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TREASURY DEPARTMENT, C. S. A. }
RICHMOND, MARCH 14TH, 1864. }

*The President and Directors of
the Bank of*

GENTLEMEN :

Under the recent act of Congress to reduce the currency, it is provided that if any Bank of Deposit shall give its Depositors the 4 per cent. Bonds authorized by the Act in exchange for their deposits, and specify the same on the Bonds by some distinctive mark or token to be agreed upon with the Secretary of the Treasury, then the said Depositors shall be entitled to receive the amount of said Bonds in Treasury Notes, bearing no interest and outstanding at the passage of the act, provided the said Bonds are presented before the privilege of funding the said notes at par shall cease.

By the first section of the act the privilege of funding will cease on the 1st of April, 1864, east of the Mississippi, and on the 1st of July, west of the Mississippi. It is obviously impracticable to furnish the Bonds before the 1st of April, and therefore, to give any effect to the provision of the Act, the certificates issued by the Depositaries must be substituted for the Bonds. The Bonds being required by the Act to be registered, the certificates must be conformed thereto and must be assigned in the form usually required for Registered Bonds. By writing the words "for Deposits" over the signature of the officer of the Bank, who shall assign the certificate, a sufficient token can be established, and I propose that course to the Banks.

There is another matter in which I respectfully ask your concurrence.

It certainly will be a great object gained to adjust prices and business operations as speedily as possibly to the new currency, which will be issued after the 1st of April. The Banks have the power to promote this object most effectually by accepting deposits in the old currency payable in the new. If for every three dollars so deposited, the Banks will give credit on their books for two dollars payable in new issues, the old currency would be rated accordingly in all transactions, and prices everywhere would have relation to the new currency. It would also follow that so much of the business of the country as can be transacted by checks on Banks would be carried on as heretofore without actual delivery of money, and so much time would be gained for the preparation of the new issues. It is true that the Banks will thus encounter the risk of not being supplied with new notes, inasmuch as it is obvious that the means of supply are not adequate to the pressure which will suddenly be thrown upon the Treasury. This pressure will be relieved by the immediate issue of certificates and five hundred dollar notes, and by the further issue of all denominations as speedily as possible.

I respectfully submit the matter for your consideration, and request that your Bank will at its earliest convenience issue an advertisement to the effect, that it will accept deposits of all currency, except one hundred dollar notes, payable in the new issues at the rate of two dollars of new for three of old.

Very respectfully,

Your o'bt servant,

Secretary of Treasury.

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