72 VIII. REFUNDING CERTIFICATES

In order to make government securities more popular and more easily within the reach of the average citizen, Congress passed the Act of February 26, 1879.

This Act made it possible for the Treasury to issue to the public the Refunding Certificates of 10 Dollar denomination. These certificates bore interest at the rate of four per cent per year and at the time of issue, it was meant for the interest to accrue indefinitely, as no time limit was set. This was the inducement for the public to keep on holding these notes.

However, in 1907, an Act of Congress stopped the interest on these notes as of July 1 of that year. By that time, the interest alone amounted to \$11.30 and therefore the redemption value of these notes today is \$21.30, more than double the original face value.

There were two types of these Refunding Certificates. On the first

type, the name of the purchaser was written in on the obverse on a line provided for that purpose. The reverse of this type is completely different from the second type (see the illustrations in the text) as it consists of an assignment form for conversion of the note into a four per cent bond. This first type is of the highest rarity as only two specimens are reported extant. The second type (see Design 58-b) is the one usually seen.

The obligation on this note is as follows, "This certifies that the sum of Ten Dollars has been deposited with the Treasurer of the United States under Act of February 26th, 1879 convertible with accrued interest at 4 per cent per annum into 4 per cent bonds of the United States issued under the Acts of July 14, 1870 and January 20, 1871 upon presentation at the Office of the Treasurer of the U.S. in sums of \$50. or multiples thereof."

Dated April 1, 1879 with signatures of Scofield and Gilfillan and bearing interest at 4 per cent.

DESIGN 58-A

(Note 213)

Bust of Benjamin Franklin.

Design 58-A Reverse

Illustration courtesy Lyn Knight Currency Auctions and Martin Gengerke.





213. 10 Dollar Note. Payable to order.

Gem65

DESIGN 58-B

(Note 214)

Bust of Benjamin Franklin.



The note illustrated is from the collection of the American Numismatic Association, no. 1988.0017.0145.

No. VG8 F12 VF20 EF40 CU60 Ch63 214. 10 Dollar Note. Payable to bearer.



