

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2866]
[November 13, 1944]

CASH OFFERING
To Certain Commercial Banks

2½ Percent Treasury Bonds of 1966-71

Dated December 1, 1944

Due March 15, 1971

2 Percent Treasury Bonds of 1952-54

Dated December 1, 1944

Due December 15, 1954

United States Savings Bonds, Series F

United States Savings Bonds, Series G

To all Commercial Banks
in the Second Federal Reserve District:

The Secretary of the Treasury has announced that, in connection with the Sixth War Loan Drive, commercial banks, which are defined for this purpose as banks or trust companies accepting demand deposits, will be permitted to subscribe for their own account, subject to the limitations stated below, to United States Savings Bonds of Series F and Series G, and to 2½% Treasury Bonds of 1966-71 and 2% Treasury Bonds of 1952-54. However, all such subscriptions will be considered outside of the 14 billion dollar goal of the drive and will not be considered a part of any quota. Copies of the official circulars relating to the offerings of such issues are included in our Circular No. 2857, dated November 1, 1944, which has been sent to all banking institutions in the Second Federal Reserve District.

Subscriptions by such banks for their own account to the issues referred to above may not exceed, in the aggregate, 10% of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of States, municipalities, political subdivisions, corporations, associations and other organizations not operated for profit) and of savings deposits (as such deposits are defined in Regulation Q of the Board of Governors of the Federal Reserve System*), as shown on the bank's books as of the date of the most recent call statement required by the supervisory authorities prior to the date of the subscription for such bonds, or \$500,000, whichever is less. In any event, a bank may not hold more than \$100,000 (issue price) of Savings Bonds of Series F-1944 and Series G-1944 combined. If 10% of the combined amount of savings deposits and eligible time certificates of deposit is an odd amount, the aggregate amount of its subscriptions may be adjusted to the next highest \$1,000.

Copies of our Application Form No. 7, for use by commercial banks in submitting subscriptions for their own account to the issues referred to above, are enclosed. *A separate application should be submitted for each issue in respect of which a subscription is to be entered.* Savings Bonds of Series F or Series G will be dated as of the first day of the month in which payment is received by us. Subscriptions to 2½% Treasury Bonds of 1966-71 and 2% Treasury Bonds of 1952-54 may be made during the period November 20 to December 16, 1944, both dates inclusive. Each of the issues of Treasury Bonds will be sold at par plus accrued interest from December 1, 1944, to the date payment is received by us, except that accrued interest is waived on \$500 and \$1,000 subscriptions.

The regulations governing United States Savings Bonds provide that such bonds may not be hypothecated as collateral; accordingly, bonds of Series F or Series G may not be deposited with us as collateral for a War Loan Deposit Account. There is no restriction upon the use of 2½% Treasury Bonds of 1966-71 or 2% Treasury Bonds of 1952-54 as collateral, and bonds of such issues belonging to a banking institution qualified as a special depository of public funds will be acceptable as security for its War Loan Deposit Account.

ALLAN SPROUL,
President.

* Sections 1(c) and 1(e) of Regulation Q, which define time certificates of deposit and savings deposits, respectively, are printed on the reverse side of this circular.

Extracts from Regulation Q of the Board of Governors of the
Federal Reserve System

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,⁴ 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.⁵

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.

⁴Deposits 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.

⁵Presentation 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.

CASH SUBSCRIPTION

FOR OWN ACCOUNT BY BANK HOLDING DEMAND DEPOSITS

2 1/2 Percent Treasury Bonds of 1966-71

United States Savings Bonds, Series F

2 Percent Treasury Bonds of 1952-54

United States Savings Bonds, Series G

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Federal Reserve P. O. Station, New York 7, N. Y.

....., 1944.

Pursuant to the provisions of the appropriate Treasury Department Circular, please enter subscription, for our own account, for the issue and in the form and amount indicated below:

(A Separate Application Should Be Submitted For Each Issue Applied For)

<p>2 1/2 Percent Treasury Bonds of 1966-71</p> <p>Dated December 1, 1944 Due March 15, 1971</p> <p>\$..... face amount</p> <p>\$..... accrued interest, if any</p> <p>\$..... total payment</p> <p><small>Accrued interest must be computed from December 1, 1944 to date funds will be available to Federal Reserve Bank at the rate of \$0.069 per \$1,000 face amount).</small></p> <p>INDICATE ONE <input type="checkbox"/> Coupon form <input type="checkbox"/> Registered form</p>	<p>2 Percent Treasury Bonds of 1952-54</p> <p>Dated December 1, 1944 Due December 15, 1954</p> <p>\$..... face amount</p> <p>\$..... accrued interest, if any</p> <p>\$..... total payment</p> <p><small>(Accrued interest must be computed from December 1, 1944 to date funds will be available to Federal Reserve Bank at the rate of \$0.055 per \$1,000 face amount).</small></p> <p>INDICATE ONE <input type="checkbox"/> Coupon form <input type="checkbox"/> Registered form</p>
<p>United States Savings Bonds, Series F</p> <p>\$..... face amount</p> <p>\$..... issue (cost) price</p> <p><small>Issue (cost) price of Series F Bonds is 74% of face amount (at maturity value).</small></p> <p style="text-align: center;">Registered Form Only</p>	<p>United States Savings Bonds, Series G</p> <p>\$..... face amount</p> <p><small>(Series G Bonds are issued at par).</small></p> <p style="text-align: center;">Registered Form Only</p>

Please issue and dispose of such bonds as follows:

Pieces	Denominations	Leave Blank	DISPOSITION
	\$ 25 (Series F only)		<input type="checkbox"/> Deliver over the counter to the undersigned. <input type="checkbox"/> Ship to the undersigned. <input type="checkbox"/> Hold in safekeeping (for member banks only). <input type="checkbox"/> (No changes in delivery instructions will be accepted.)
	100 (Series F and G only)		
	500		
	1,000		
	5,000		
	10,000		
	100,000 (2 1/2% and 2% Treasury Bonds only)		

Payment in full for such securities is made as follows:

- By check and/or cash herewith.
- By charge to our Reserve Account which is hereby authorized. (For use of member banks only)
- By credit to our War Loan Deposit Account (for use of qualified depositories only). The election to pay by credit will be deemed a certification by the officer who signs this subscription form that the full amount of payment due on this subscription has been deposited on the date hereof to the credit of the Federal Reserve Bank of New York, as fiscal agent of the United States, War Loan Deposit Account, to be held subject to withdrawal on demand.

WE HEREBY CERTIFY that the total amount of this subscription, together with that of any other subscriptions we may have entered for our own account during the period of the Sixth War Loan Drive, for Series F or Series G Savings Bonds, 2 Percent Treasury Bonds of 1952-54 dated December 1, 1944 or 2 1/2 Percent Treasury Bonds of 1966-71 is not in excess of 10 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of States, municipalities, political subdivisions, corporations, associations and other organizations not operated for profit) and of savings deposits*, as shown on our books as of the date of the most recent call statement required by the supervisory authorities prior to the date of this subscription, and does not exceed \$500,000 (issue price) in the aggregate. We further certify that the total amount of subscriptions entered for our own account to Savings Bonds of Series F-1944 or Series G-1944, including this subscription, since January 1, 1944, does not exceed in the aggregate \$100,000 (issue price).

* Sections 1(c) and 1(e) of Regulation Q of the Board of Governors of the Federal Reserve System which define time certificates of deposit and savings deposits, respectively, are printed on the reverse side of this form.

SUBSCRIBER: Name of banking institution..... Typewrite or print exact corporate title for registration purposes

Indicate whether this is: By.....
 Original subscription Official signature required Title
 Confirmation of a telegram
 Confirmation of a letter City, Town or Village, P. O. No., and State.....

DO NOT USE SPACES BELOW

SUBSCRIPTION RECORD		Delivery Receipt	
PAYMENT RECEIVED	EXAMINED	Received from FEDERAL RESERVE BANK OF NEW YORK the above described United States Government obligations in the amount indicated above. Subscriber Date..... By.....	
	CARDED		
	RELEASED		
Taken from Vault	Counted	Checked	Delivered

Extracts from Regulation Q of the Board of Governors of the
Federal Reserve System

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,⁴ 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.⁵

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.

¹ A 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.

⁴ Deposits 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.

⁵ Presentation 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.