

Reference to 246;333.
(Closed)

FEDERAL RESERVE BANK
OF NEW YORK

GOVERNMENT LOAN ORGANIZATION

November 13, 1919

TREASURY SAVINGS CERTIFICATES

TO ALL BANKS AND TRUST COMPANIES IN THE SECOND FEDERAL RESERVE DISTRICT,

DEAR SIRs:

In connection with its activities to encourage the practice of thrift and savings and to meet an increasing demand on the part of the public for a Government savings security in the convenient denominations of \$100 and \$1,000, the Treasury Department is offering in these denominations obligations of the United States known as **Treasury Savings Certificates**.

Full description of the certificates is given in Treasury Department Circular No. 143, enclosed herewith.

In order that banking institutions may have available a supply of Treasury Savings Certificates with which to meet the demands of their customers and others, it is hoped that such banks and trust companies as have not yet qualified as agents to handle these certificates will arrange for a consignment at their earliest convenience. This may be accomplished by signing the "Pledge Agreement" and passing the "Resolutions," copies of which are also enclosed.

Banking institutions will find Treasury Savings Certificates easy to handle and by keeping a supply on hand they will be performing an important service both to the Treasury and the public generally.

Yours very truly,

BENJ. STRONG,

Governor.

Encs.

TREASURY SAVINGS CERTIFICATES.

1919.

Department Circular No. 143.

Loans and Currency.

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY,

Washington, July 1, 1919.

1. Under authority of an 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 an issue of United States War-Savings Certificates, Series of 1919, in registered form, in denominations of \$100 and \$1,000 (maturity value), hereinafter called Treasury Savings Certificates. This issue of Treasury Savings Certificates is in addition to the issue of War-Savings Certificates, Series of 1919, offered pursuant to Department Circular No. 128, dated December 18, 1918, but both issues of certificates are included within the Series of 1919 of United States War-Savings Certificates. It shall not be lawful for any one person at any one time to hold War-Savings Certificates of the Series of 1919 (of whatever issue or denomination) to an aggregate amount exceeding \$1,000 (maturity value). The sum of War-Savings Certificates of all issues outstanding shall not at any one time exceed in the aggregate \$4,000,000,000 (maturity value).

2. Treasury Savings Certificates in the denomination of \$100 (maturity value) may be purchased at post offices of the first and second class, and such other post offices as the Postmaster General may from time to time designate for that purpose; and Treasury Savings Certificates in denominations of \$100 and \$1,000 (maturity value) may be purchased at incorporated banks and trust companies which are agents of the second class for the sale of War-Savings Certificates, Series of 1919, and qualified to obtain certificates to the amount of \$1,000 (maturity value) or more.

DESCRIPTION OF TREASURY SAVINGS CERTIFICATES.

3. Treasury Savings Certificates will be issued only in registered form, and shall bear the name of the owner thereof, which shall be inscribed thereon by the issuing agent at the time of the issue thereof. At the time of issue of each such certificate the registration stub attached thereto shall be inscribed in the same manner by the issuing agent, and shall be detached and forwarded in the manner hereinafter directed for transmission to the Treasury Department at Washington. The registration stubs shall remain at the Treasury Department at Washington and shall constitute the basis for the Department's record of the registered ownership of the certificates. In addition to the registration stub above described, the certificates will be provided with an additional stub, designed for execution by impression from the original registration stub, which additional stub shall be retained by issuing agent banks and trust companies subject to the order of the Secretary of the Treasury, and by issuing post offices in such manner as the Postmaster General shall direct. 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 as provided in regulations prescribed by the Secretary of the Treasury. The certificates will not be valid unless the owner's name is duly inscribed thereon by an authorized agent at the time of issue thereof.

TAX EXEMPTION.

4. 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.

ISSUE PRICES.

5. Treasury Savings Certificates will be issued in 1919 at the following prices:

DENOMINATION OF \$100.

January.....	\$82.40	May.....	\$83.20	September.....	\$84.00
February.....	82.60	June.....	83.40	October.....	84.20
March.....	82.80	July.....	83.60	November.....	84.40
April.....	83.00	August.....	83.80	December.....	84.60

DENOMINATION OF \$1,000.

January.....	\$824.00	May.....	\$832.00	September.....	\$840.00
February.....	826.00	June.....	834.00	October.....	842.00
March.....	828.00	July.....	836.00	November.....	844.00
April.....	830.00	August.....	838.00	December.....	846.00

6. The average issue prices above fixed for the year 1919, with interest at 4 per cent per annum compounded quarterly for the average period to maturity, will amount to \$100 and \$1,000, respectively, on January 1, 1924.

PAYMENT AT MATURITY.

7. Owners of Treasury Savings Certificates will be entitled to receive on January 1, 1924, the face amounts as stated thereon. On and after January 1, 1924, payment of the certificates will be made upon presentation and surrender thereof by mail or otherwise at the Office of the Secretary of the Treasury, Division of Loans and Currency, Washington, 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, an executive officer of an incorporated 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.

PAYMENT PRIOR TO MATURITY.

8. The owner of a Treasury Savings Certificate, at his option, will be entitled to receive prior to January 1, 1924, the amount indicated in the following tables (and in the table appearing on the back of the certificate) with respect to certificates of the denomination concerned. Payment prior to January 1, 1924, of the amount payable in respect of any such certificate will only be made ten days after presentation, surrender, and demand, made as aforesaid at the Office of the Secretary of the Treasury, Division of Loans and Currency, Washington, and upon compliance with all other provisions thereof; but in no event shall such demand be made prior to the second calendar month following the calendar month in which the certificate is issued to the owner.

Tables Showing How Treasury Savings Certificates Increase in Value.

DENOMINATION OF \$100.

Month.	1919	1920	1921	1922	1923
January.....	\$82.40	\$84.80	\$87.20	\$89.60	\$92.00
February.....	82.60	85.00	87.40	89.80	92.20
March.....	82.80	85.20	87.60	90.00	92.40
April.....	83.00	85.40	87.80	90.20	92.60
May.....	83.20	85.60	88.00	90.40	92.80
June.....	83.40	85.80	88.20	90.60	93.00
July.....	83.60	86.00	88.40	90.80	93.20
August.....	83.80	86.20	88.60	91.00	93.40
September.....	84.00	86.40	88.80	91.20	93.60
October.....	84.20	86.60	89.00	91.40	93.80
November.....	84.40	86.80	89.20	91.60	94.00
December.....	84.60	87.00	89.40	91.80	94.20
Jan. 1, 1924.....	-----				100.00

DENOMINATION OF \$1,000.

Month.	1919	1920	1921	1922	1923
January.....	\$824.00	\$848.00	\$872.00	\$896.00	\$920.00
February.....	826.00	850.00	874.00	898.00	922.00
March.....	828.00	852.00	876.00	900.00	924.00
April.....	830.00	854.00	878.00	902.00	926.00
May.....	832.00	856.00	880.00	904.00	928.00
June.....	834.00	858.00	882.00	906.00	930.00
July.....	836.00	860.00	884.00	908.00	932.00
August.....	838.00	862.00	886.00	910.00	934.00
September.....	840.00	864.00	888.00	912.00	936.00
October.....	842.00	866.00	890.00	914.00	938.00
November.....	844.00	868.00	892.00	916.00	940.00
December.....	846.00	870.00	894.00	918.00	942.00
Jan. 1, 1924.....	-----				1,000.00

ISSUE ON SURRENDER OF OTHER WAR-SAVINGS CERTIFICATES.

9. A United States War-Savings Certificate, Series of 1919, issued pursuant to Department Circular No. 128, dated December 18, 1918, which has not been registered and which bears the full complement of 20 War-Savings Certificate Stamps, Series of 1919, may be received in exchange for a Treasury Savings Certificate in the denomination of \$100 (maturity value) inscribed in the same name as the certificate tendered in exchange, upon presentation and surrender to any post office authorized to issue and sell Treasury Savings Certificates in the denomination of \$100 (maturity value), or to any other agent for the sale of Treasury Savings Certificates in either denomination, and 10 such War-Savings Certificates may in like manner be received in exchange for a Treasury Savings Certificate in the denomination of \$1,000 (maturity value) inscribed in the same name as the certificate tendered in exchange, upon presentation and surrender to any agent for the sale of Treasury Savings Certificates in the denomination of \$1,000 (maturity value). No previous demand for payment of certificates so surrendered will be required, and the exchange will be made in each case without payment to or by the United States.

10. A United States War-Savings Certificate, Series of 1919, issued pursuant to Department Circular No. 128, dated December 18, 1918, which has been registered and which bears the full complement of 20 War-Savings Certificate Stamps, Series of 1919, may in like manner be

received in exchange for a Treasury Savings Certificate in the denomination of \$100 (maturity value) inscribed in the same name as such registered certificate, when tendered therefor by the registered owner to the post office of registration, provided that such post office is authorized to issue and sell Treasury Savings Certificates.

11. War-Savings Certificates, Series of 1918, detached War-Savings Certificate Stamps, War-Savings Certificates bearing less than 20 War-Savings Certificate Stamps, Thrift Cards with Thrift Stamps affixed, and Thrift Stamps will not be received in exchange or payment for Treasury Savings Certificates.

METHODS OF DISTRIBUTION AND SALE.

12. Treasury Savings Certificates in the denomination of \$100 (maturity value) may be purchased from post offices of the first and second class, and from such other post offices as the Postmaster General may, from time to time, designate for that purpose, and from incorporated banks and trust companies which are duly qualified as agents of the second class for the sale of War-Savings Certificates, Series of 1919, to the amount of \$1,000 or more, pursuant to Department Circular No. 130, as heretofore or hereafter amended and supplemented. Such post offices and incorporated banks and trust companies are hereby designated as agents for the sale of Treasury Savings Certificates in the denomination of \$100 (maturity value) subject to the provisions hereof.

13. Treasury Savings Certificates in the denomination of \$1,000 (maturity value) may be purchased only at incorporated banks and trust companies which are duly qualified as agents of the second class for the sale of War-Savings Certificates, Series of 1919, to the amount of \$1,000 or more, pursuant to Department Circular No. 130, as heretofore or hereafter amended and supplemented. Such incorporated banks and trust companies are hereby designated as agents for the sale of such certificates in the denomination of \$1,000 (maturity value) subject to the provisions hereof.

14. In reporting sales of Treasury Savings Certificates and in accounting for the proceeds thereof, Federal Reserve Banks and incorporated banks and trust companies acting as agents will enter in their accounts the serial numbers of such certificates covered by such accounts.

15. Every incorporated bank or trust company which is a cash agent of the second class and qualified hereunder will transmit to the Federal Reserve Bank from which it receives War-Savings Certificates for sale the original registration stub detached from each Treasury Savings Certificate sold by it immediately upon the issue of such certificate or not later than the close of the month in which sold. Such Federal Reserve Bank will note the serial number appearing on the stub (for comparison with the next report rendered by such agent), and will forward the stub to the Secretary of the Treasury, Division of Loans and Currency, Washington, so as to reach the Treasury Department not later than the month succeeding the month in which the certificate is sold.

16. Every incorporated bank or trust company which is a collateral agent of the second class and qualified hereunder will attach to its monthly account to the Federal Reserve Bank with which such agent shall have deposited the collateral security required under Department Circular No. 130, as heretofore or hereafter amended and supplemented, the original registration stubs detached from all Treasury Savings Certificates sold by it within such month. 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 all registration stubs to the Secretary of the Treasury, Division of Loans and Currency, Washington, so as to reach the Treasury Department not later than the month succeeding the month in which the certificate is sold.

17. Original registration stubs detached from Treasury Savings Certificates sold by post offices will be attached to the accounts of sales of such certificates rendered to the Third Assistant

Postmaster General, Division of Stamps, and will be forwarded by the Post Office Department to the Secretary of the Treasury, Division of Loans and Currency, Washington, so as to reach the Treasury Department not later than the month succeeding the month in which the certificate is sold.

18. Agents of the second class may qualify for the sale of Treasury Savings Certificates by deposit of cash or pledge of collateral, as the case may be, in the manner prescribed by Department Circular No. 130, as heretofore or hereafter amended and supplemented, the amount of such cash or collateral to be determined by the issue prices of Treasury Savings Certificates delivered to such agents for sale, in the same manner as provided in said circular with respect to War-Savings Certificate Stamps delivered to agents appointed thereunder.

19. The duties and obligations of such agents of the second class, as provided in said Department Circular No. 130, as heretofore or hereafter amended and supplemented, with reference to the receipt and sale of War-Savings Certificate Stamps, and the payment of the proceeds thereof, and accounting therefor, and redelivery thereof, are hereby extended to, and shall govern, the transactions of such agents, respectively, with respect to Treasury Savings Certificates, and such agents will by the receipt or sale of Treasury Savings Certificates be conclusively presumed to have assented to all the terms and provisions hereof, and to the retention of any collateral security pledged pursuant to said circular as collateral security thereunder and hereunder. Each collateral agent of the second class in accounting for the proceeds of sales of Treasury Savings Certificates shall be entitled to receive appropriate credit for each United States War-Savings Certificate, Series of 1919, issued pursuant to Department Circular No. 128, dated December 18, 1918, and bearing the full complement of 20 War-Savings Certificate Stamps, Series of 1919, which is received in exchange for Treasury Savings Certificates and transmitted to the Federal Reserve Bank with its account.

20. An incorporated bank or trust company acting as a cash agent of the second class for the sale of Treasury Savings Certificates which receives in exchange for such certificates War-Savings Certificates, Series of 1919, issued pursuant to Department Circular No. 128, dated December 18, 1918, and bearing the full complement of 20 United States War-Savings Certificate Stamps, Series of 1919, may secure cash reimbursement for the War-Savings Certificates so received in exchange, from the Federal Reserve Bank from which it receives War-Savings Certificates for sale, upon the surrender of the War-Savings Certificates so received to such Federal Reserve Bank, at the time of forwarding the registration stubs for the Treasury Savings Certificates in exchange for which they were received. The Federal Reserve Bank will thereupon pay to such agent the value of such certificate stated in said Circular No. 128 as the surrender value of such certificates on the date of their receipt in exchange for Treasury Savings Certificates, and no previous demand for payment shall be required.

OTHER DETAILS.

21. Treasury Savings Certificates will not be receivable as security for deposits of public moneys and will not bear the circulation privilege.

22. The provisions of Treasury Department Circular No. 108 (War-Savings Circular No. 8), dated January 21, 1918, further defining rights of holders of War-Savings Certificates, do not apply to or govern the rights of holders of Treasury Savings Certificates. The Secretary of the Treasury will shortly issue a new Treasury Department Circular further defining the rights of holders of Treasury Savings Certificates and prescribing regulations under which Treasury Savings Certificates will be payable in case of the death or disability of the owner.

23. The Secretary of the Treasury reserves the right at any time to withdraw this circular as a whole, or to amend from time to time any of the provisions thereof, to revoke any or all appointments of agents, to withdraw Treasury Savings Certificates from sale, to refuse to issue or to permit to be issued any such certificates, and to refuse to sell or to permit to be sold any such certificates to any person, firm, corporation, or association.

24. The right is also reserved to 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 in pursuance of said act of September 24, 1917, as amended and supplemented.

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

CARTER GLASS,
Secretary of the Treasury.