

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 27, 1945

VICTORY LOAN DRIVE Subscriptions by Dealers and Brokers

**To All Dealers and Brokers in the
Eleventh Federal Reserve District:**

As previously announced, the Victory Loan Drive will start on October 29 and will close on December 8, 1945. The goal for the nation will be \$11,000,000,000. It is the aim of the Treasury to sell the new securities to non-bank investors and to obtain the maximum investment of funds which are currently available or shortly to become available to such investors. Subscriptions from individuals will be accepted during the period October 29 through December 8, and from all other investors during the period December 3 through December 8.

In order to help in achieving the Treasury's objective, all banking institutions have been asked to cooperate by declining to make speculative loans for the purchase of Government securities, and the subscriptions of dealers and brokers will be restricted to the 2½% and the 2¼% marketable issues. No such subscription shall exceed (a) **the amount of the two restricted issues which the dealer or broker sold outright to customers other than other dealers and brokers in the forty-five day period following the Fourth War Loan Drive***, or (b) **40 per cent of the dealer's or broker's net capital, whichever is greater**. In no case should the subscription exceed the amount which the dealer or broker expects to be able to sell outright to customers other than other dealers and brokers within 90 days after the close of the drive. Each dealer and broker filing a subscription will be required to substantiate these figures in writing to the Federal Reserve bank of the district in which the head office of the firm is located.

Generally speaking, the volume of purchases for subsequent resale to customers should be small regardless of the size of the investment firm, as most of the customers will have ample opportunity to subscribe during the drive. Dealers and brokers are requested to discourage subscriptions by their customers for the purpose of quick resale in the market. Such speculative subscriptions ordinarily involve bank loans and the Treasury wishes to discourage loans against securities offered in the drive, except for investment purposes. The Treasury also desires to avoid an unnecessary redistribution of securities in the Government security market following the close of the drive.

There is enclosed a form of certificate which dealers and brokers should execute and attach to subscriptions entered for their own account during the drive.

Yours very truly,

R. R. GILBERT

President

*2½% Treasury Bonds of 1965-70, dated February 1, 1944, due March 15, 1970, and 2¼% Treasury Bonds of 1956-59, dated February 1, 1944, due September 15, 1959, sold during the period January 18 through February 15, 1944.

**CERTIFICATE TO ACCOMPANY EACH SUBSCRIPTION ENTERED BY
A DEALER OR BROKER DURING THE VICTORY LOAN DRIVE**

(Date)

TO:

- Federal Reserve Bank
Dallas 13, Texas
- Federal Reserve Bank Branch
El Paso, Texas
- Federal Reserve Bank Branch
Houston 1, Texas
- Federal Reserve Bank Branch
San Antonio 6, Texas

For your confidential use in considering subscriptions entered by us during the Victory Loan Drive for the 2½% Treasury Bonds of 1967-72 and the 2¼% Treasury Bonds of 1959-62, we give you the following information to be used as a basis for our subscriptions, in accordance with the formula prescribed by the Treasury.

We certify that:

- (A) The amount of 2½% Treasury Bonds of 1965-70 and 2¼% Treasury Bonds of 1956-59 which we sold outright to customers other than other dealers and brokers in the forty-five day period following the Fourth War Loan Drive (January 18, 1944, through February 15, 1944) was \$_____.

Or

- (B) 40 per cent of our net capital is \$_____.

(The subscription may be entered on the basis of either A or B, whichever is greater. In no case should the subscription exceed the amount which the dealer or broker expects to be able to sell outright to customers other than other dealers and brokers within 90 days after the close of the current drive.)

(Name of dealer or broker)

By _____
(Official signature and title)

(Address)