

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2322]
December 3, 1941]

**Information Relating to Offering on December 4, 1941,
of United States Treasury Securities**

**To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:**

For your information, we quote below copy of a press statement for immediate release issued by the Secretary of the Treasury outlining the basis on which subscriptions to the new cash offering of Treasury securities may be entered.

“TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 3, 1941

In advance of the cash offering of Treasury securities to be announced tomorrow, the Treasury today announced the basis on which subscriptions will be entertained from the various classes of subscribers who will participate in that offering. The primary purpose is, so far as possible, to meet the legitimate investment requirements of the public, and to accomplish that purpose subscriptions will be grouped broadly into four classes, as follows:

Banks and Trust Companies for their own account—not to exceed fifty per cent of capital and surplus.

Mutual Savings and Cooperative Banks, Federal Savings and Loan Associations, Trust Accounts and Investment Corporations, Pension Funds, Insurance Companies, and similar institutions and funds—not to exceed ten per cent of total resources.

Corporations organized for profit, and Dealers and Brokers—not to exceed 50 per cent of net worth.

Individuals—not to exceed 50 per cent of net worth, or 100 per cent of cash deposited with subscription. (Note: No preferred allotment will be made on such full-paid subscriptions.)

Notwithstanding the general limitations outlined above, the Federal Reserve Banks are authorized and instructed to continue to examine applications for cash offerings of securities issued by the Treasury, and to report to the Secretary of the Treasury any which, in their judgment, require special treatment, or which appear to be excessive from the standpoint of the resources or investment practices of the subscribers, or for other reasons, with recommendation as to the acceptance, reduction, or rejection of any such applications, which recommendations will be promptly acted upon by the Secretary.

The cooperation of banking institutions, and of the subscribing public generally, is earnestly solicited so that subscriptions forwarded to the Federal Reserve Banks and the Treasury will in each instance be for amounts not in excess of the limitation set forth above. Attention is again invited to the requirement that subscribers agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books.

It is also requested that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.”

ALLAN SPROUL,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

December 3, 1941.

FOR IMMEDIATE ATTENTION

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

On Thursday, December 4, 1941, the Secretary of the Treasury will announce the following:

1. A cash offering of \$1,000,000,000, or thereabouts, of 2 1/2 per cent Treasury Bonds of 1967-72, additional issue, at par and accrued interest.
2. A cash offering of \$500,000,000, or thereabouts, of a new 2 per cent Treasury Bond of 1951-55.

For each issue preferred allotment up to \$5,000 will be given where deferred delivery of registered bonds is specified.

Subscription forms for use in subscribing as well as the official offering circulars are being printed and will be mailed to you later tonight.

We invite your attention to the press statement of December 3, 1941, issued by the Secretary of the Treasury, regarding the basis of subscribing, a copy of which is enclosed.

The subscription books will be opened December 4, 1941, and applications should be filed promptly with this bank as the Secretary of the Treasury reserves the right to close the subscription books at any time without notice. If the official offering circulars and subscription forms are not received in time to be filled out and mailed on December 4, 1941, it is suggested that subscribers file their subscriptions without further delay by telegram or letter, confirming them by mail as soon as the forms shall have been received. Such telegraphic or letter subscriptions to the cash offerings entered by a bank should state the amount subscribed for the bank's own account and the number of subscriptions, at each amount, entered for the customers of the subscribing bank.

Allan Sproul,
President.

Enc.

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,
Wednesday, December 3, 1941

In advance of the cash offering of Treasury securities to be announced tomorrow, the Treasury today announced the basis on which subscriptions will be entertained from the various classes of subscribers who will participate in that offering. The primary purpose is, so far as possible, to meet the legitimate investment requirements of the public, and to accomplish that purpose subscriptions will be grouped broadly into four classes, as follows:

Banks and Trust Companies for their own account—not to exceed fifty per cent of capital and surplus.

Mutual Savings and Cooperative Banks, Federal Savings and Loan Associations, Trust Accounts and Investment Corporations, Pension Funds, Insurance Companies, and similar institutions and funds—not to exceed ten per cent of total resources.

Corporations organized for profit, and Dealers and Brokers—not to exceed 50 per cent of net worth.

Individuals—not to exceed 50 per cent of net worth, or 100 per cent of cash deposited with subscription. (Note: No preferred allotment will be made on such full-paid subscriptions.)

Notwithstanding the general limitations outlined above, the Federal Reserve Banks are authorized and instructed to continue to examine applications for cash offerings of securities issued by the Treasury, and to report to the Secretary of the Treasury any which, in their judgment, require special treatment, or which appear to be excessive from the standpoint of the resources or investment practices of the subscribers, or for other reasons, with recommendation as to the acceptance, reduction, or rejection of any such applications, which recommendations will be promptly acted upon by the Secretary.

The cooperation of banking institutions, and of the subscribing public generally, is earnestly solicited so that subscriptions forwarded to the Federal Reserve Banks and the Treasury will in each instance be for amounts not in excess of the limitation set forth above. Attention is again invited to the requirement that subscribers agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books.

It is also requested that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.