

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, June 2, 1942.

To All Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:

For your information, there is quoted below an excerpt from a press statement released May 25, 1942, by the War Savings Staff of the Treasury Department:

"The limitation on holdings of War Savings Bonds, Series F and Series G, will be raised from \$50,000 to \$100,000, effective July 1, the Treasury Department announced today. There will be no change in the present limit of \$5,000 in individual holdings of Series E Bonds in any calendar year.

"The Treasury's decision to increase the limitations on the F and G Bonds was made as the result of numerous requests by purchasers who asked the opportunity to put more of their money into the war effort through these securities. Treasury officials emphasized that this is not a new Bond issue and not a new series of Bonds. The \$100,000 limitation on holdings will be placed on a calendar year basis effective for the current calendar year, 1942.

"Unlike Series E Bonds which may be registered only in the names of individuals, Series F and G Bonds are intended primarily for large investors and may be registered in the names of fiduciaries, organizations, corporations (other than banks receiving demand deposits), unincorporated associations, labor unions and other groups as well as in the names of individuals.

"The Series F Bond is a twelve-year appreciation Bond, issued on a discount basis at 74 percent of maturity value. If held to maturity, twelve years from the date of issue, the Bond draws interest equivalent to 2.53 percent a year computed on the purchase price, compounded semi-annually.

"The Series G Bond is a twelve-year current income Bond issued at par, and draws interest of 2.5 percent a year, paid semi-annually by Treasury check.

"The new limitation on holdings of \$100,000 in any one calendar year in either Series F or Series G, or in both Series combined, is on the cost price, not the maturity value.

"The Treasury pointed out that thousands of individuals, corporations, labor unions and other organizations have this year already purchased \$50,000, the present limit in any one calendar year. Under the new regulations, however, these Bond holders will be permitted to make additional purchases of \$50,000 in the remaining six months of the year, from July 1 until December 31, 1942."

Yours very truly,

R. R. GILBERT

President

