

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 12, 1945

VICTORY LOAN DRIVE

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777
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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 Victory Loan Drive, beginning October 29, 1945:

Circular No. 776 covering 2½% Treasury Bonds of 1967-72, dated November 15, 1945, maturing December 15, 1972, and redeemable at the option of the United States at par and accrued interest on and after December 15, 1967.

Circular No. 777 covering 2¼% Treasury Bonds of 1959-62, dated November 15, 1945, maturing December 15, 1962, and redeemable at the option of the United States at par and accrued interest on and after December 15, 1959.

Circular No. 778 covering ⅞% Certificates of Indebtedness of Series K-1946, dated December 3, 1945, maturing December 1, 1946.

The bonds and certificates described herein will not be available for subscription by or for the account of others than individuals* until December 3, 1945. During the period December 3 through December 8 subscriptions will be accepted from all other non-bank investors.

Commercial banks, that is, banks accepting demand deposits, may subscribe for their own account, from December 3 through December 8, to any or all of the three issues in amounts prescribed under the formula appearing in Section I, paragraph 3, of each of the Treasury Department circulars. Securities so acquired by banks will not be included in the drive totals nor will they be counted toward any quota.

Application forms, interest tables and general information pertaining to the procedure to be followed in filing subscriptions will be sent to your bank at a later date.

Yours very truly,

R. R. GILBERT

President

*The term "individuals" is construed to include natural persons and partnerships other than those dealing in securities. It also includes all of the usual types of trusts created by living individuals or representing the estates of deceased persons, irrespective of the nature of either the trustees or the beneficiaries of such trusts—the basic test being whether money or property of INDIVIDUALS constitutes the corpus of the trust. It does not include personal holding companies, corporate trusts, bonus funds, pension funds, or a similar aggregation of individuals, nor does it include social, educational, religious or charitable organizations.

UNITED STATES OF AMERICA

2½ PERCENT TREASURY BONDS OF 1967-72

Dated and bearing interest from November 15, 1945

Due December 15, 1972

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER DECEMBER 15, 1967

Interest payable June 15 and December 15

1945
Department Circular No. 776
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, October 29, 1945

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 1967-72. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription by or for the account of others than individuals until December 3, 1945. Individuals are defined for this purpose as including partnerships (other than securities dealers and brokers) and personal trust accounts.

3. 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, from December 3 to December 8, 1945 (both dates inclusive), to the bonds offered hereunder, to the 2¼ percent Treasury Bonds of 1959-62 and the 7/8 percent Treasury Certificates of Indebtedness of Series K-1946 offered simultaneously herewith under Treasury Department Circulars Nos. 777 and 778, respectively, and to Series F-1945 and Series G-1945 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 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 securities, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1945) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated November 15, 1945, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on June 15 and December 15, 1946, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1972, but may be redeemed at the option of the United States on and after December 15, 1967, 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 circular, these bonds may not, before December 15, 1962, 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 December 15, 1962, 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 December 8, 1945. 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 to individuals must be made on or before November 15, 1945, or on later allotment. Payment at par and accrued interest to December 3, 1945, or to date of later allotment, for bonds allotted to all others must be made on or before December 3, 1945, or on later allotment; **provided, however,** that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1946. 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.

FRED M. VINSON,
Secretary of the Treasury.

¹An 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.

²The transfer books are closed from May 16 to June 15, and from November 16 to December 15 (both dates inclusive) in each year.

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

UNITED STATES OF AMERICA
2¼ PERCENT TREASURY BONDS OF 1959-62

Dated and bearing interest from November 15, 1945

Due December 15, 1962

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND
AFTER DECEMBER 15, 1959

Interest payable June 15 and December 15

1945
Department Circular No. 777

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Washington, October 29, 1945

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 2¼ percent Treasury Bonds of 1959-62. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription by or for the account of others than individuals until December 3, 1945. Individuals are defined for this purpose as including partnerships (other than securities dealers and brokers) and personal trust accounts.

3. 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, from December 3 to December 8, 1945 (both dates inclusive), to the bonds offered hereunder, to the 2½ percent Treasury Bonds of 1967-72 and the 7/8 percent Treasury Certificates of Indebtedness of Series K-1946 offered simultaneously herewith under Treasury Department Circulars Nos. 776 and 778, respectively, and to Series F-1945 and Series G-1945 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 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 securities, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1945) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF BONDS

1. The bonds will be dated November 15, 1945, and will bear interest from that date at the rate of 2¼ percent per annum, payable on a semiannual basis on June 15 and December 15, 1946, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1962, but may be redeemed at the option of the United States on and after December 15, 1959, 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 circular, these bonds may not, before December 15, 1952, 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 December 15, 1952, 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 December 8, 1945. 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 to individuals must be made on or before November 15, 1945, or on later allotment. Payment at par and accrued interest to December 3, 1945, or to date of later allotment, for bonds allotted to all others must be made on or before December 3, 1945, or on later allotment; **provided, however,** that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than February 28, 1946. One day's accrued interest is \$0.061 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.

FRED M. VINSON,
Secretary of the Treasury.

¹An 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.

²The transfer books are closed from May 16 to June 15, and from November 16 to December 15 (both dates inclusive) in each year.

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

UNITED STATES OF AMERICA

7/8 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES K-1946

Dated and bearing interest from December 3, 1945

Due December 1, 1946

1945
Department Circular No. 778

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Washington, October 29, 1945

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 K-1946. The amount of the offering is not specifically limited.
2. These certificates will not be available for subscription by or for the account of others than individuals until December 3, 1945. Individuals are defined for this purpose as including partnerships (other than securities dealers and brokers) and personal trust accounts.
3. 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, 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, from December 3 to December 8, 1945 (both dates inclusive), to the certificates offered hereunder, to the 2 1/2 percent Treasury Bonds of 1967-72 and the 2 1/4 percent Treasury Bonds of 1959-62 offered simultaneously herewith under Treasury Department Circulars Nos. 776 and 777, respectively, and to Series F-1945 and Series G-1945 United States Savings Bonds, under Treasury Department Circular No. 654, Second Revision, as amended, but the amount of such subscriptions shall not exceed, in the aggregate, 10 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 securities, or \$500,000, whichever is less, except that the aggregate amount of Series F and Series G Savings Bonds (Series 1945) held by such bank may not exceed the annual limitation of \$100,000 (issue price).

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 3, 1945, and will bear interest from that date at the rate of 7/8 percent per annum, payable on a semiannual basis on June 1 and December 1, 1946. They will mature December 1, 1946, 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 December 8, 1945. 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, 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 certificates allotted hereunder must be made on or before December 3, 1945, 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 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 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.

FRED M. VINSON,
Secretary of the Treasury.