

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 12, 1942

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

On November 28, 1942, there was transmitted to you a copy of Treasury Department Circular No. 703, governing the offering of $\frac{7}{8}$ per cent Treasury Certificates of Indebtedness of Series E-1943. Subscription books for this offering were opened on November 30 for all classes of subscribers other than commercial banks, and will remain open for such subscribers until further notice. For commercial banks the subscription books will open on December 16, and will remain open until the close of business December 18, 1942.

There is enclosed, for your information, copy of a summary circular prepared by the Victory Fund Committee, outlining the principal features of this issue of Treasury Certificates, and for more complete details reference should be made to the Treasury Department circular referred to above.

Yours very truly,

R. R. GILBERT

President

UNITED STATES TREASURY VICTORY FUND COMMITTEE

UNITED STATES OF AMERICA $\frac{7}{8}$ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS

Dated December 1, 1942; due December 1, 1943

Certificates of Indebtedness are noncallable coupon obligations with a short-term maturity of one year or less. They are recognized as an excellent investment for temporary employment of idle funds because of their maximum liquidity.

Included in the December financing program of the Treasury to meet the rising costs of the war is the offering of a new series of Certificates of Indebtedness: Series E-1943, at par and accrued interest from December 1, 1942.

These certificates are ideally suited for many types of investors, including:

BANKS. Certificates have long been recognized by bankers as an excellent investment vehicle for their secondary reserve portfolio. Also, currently, many banks find them attractive because they may have an abnormal amount of idle funds due, in part, to larger deposits occasioned by war expenditures or a lessened demand for loans because of accelerated debt repayment schedules.

CORPORATIONS. Many corporations have temporarily idle funds which can profitably and conveniently be invested in certificates until they are needed for corporate operations. These funds may have been accumulated because of deferred maintenance, reduced inventories, inability because of war restrictions to reinvest depreciation and depletion reserves or to make plant expansions.

INDIVIDUALS AND TRUSTS. These investors occasionally have funds for short-term investment which can be used to advantage in the purchase of certificates.

On the reverse hereof is a brief outline of the essential features of this new series. For all classes of subscribers other than commercial banks, subscription books will be opened November 30 and will remain open for several weeks. For commercial banks subscription books will be opened December 16 and remain open until the close of business December 18.

TYPE OF ISSUE: TREASURY CERTIFICATES OF INDEBTEDNESS
of Series E-1943

DATE AND MATURITY: December 1, 1942; due December 1, 1943.

**INTEREST RATE
AND
ISSUE PRICE:** $\frac{7}{8}$ Percent.
Par and accrued interest.

DENOMINATIONS: \$1,000, \$5,000, \$10,000 and \$100,000.

FORM: Bearer certificates with two interest coupons attached.

REDEMPTION: Not subject to call prior to maturity.

COLLATERAL: Eligible for bank loans.

TAX STATUS: The income is subject to all Federal taxes. The certificates are subject to estate, inheritance, gift or other excise taxes, Federal or State, but are exempt from all taxation imposed on the principal or interest by any State or local taxing authority.

SPECIAL FEATURES: Acceptable to secure deposits of public moneys.

WHO MAY BUY: All types of investors.

WHERE TO BUY: Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Your Victory Fund Committeeman, bank, securities dealer, or broker will submit your subscription for certificates, making no charge for this service.

GENERAL: For all classes of subscribers other than commercial banks subscription books will be opened November 30 and will remain open for several weeks. For commercial banks subscription books will remain open December 16, 17, and 18. Applications from commercial banks in amounts up to \$100,000 will be allotted in full, and larger subscriptions on an equal percentage basis. All applications from others than commercial banks will be allotted in full.