

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 8, 1945

**VICTORY LOAN DRIVE
SUBSCRIPTIONS BY INSURANCE COMPANIES AND
SAVINGS INSTITUTIONS**

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

There is reproduced on the reverse side hereof the full text of the press statement released today by Secretary of the Treasury Vinson, regarding the limitations to be placed on subscriptions from insurance companies and savings institutions during the forthcoming Victory Loan Drive.

Yours very truly,

R. R. GILBERT

President



TREASURY DEPARTMENT

Washington

For Release, Morning Newspapers, Monday, October 8, 1945

Secretary of the Treasury Vinson today made public the limitations to be placed on subscriptions, including deferred payment subscriptions, from insurance companies and savings institutions during the Victory Loan Drive. These decisions were reached after consultations with representatives of the two groups affected.

All insurance companies will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to 15 per cent of the total amount of United States Government securities held by the subscribing company on December 31, 1944, or 6 per cent of that company's total admitted assets as of that date, whichever figure is larger.

Savings institutions, which are defined for this purpose as savings banks that do not accept demand deposits, savings and loan associations, building and loan associations, cooperative banks and credit unions, will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to twice the amount of the net increase in assets (total assets less borrowed funds) of the subscriber during the period from July 1, 1945, through September 30, 1945, plus 7 per cent of the amount of United States Government securities held by the subscriber on June 30, 1945. The formula set for this group was reached in recognition of the difficulty in meeting a consistent interpretation of normal portfolio adjustments and the disparity in growth of assets among individual institutions falling within this group.

Insurance companies and savings institutions are requested not to use these formulae to circumvent the Treasury's request that nonbank investors refrain from selling securities heretofore acquired in order to obtain the funds to subscribe for securities offered in the Victory Loan Drive, except for normal portfolio adjustments.

It will facilitate handling of these subscriptions if each institution planning to subscribe under these formulae will furnish the Federal Reserve Bank of its district, prior to entering subscriptions, with the figures applicable to it under its formula.

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 10, 1945

VICTORY LOAN DRIVE SUBSCRIPTIONS OF INSURANCE COMPANIES

To the Insurance Company Addressed:

For your information there is quoted below the full text of a press statement released by Secretary of the Treasury Vinson on October 8, 1945, regarding the limitations to be placed on subscriptions of insurance companies and savings institutions during the forthcoming Victory Loan Drive:

"Secretary of the Treasury Vinson today made public the limitations to be placed on subscriptions, including deferred payment subscriptions, from insurance companies and savings institutions during the Victory Loan Drive. These decisions were reached after consultations with representatives of the two groups affected.

"All insurance companies will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to 15 per cent of the total amount of United States Government securities held by the subscribing company on December 31, 1944, or 6 per cent of that company's total admitted assets as of that date, whichever figure is larger.

"Savings institutions, which are defined for this purpose as savings banks that do not accept demand deposits, savings and loan associations, building and loan associations, cooperative banks and credit unions, will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to twice the amount of the net increase in assets (total assets less borrowed funds) of the subscriber during the period from July 1, 1945, through September 30, 1945, plus 7 per cent of the amount of United States Government securities held by the subscriber on June 30, 1945. The formula set for this group was reached in recognition of the difficulty in meeting a consistent interpretation of normal portfolio adjustments and the disparity in growth of assets among individual institutions falling within this group.

"Insurance companies and savings institutions are requested not to use these formulae to circumvent the Treasury's request that nonbank investors refrain from selling securities heretofore acquired in order to obtain the funds to subscribe for securities offered in the Victory Loan Drive, except for normal portfolio adjustments.

"It will facilitate handling of these subscriptions if each institution planning to subscribe under these formulae will furnish the Federal Reserve Bank of its district, prior to entering subscriptions, with the figures applicable to it under its formula."

In connection with the formula applicable to your institution, there is enclosed a form for use in furnishing information which will establish the amount of marketable securities which may be subscribed for by your institution during the Victory Loan Drive. **This form should be completed and returned to this bank or appropriate branch before entering a subscription.** Your cooperation in this respect will be appreciated.

Yours very truly,

R. R. GILBERT

President

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 11, 1945

VICTORY LOAN DRIVE SUBSCRIPTIONS OF SAVINGS INSTITUTIONS

To the Savings Institution Addressed:

For your information there is quoted below the full text of a press statement released by Secretary of the Treasury Vinson on October 8, 1945, regarding the limitations to be placed on subscriptions of insurance companies and savings institutions during the forthcoming Victory Loan Drive:

"Secretary of the Treasury Vinson today made public the limitations to be placed on subscriptions, including deferred payment subscriptions, from insurance companies and savings institutions during the Victory Loan Drive. These decisions were reached after consultations with representatives of the two groups affected.

"All insurance companies will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to 15 per cent of the total amount of United States Government securities held by the subscribing company on December 31, 1944, or 6 per cent of that company's total admitted assets as of that date, whichever figure is larger.

"Savings institutions, which are defined for this purpose as savings banks that do not accept demand deposits, savings and loan associations; building and loan associations, cooperative banks and credit unions, will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to twice the amount of the net increase in assets (total assets less borrowed funds) of the subscriber during the period from July 1, 1945, through September 30, 1945, plus 7 per cent of the amount of United States Government securities held by the subscriber on June 30, 1945. The formula set for this group was reached in recognition of the difficulty in meeting a consistent interpretation of normal portfolio adjustments and the disparity in growth of assets among individual institutions falling within this group.

"Insurance companies and savings institutions are requested not to use these formulae to circumvent the Treasury's request that nonbank investors refrain from selling securities heretofore acquired in order to obtain the funds to subscribe for securities offered in the Victory Loan Drive, except for normal portfolio adjustments.

"It will facilitate handling of these subscriptions if each institution planning to subscribe under these formulae will furnish the Federal Reserve Bank of its district, prior to entering subscriptions, with the figures applicable to it under its formula."

In connection with the formula applicable to your institution, there is enclosed a form for use in furnishing information which will establish the amount of marketable securities which may be subscribed for by your institution during the Victory Loan Drive. **This form should be completed and returned to this bank or appropriate branch before entering a subscription.** Your cooperation in this respect will be appreciated.

Yours very truly,

R. R. GILBERT

President

