

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 27, 1944

FIFTH WAR LOAN DRIVE

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

There are enclosed reproductions of the following Treasury Department circulars containing the terms and conditions under which the marketable securities will be offered during the Fifth War Loan drive, beginning June 12, 1944:

Circular No. 740 covering an additional issue of 2½% Treasury Bonds of 1965-70 dated February 1, 1944, bearing interest from June 26, 1944, maturing March 15, 1970, callable March 15, 1965, to be issued in coupon or registered form in denominations of \$500 to \$1,000,000.

Circular No. 741 covering 2% Treasury Bonds of 1952-54 dated June 26, 1944, maturing June 15, 1954, callable June 15, 1952, to be issued in coupon or registered form in denominations of \$500 to \$1,000,000.

Circular No. 742 covering 1¼% Treasury Notes of Series B-1947 dated June 26, 1944, maturing March 15, 1947, to be issued in coupon form only in denominations of \$1,000 to \$1,000,000.

Circular No. 743 covering ⅞% Treasury Certificates of Indebtedness of Series C-1945 dated June 26, 1944, maturing June 1, 1945, issued in coupon form only in denominations of \$1,000 to \$1,000,000.

Inasmuch as additional copies of the circulars will be mailed only upon request, it is urged that the enclosed circulars be retained in your files for ready reference before and during the drive. Application and subscription forms as well as information concerning credits for sales, allocations, etc., will be forwarded to you prior to the opening date of the drive.

The securities offered during the Fifth War Loan drive will not be available to commercial banks for their own account, except to the extent provided in the formula outlined below. The Treasury has requested that there be no trading in the marketable securities and no purchases of such securities other than on direct subscription until after July 8, 1944, at which time commercial banks may acquire, in the open market without limit, the 2% Treasury Bonds of 1952-54, the 1¼% Treasury Notes of Series B-1947, and the ⅞% Treasury Certificates of Indebtedness of Series C-1945.

In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Treasury requests the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities. The Treasury's request does

not apply to loans made by banks to facilitate permanent investment in Government securities provided such loans are made in accordance with the joint statement issued by the National and State bank supervisory authorities on November 23, 1942. This statement reads in part as follows:

"... subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short-term or amortization basis fully repayable within periods not exceeding six months."

FORMULA FOR PURCHASES BY COMMERCIAL BANKS OF SERIES F AND SERIES G SAVINGS BONDS, 2% TREASURY BONDS OF 1952-54 AND 2½% TREASURY BONDS OF 1965-70

As provided in section I(2) of Treasury Department Circulars Nos. 740 and 741, concurrently with the Fifth War Loan drive, but not as a part of it, commercial banks will be permitted to subscribe to the 2% Treasury Bonds of 1952-54 and the 2½% Treasury Bonds of 1965-70, as well as to Series F and Series G savings bonds, in limited amounts for the investment of their time deposits. The total limit on such purchases, including those made for the same purpose in accordance with the formula announced by the Treasury last December, will be 20 percent of the savings deposits and time certificates of deposit issued in the names of individuals or of corporations, associations, and other organizations not operated for profit, or \$400,000, whichever is less, for any one bank. The limitation of \$100,000 on the amount of Series F or Series G savings bonds (Series 1944) or a combination of the two held by any one institution will remain unchanged.

Banks desiring to purchase securities under this formula will be required to execute a certificate in the following form:

"We hereby certify that the total amount of the accompanying application, together with that of any other applications or subscriptions we may have entered for our own account (a) for Series F or Series G savings bonds since January 1, 1944, (b) for 2¼ percent Treasury Bonds of 1956-59 or 2½ percent Treasury Bonds of 1965-70 between January 18 and February 15, 1944, and (c) for 2 percent Treasury Bonds of 1952-54 or the additional issue of 2½ percent Treasury Bonds of 1965-70 between June 12, 1944, and the date of this application, is not in excess of 20 percent of our savings deposits and time certificates of deposit issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit, as shown on our books as of the date of the most recent call statement required by the supervising authorities, and does not exceed \$400,000 in the aggregate, of which not more than \$100,000 (issue price) is in Series F and G savings bonds."

Under the formula, a bank which purchased either of the marketable bonds between January 18 and February 25, 1944, and Series F or Series G savings bonds since January 1, 1944, and subsequently disposed of a part or all of them, has not by that act increased the amount for which it is eligible to subscribe under the current formula since the limit is based on subscriptions and not on holdings.

For the convenience of banks subscribing for any of the bonds under the formula, the definitions of savings deposits and time certificates of deposit as given in Regulation Q of the Board of Governors of the Federal Reserve System are reprinted on the accompanying page.

Yours very truly,

R. R. GILBERT

President

BOARD OF GOVERNORS
of the
FEDERAL RESERVE SYSTEM

REGULATION Q

SECTION 1. DEFINITIONS

* * * * *

(c) **Time certificates of deposit.**—The term “time certificate of deposit” means a deposit evidenced by a negotiable or nonnegotiable instrument which provides on its face that the amount of such deposit is payable to bearer or to any specified person or to his order—

- (1) On a certain date, specified in the instrument, not less than 30 days after the date of the deposit, or
- (2) At the expiration of a certain specified time not less than 30 days after the date of the instrument, or
- (3) Upon notice in writing which is actually required to be given not less than 30 days before the date of repayment,¹ and
- (4) In all cases only upon presentation and surrender of the instrument.

* * * * *

(e) **Savings deposits.**—The term “savings deposit” means a deposit, evidenced by a pass book, consisting of funds (i) deposited to the credit of one or more individuals, or of a corporation, association or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and not operated for profit,² or (ii) in which the entire beneficial interest is held by one or more individuals or by such a corporation, association or other organization, and in respect to which deposit—

- (1) The depositor is required, or may at any time be required, by the bank to give notice in writing of an intended withdrawal not less than 30 days before such withdrawal is made;
- (2) Withdrawals are permitted in only two ways, either (i) upon presentation of the pass book, through payment to the person presenting the pass book, or (ii) without presentation of the pass book, through payment to the depositor himself but not to any other person whether or not acting for the depositor.³

The presentation by any officer, agent or employee of the bank of a pass book or a duplicate thereof retained by the bank or by any of its officers, agents or employees is not a presentation of the pass book within the meaning of this regulation except where the pass book is held by the bank as a part of an estate of which the bank is a trustee or other fiduciary, or where the pass book is held by the bank as security for a loan. If a pass book is retained by the bank, it may not be delivered to any person other than the depositor for the purpose of enabling such person to present the pass book in order to make a withdrawal, although the bank may deliver the pass book to a duly authorized agent of the depositor for transmittal to the depositor.

Every withdrawal made upon presentation of a pass book shall be entered in the pass book at the time of the withdrawal, and every other withdrawal shall be entered in the pass book as soon as practicable after the withdrawal is made.

¹A deposit with respect to which the bank merely reserves the right to require notice of not less than 30 days before any withdrawal is made is not a “time certificate of deposit” within the meaning of the above definition.

²Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition, but deposits of a partnership operated for profit may not be so classified. Deposits to the credit of an individual of funds in which any beneficial interest is held by a corporation, partnership, association or other organization operated for profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes may not be classified as savings deposits.

³Presentation of a pass book may be made over the counter or through the mails; and payment may be made over the counter, through the mails or otherwise, subject to the limitations of paragraph (2) above as to the person to whom such payment may be made.

UNITED STATES OF AMERICA
2½ PERCENT TREASURY BONDS OF 1965-70

Dated February 1, 1944, with interest from June 26, 1944

Due March 15, 1970

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER MARCH 15, 1965

Interest payable March 15 and September 15

ADDITIONAL ISSUE

1944
Department Circular No. 740
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 12, 1944.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2½ percent Treasury Bonds of 1965-70. The amount of the offering under this circular is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder and to the 2 percent Treasury Bonds of 1952-54 offered simultaneously herewith under Treasury Department Circular No. 741, but the amount of such subscriptions, together with that of any other subscriptions such bank may have entered for its own account for Series F or Series G Savings Bonds since January 1, 1944, and for 2¼ percent Treasury Bonds of 1956-59 or 2½ percent Treasury Bonds of 1965-70 between January 18 and February 15, 1944, shall not exceed, in the aggregate, 20 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$400,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G Savings Bonds (Series 1944), combined.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury Bonds of 1965-70 issued pursuant to Department Circular No. 729, dated January 18, 1944, an additional amount of which was issued pursuant to Department Circular No. 734, dated March 2, 1944; after the first interest payment date, September 15, 1944, the bonds now offered will be freely interchangeable with the bonds of this series previously issued, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from June 26, 1944. The provisions of Section I of Department Circular No. 729 are hereby modified to accord with Section I of this circular and, subject to such modification, and to the provision for accrual of interest from June 26, 1944, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 729:

"1. The bonds will be dated February 1, 1944, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1970, but may be redeemed at the option of the United States on and after March 15, 1965, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds 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 bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

"4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in Section I of this cir-

cular, these bonds may not, before February 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before February 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

"5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,¹ *Provided*:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;² bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,³ properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

"6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds."

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. 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. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

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 bonds 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, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.068 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

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 bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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.

¹ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

² The transfer books are closed from February 16 to March 15, and from August 16 to September 15 (both dates inclusive) in each year.

³ Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

UNITED STATES OF AMERICA
2 PERCENT TREASURY BONDS OF 1952-54

Dated and bearing interest from June 26, 1944

Due June 15, 1954

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER JUNE 15, 1952

Interest payable June 15 and December 15

1944
Department Circular No. 741
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 12, 1944.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury Bonds of 1952-54. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder and to the 2½ percent Treasury Bonds of 1965-70 offered simultaneously herewith under Treasury Department Circular No. 740, but the amount of such subscriptions, together with that of any other subscriptions such bank may have entered for its own account for Series F or Series G Savings Bonds since January 1, 1944, and for 2¼ percent Treasury Bonds of 1956-59 or 2½ percent Treasury Bonds of 1965-70 between January 18 and February 15, 1944, shall not exceed, in the aggregate, 20 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$400,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G Savings Bonds (Series 1944), combined.

II. DESCRIPTION OF BONDS

1. The bonds will be dated June 26, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on December 15, 1944, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1954, but may be redeemed at the option of the United States on and after June 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds 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 bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. 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. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

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 bonds 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, and to the limitations on commercial bank subscriptions prescribed in Section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

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 bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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.

UNITED STATES OF AMERICA

1¼ PERCENT TREASURY NOTES OF SERIES B-1947

Dated and bearing interest from June 26, 1944

Due March 15, 1947

Interest payable March 15 and September 15

1944
Department Circular No. 742

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 12, 1944.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated 1¼ percent Treasury Notes of Series B-1947. These notes will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF NOTES

1. The notes will be dated June 26, 1944, and will bear interest from that date at the rate of 1¼ percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes 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 notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

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

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. 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. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of notes applied for.

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 notes 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.

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.034 per \$1000. Any qualified depository will be permitted to make payment by credit for notes allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve bank of its district.

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 notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

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.

II. DESCRIPTION OF NOTES

1. The notes will be dated June 26, 1944, and will bear interest from that date at the rate of 1 1/2 percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature on March 15, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes 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 notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and gross taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

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

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. 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. Other than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, in that less than the amount of notes 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.

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1945

Dated and bearing interest from June 26, 1944

Due June 1, 1945

1944
Department Circular No. 743
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 12, 1944.

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 and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 7/8 percent Treasury Certificates of Indebtedness of Series C-1945. These certificates will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated June 26, 1944, and will bear interest from that date at the rate of 7/8 percent per annum, payable on a semiannual basis on December 1, 1944, and June 1, 1945. They will mature June 1, 1945, 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.

4. Bearer certificates with 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. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. 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. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

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 and accrued interest, if any, for certificates allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

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.