

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 19, 1943

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

There is reproduced herein Treasury Department Circular No. 711, dated April 20, 1943, together with press statement by Secretary of the Treasury Morgenthau, announcing an offering of $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series C-1944, in payment of which only the 0.65 percent Treasury Certificates of Indebtedness of Series C-1943, maturing May 1, 1943, or the $\frac{3}{4}$ percent Commodity Credit Corporation Notes of Series F, also maturing May 1, 1943, may be tendered.

As announced by Secretary Morgenthau on March 12, 1943, this exchange operation will be conducted outside of the Second War Loan campaign.

The offering of a new security to holders of the two maturing issues is not to be considered as a precedent for future refunding operations of the Treasury.

Yours very truly,

R. R. GILBERT

President



UNITED STATES OF AMERICA
SEVEN-EIGHTHS PERCENT TREASURY CERTIFICATES OF
INDEBTEDNESS OF SERIES C-1944

Dated and bearing interest from May 1, 1943

Due May 1, 1944

1943
Department Circular No. 711
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
Office of the Secretary,
Washington, April 20, 1943.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series C-1944, in payment of which only 0.65 percent Treasury Certificates of Indebtedness of Series C-1943, maturing May 1, 1943, or $\frac{3}{4}$ percent Commodity Credit Corporation Notes of Series F, also maturing May 1, 1943, may be tendered. The amount of the offering under this circular will be limited to the amount of such Series C-1943 certificates and Series F notes tendered and accepted.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated May 1, 1943, and will bear interest from that date at the rate of $\frac{7}{8}$ percent per annum, payable semiannually on November 1, 1943, and May 1, 1944. They will mature May 1, 1944, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes and will not bear the circulation privilege.

4. Bearer certificates with two interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before May 1, 1943, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series C-1943 or in Commodity Credit Corporation Notes of Series F, maturing May 1, 1943, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

PRESS STATEMENT

Secretary of the Treasury Morgenthau today announced the offering, through the Federal Reserve banks, of one-year $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series C-1944, in exchange for 0.65 percent Treasury Certificates of Indebtedness of Series C-1943, maturing May 1, 1943, and $\frac{3}{4}$ percent Commodity Credit Corporation Notes of Series F, also maturing May 1, 1943. Exchanges will be made par for par, and the offering of the new certificates will be limited to the amount of securities of the two maturing issues tendered and accepted in payment therefor. Cash subscriptions will not be received. As announced on March 12, 1943, this exchange operation will be conducted outside of the Second War Loan Campaign. The offering of a new security to holders of the two maturing issues is not to be considered as a precedent for future refunding operations of the Treasury.

The certificates now offered will be dated May 1, 1943, and will bear interest from that date at the rate of seven-eighths of one percent per annum, payable semiannually on November 1, 1943, and May 1, 1944. They will mature May 1, 1944. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

Subscriptions will be received at the Federal Reserve banks and branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates or notes, with final coupon due May 1, 1943, **detached**.

The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, all subscriptions will be allotted in full.

The certificates will be redeemed in cash at maturity and will carry no exchange privileges.

There are now outstanding \$1,505,727,000 of the Series C-1943 certificates and \$289,458,000 of the Series F notes.