

UNITED STATES TREASURY  
WAR FINANCE COMMITTEE  
ELEVENTH FEDERAL RESERVE DISTRICT  
FEDERAL RESERVE BANK BUILDING  
DALLAS, TEXAS

WAR SAVINGS STAFF

VICTORY FUND COMMITTEE

March 12, 1943

**To All Members of the Victory Fund Committee and County Chairmen  
of the War Savings Staff in the Eleventh Federal Reserve District:**

The following telegram has been received from Under Secretary of the Treasury D. W. Bell:

Secretary Morgenthau announced today that the United States Treasury will borrow during the month of April the huge sum of \$13,000,000,000 in its second War Loan drive.

"Eight billion dollars of this total," he said, "will come from non-banking investors and the balance from banking sources, including the increased weekly offerings of Treasury bills.

"This money, which is needed to back up our armed forces, will be raised through the continuing sale of War Savings bonds, and Tax Savings notes, Treasury bills, and the offering of a number of new Treasury issues designed for every class and type of investor.

"As we move forward into full production in the war effort, it is increasingly important that every American invest in his Government's securities to the limit of his or her ability.

"As announced on March 3, a new organization under the title of United States Treasury War Finance Committee, will conduct the sales campaign beginning April 12 on the several issues of securities offered. In order to combine all of our forces behind the second War Loan drive, this organization will bring together the Victory Fund Committees, which so successfully carried out the December campaign, and the War Savings Staff organizations, which have done such a grand job in the sale of War Savings securities. The President of the Federal Reserve Bank in each of the twelve districts is Chairman of the War Finance Committee in his district and will be in complete charge of the drive for that area."

The offerings to be sold under the direction of the War Finance Committee will consist of:

1. Twenty-six year 2½ percent bonds dated April 15, 1943, due June 15, 1969, callable June 15, 1964, to be issued in coupon or registered form at the option of the buyers. Commercial banks, which are defined for this purpose as banks accepting demand deposits will not be permitted to own these bonds until April 15, 1953. There will be no limit to the amount of this issue and no restriction upon the issuance excepting the temporary exclusion of commercial banks from ownership for their own account. Subscription books will be opened April 12 and will remain open several weeks. The bonds will be sold in denominations from \$500 to \$1,000,000.
2. Two percent Treasury bonds dated April 15, 1943, due September 15, 1952, callable September 15, 1950. This security will be available for subscription by commercial banks for their own account for the period April 28, 29 and 30, inclusive. It will be available for subscription by all other classes of investors for the entire period of the drive. Sales to commercial banks will be limited to \$2,000,000,000 or thereabouts. Applications from commercial banks in amounts up to \$100,000 will be allotted in full and larger bank subscriptions on an equal percentage basis. All applications from other than commercial banks will be allotted in full. These bonds will be in denominations of from \$500 to \$1,000,000 and will be issued in coupon or registered form at the option of the buyer.

On individual subscriptions of \$1,000 or less, no accrued interest will be charged on the 2 percent or 2½ percent bonds during the period of the drive, but accrued interest from April 15 will be collected on all subscriptions in excess of that amount entered after that date.

3. A 7/8 percent certificate of indebtedness dated April 15, 1943, due April 1, 1944. This security will be available for subscription by commercial banks for their own account for the first three days of the drive, namely, April 12, 13 and 14, and will be available for subscription by all classes of investors during the entire period of the drive. Sales to commercial banks will be limited to \$2,000,000,000 or thereabouts. Applications from commercial banks up to \$100,000 will be allotted in full and larger bank subscriptions on an equal percentage basis, and all applications from other than commercial banks will be allotted in full. The certificates will be in denominations of \$1,000 to \$1,000,000 and will be issued in coupon form only.
4. Tax Savings Notes of Series C.
5. Series E War Savings Bonds.
6. United States Savings Bonds, Series F and G.

Any bank or trust company qualified to hold War Loan deposits will be permitted to make payment by credit for securities, whether for its own account or that of its customers up to any amount for which it shall be qualified in excess of existing deposits.

In addition to the foregoing securities offered during the month of April, the Treasury will offer on April 20, outside of the second War Loan campaign, a 7/8 percent one-year certificate of indebtedness dated May 1, in exchange for the Treasury certificates of indebtedness in the amount of \$1,506,000,000, and Commodity Credit Corporation notes in the amount of \$289,000,000, all maturing on that day. This exchange offering should not be considered as a precedent for future refunding operations of the Treasury.

The fact that we have a full month's advance notice on the terms of the new issues gives us all ample opportunity to acquaint ourselves and the public with the details of this financing. Further information showing the advantages of each issue will be furnished you in the near future. In the meantime please contact your local newspaper and ask them to publish the above facts.

Sincerely yours,

R. R. GILBERT

Chairman, War Finance Committee,  
Eleventh Federal Reserve District.