale of Certificates of Indebtedness to their customers.

There are several advantages in this. In the first place, such sales make it easier for the banks to take their regular quotas of certificates at each bi-weekly offering. In the second place, a bank which subscribes for certificates, using the book credit method of payment, and then re-sells its certificates to its customers, has the advantage of retaining for a time the Government deposit, which should be worth somewhat more than the two percent which it costs.

A further benefit to the bank arises from the fact that an advance placing of the Certificates in this manner relieves the strain attendant on financing the Liberty Loan, since the customer who buys certificates in anticipation of the loan, will exchange them and cover all or part of his Liberty Loan bond subscription in this manner, thus substituting gradual advance payments for a large number of simultaneous payments.

From the customer's standpoint, this transaction is advantageous in several ways. It enables him to make advance preparation for his loan subscription as his funds come in, and secure an excellent interest return. The certificates, moreover, are exempt from the normal income tax, and the indications are that this is apt to be increased materially. A corporation which invests part of its surplus in the certificates is exempted to this extent from the provision of the present tax statute providing that such portion of a corporation's surplus as is not required in the conduct of its business is made subject to a special impost of ten percent, unless invested in Government obligations issued subsequent to September 1, 1917.

As this circular is going to press, the newspapers report that the Ways and Means Committee of the House of Representatives may recommend legislation which will make United States Government securities eligible, without other bond, to secure manufacturers and others engaged on Government contracts. If such legislation is enacted, it will provide a new and important class of customers who have a direct interest in the purchase of certificates.

Your customers should appreciate, in any case, that, to the extent that they purchase certificates at this time, they are aiding the banks to meet their responsibility, and that the customer himself is thus directly aiding the Government in its conduct of the war.

For your convenience, in case this is of interest to you, please find herewith certain advertisements which have been used by other banks successfully. If you desire to use them, you are at liberty to do so.

Very truly yours,

RAY MORRIS,
Director of Sales.
4½ Per Cent.

LIBERTY LOAN ANTICIPATION
U. S. CERTIFICATES OF INDEBTEDNESS
Dated August 6, 1918—Due December 5, 1918

The Banks have been called upon by the Government to purchase Certificates of Indebtedness in anticipation of the Fourth Liberty Loan. This bank, believing it to be its patriotic duty to respond to this call, will take its full quota of these Certificates from time to time as the Treasury Department needs funds to finance the war.

To the people of this community, who have responded so loyally in purchasing past issues of Liberty Bonds and who expect to take bonds of the Fourth Loan, and to those who may desire a short-time Government investment, we recommend the purchase of these Certificates, which we will supply in denominations of $500, $1,000 and upwards, without profit to this bank.

—Minneapolis, Minn.

U. S. 4½ Per Cent.

CERTIFICATES OF INDEBTEDNESS
ARE NOW BEING ISSUED IN ANTICIPATION OF THE FOURTH LIBERTY LOAN THAT IS TO BE PUT OUT BY THE GOVERNMENT THIS FALL

These Certificates may be purchased through us in denominations as small as $500.00 and may be used in payment for subscriptions to the next issue of Liberty Bonds.

If you have idle funds that you are intending putting in Liberty Bonds or that you expect to use otherwise in three or four months, this is your opportunity to invest in a Government Security at 4½ per cent. maturing this fall.

Come in and we will explain details fully.

—Greenwich, N. Y.
THE GUARANTY TRUST & SAVINGS BANK
SEVENTH AND SPRING STREETS
Offers for Immediate Disposal—Subject to Prior Sale

UNITED STATES TREASURY]
4\(\frac{1}{2}\) % CERTIFICATES OF INDEBTEDNESS
MATURING OCTOBER 24th, 1918
IN DENOMINATIONS OF
$500 and $1000
AT PAR AND ACCRUED INTEREST FROM JUNE 25th, 1918

These Certificates are obligations of the United States and possess every attractive feature of a short-time investment of the highest character.

To any individual, firm or corporation having funds temporarily idle, this is an opportunity to invest in the best security in the world at a good rate of interest, at the same time contributing to the winning of the war.

—Los Angeles, Cal.

THE FOURTH LIBERTY LOAN
will soon be announced. In anticipation of this Loan the Banks and Trust Company of Poughkeepsie offer for sale United States 4\(\frac{1}{2}\) % per cent. Certificates of Indebtedness to run for 90 days from date. These certificates are a direct obligation of the United States, are issued every two weeks and can be used to pay for Liberty Bonds of the next loan. They offer subscribers a splendid short-time investment for funds which are lying idle in anticipation of the next Liberty Loan.

ISSUED IN THE FOLLOWING DENOMINATIONS:
$500—$1,000—$5,000—$10,000

Call at Any Bank and Inquire for further Particulars.

FALLKILL NATIONAL BANK
FARMERS & MANUFACTURERS' NATIONAL BANK
FIRST NATIONAL BANK
MERCHANTS' NATIONAL BANK
POUGHKEEPSIE SAVINGS BANK
POUGHKEEPSIE TRUST COMPANY

—Poughkeepsie, N. Y.