

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3348]
June 28, 1948

UNITED STATES SAVINGS BONDS OF SERIES F AND G

**Information regarding Subscriptions to Special Offering
From July 1 through July 15, 1948, inclusive**

*To Institutional Investors Holding Savings, Insurance, and Pension Funds, Commercial
Banks Holding Savings Deposits, and Others Concerned, in the Second Federal Reserve District:*

In our Circular No. 3344, dated June 10, 1948, we sent you a statement by Secretary of the Treasury Snyder, regarding a special offering of United States Savings Bonds of Series F and Series G open to certain institutional investors holding savings, insurance or pension funds, and to certain commercial and industrial banks, during the period from July 1 through July 15, 1948. Additional information with respect to this offering is now available.

Statement by Secretary of the Treasury

The following statement of Secretary Snyder is released for publication today:

Secretary of the Treasury Snyder today made public the text of amendments to Department Circular No. 530, the Regulations Governing Savings Bonds, and Department Circular No. 654, the circular offering Series F and G Savings Bonds for sale, which have been issued to cover the special offering of Series F and G bonds open to certain classes of institutional investors and certain commercial and industrial banks during the period from July 1 through July 15, 1948. Details with respect to the offering and the various categories of investors eligible to purchase Series F and G Savings Bonds under the special offering were contained in the Secretary's statement of June 10, 1948. Any applications from eligible subscribers received by a Federal Reserve Bank or Branch, or the Treasury Department, through July 15, 1948, including any mail applications postmarked up to midnight of July 15, will be accepted and processed under this special offering.

Amendments to Treasury Department Circulars

Copies of the Fourth Amendment to Treasury Department Circular No. 530 (Sixth Revision), and of the Third Amendment to Treasury Department Circular No. 654 (Second Revision), containing the conditions of the special offering, are enclosed.

Eligible Subscribers

Subject to the provisions of Treasury Department Circulars Nos. 530 and 654, as amended, any insurance company, savings bank, savings and loan association or building and loan association, cooperative bank, pension or retirement fund (including those of Federal, State and local governments), fraternal benefit association, endowment fund, or credit union may purchase in the calendar year 1948 up to \$1,000,000 (issue price) of bonds of Series F or Series G, or of the combined aggregate of both series, provided that its subscription for any bonds in excess of \$100,000 (issue price) must be entered during the period from July 1, 1948, through July 15, 1948.

(OVER)

A commercial bank or industrial bank holding savings deposits or issuing time certificates of deposit in the names of individuals or of corporations, associations or other organizations not operated for profit, may purchase up to \$100,000 (issue price) of bonds of Series F or Series G, or of the combined aggregate of both series, provided that its subscription must be entered during the period from July 1, 1948, through July 15, 1948.

Subscriptions

Subscriptions entered in the Second Federal Reserve District should be made on the forms regularly provided by this bank for subscriptions to Savings Bonds of Series F and Series G. *Any subscription by an eligible subscriber for an amount in excess of \$900,000 (issue price) must be accompanied by a written statement from the subscriber to the effect that the issue price of the bonds subscribed for, in addition to the issue price of any other Series F or Series G bonds purchased by the subscriber during the calendar year 1948, does not exceed \$1,000,000.*

Payment for Subscriptions

Subscriptions must be accompanied by payment in full. Checks should be drawn either to the order of the Federal Reserve Bank of New York or to the order of the Treasurer of the United States. Any qualified depository may make payment by credit in the War Loan Deposit Account for Series F or Series G bonds allotted for its own account or for account of its customers; however, each subscription which is paid for by credit in the War Loan Deposit Account should be accompanied by a Certificate of Advice of Credit, Form No. GB 345.

Opening and Closing of Subscription Books

The subscription books for the special offering will open on July 1, 1948, and will close at the close of business on July 15, 1948. Any subscription mailed to the Federal Reserve Bank of New York, or its Buffalo Branch, and bearing a postmark before midnight, July 15, will be considered as having been entered before the close of the subscription books.

Other Investors

Investors which are not eligible to subscribe under the terms of the special offering, are entitled to subscribe for bonds of Series F or Series G during any calendar year in an amount up to \$100,000 (issue price) of either series, or of the combined aggregate of both. Subscriptions of such investors may be entered at any time and are not limited to the period of the special offering.

Additional copies of this circular and of the enclosures will be furnished upon request.

ALLAN SPROUL,
President.

REGULATIONS GOVERNING SAVINGS BONDS

1948
Fourth Amendment to
Department Circular No. 530
Sixth Revision, dated
February 13, 1945
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 25, 1948.

TO OWNERS OF UNITED STATES SAVINGS BONDS AND OTHERS CONCERNED:

Pursuant to Section 22 (a) of the Second Liberty Bond Act, as amended (55 Stat. 7, 31 U.S.C. and Supp. 757c), Subpart C of Department Circular No. 530, Sixth Revision, dated February 13, 1945 (31 CFR 1945 Supp., 315), as amended, is hereby further amended¹ and revised to read as follows:

Subpart C—LIMITATION ON HOLDINGS

Sec. 315.8. *Amount which may be held.*—As provided by Section 22 of the Second Liberty Bond Act, as added February 4, 1935 (U.S.C. 1946 Ed., title 31, section 757c), and by regulations prescribed by the Secretary of the Treasury pursuant to the authority of that section, as amended by the Public Debt Act of 1941, 55 Stat. 7, the amounts of savings bonds of the several series issued during any one calendar year that may be held by any one person at any one time are limited as follows:

- (a) *Series A, B, C, and D.*—\$10,000 (maturity value) of each series for each calendar year.
- (b) *Series E.*—\$5,000 (maturity value) for each calendar year up to and including the calendar year 1947, and \$10,000 (maturity value) for each calendar year thereafter.
- (c) *Series F and G.*—\$50,000 (issue price) for the calendar year 1941, and \$100,000 (issue price) for each calendar year thereafter, of either series or of the combined aggregate of both, except that, in the case of commercial banks authorized to acquire such bonds in accordance with Section 315.5, the limitation shall be such as may have been or may hereafter be provided specifically in official circulars governing the offering of other Treasury securities, but in no event in excess of \$100,000 (issue price) for any calendar year.
- (d) *Special Limitation for Series F and G Bonds Purchased by Institutional Investors and Commercial Banks from July 1 through July 15, 1948.*—\$1,000,000 (issue price) of either series or of the combined aggregate of both for institutional investors holding savings, insurance and pension funds and \$100,000 (issue price) of either series or of the combined aggregate of both for commercial and industrial banks holding savings deposits or issuing time certificates of deposit in the names of individuals and of corporations, associations, and other organizations not operated for profit, subject to the following conditions:
 - (1) For the purposes of this subsection the classes of institutional investors will be limited to: (i) insurance companies, (ii) savings banks, (iii) savings and loan associations and building and loan associations, and cooperative banks, (iv) pension and retirement funds, including those of the Federal, State and local governments, (v) fraternal benefit associations, (vi) endowment funds, and (vii) credit unions.
 - (2) Any bonds of Series F-1948 and Series G-1948 purchased under this special limitation, including any bonds in excess of \$100,000 (issue price) purchased by eligible institutional investors, must be purchased during the period from July 1 through July 15, 1948.

The regulations set forth in this circular are hereby modified to accord with the provisions of subsection (d) of this section.

Sec. 315.9. *Calculation of Amount.*—In computing the amount of savings bonds of any one series issued during any one calendar year held by any one person at any one time for the purpose of determining whether the amount is in excess of the authorized limit as set forth in the next preceding section, the following rules shall govern:

- (a) The term "person" shall mean any legal entity, including but not limited to an individual, a partnership, a corporation (public or private), an unincorporated association or a trust estate, and the holdings of each person individually and in a fiduciary capacity, shall be computed separately.
- (b) In the case of bonds of Series A, B, C, D, and E, the computation shall be based upon maturity values. In the case of bonds of Series F and G the computation shall be based upon issue prices.
- (c) Except as provided in subsection (d), there must be taken into account: (1) all bonds originally issued to and registered in the name of that person alone; (2) all bonds originally issued to and registered in the name of that person as coowner or reissued, at the request of the original owner, to add the name of that person as coowner or to designate him as coowner instead of as beneficiary under the provisions of this circular, except that the amount of bonds of Series E held in coownership form may be applied to the holdings of either of the coowners, but will not

¹ The second and third amendments are hereby withdrawn from circulation. They were issued, respectively, to provide for the purchase of savings bonds of Series E outside of the limitation under certain conditions and to increase the Series E limitation from \$5,000 to \$10,000. The pertinent provisions are set forth in Sections 315.8 (b) and 315.9 (d) (4) of this amendment.

be applied to both, or the amount may be apportioned between them; and (3) all bonds acquired by him before March 1, 1941, upon the death of another or the happening of any other event.

(d) There need not be taken into account: (1) bonds of which that person is merely the designated beneficiary; (2) those in which his interest is only that of a beneficiary under a trust; (3) those to which he is entitled as surviving designated beneficiary upon the death of the registered owner, as an heir or legatee of the deceased registered owner, or by virtue of the termination of a trust or the happening of any other event, unless he became entitled to any such bonds in his own right before March 1, 1941; or (4) with respect to bonds of Series E, those purchased with the proceeds of matured bonds of Series A and Series C-1938, where the Series A or Series C bonds were presented by an individual (natural person in his own right) owner or coowner for that purpose and the Series E bonds are registered in his name in any form of registration authorized for that series.

(e) Nothing herein contained shall be construed to invalidate any holdings within or, except as provided in subsection (c) above, to validate any holdings in excess of, the authorized limits, as computed under the regulations in force at the time such holdings were acquired.

Sec. 315.10. *Disposition of excess.*—If any person at any time acquires savings bonds issued during any one calendar year in excess of the prescribed amount, the excess must be immediately surrendered for refund of the purchase price, less (in the case of Series G bonds) any interest which may have been paid thereon, or for such other adjustment as may be possible.

JOHN W. SNYDER,

Secretary of the Treasury.

UNITED STATES SAVINGS BONDS

Series F and Series G

1948
Third Amendment to
Department Circular No. 654
Second Revision, dated
January 1, 1944,
as amended.

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY,

Washington, June 25, 1948.

Section IV and Section V of Department Circular No. 654, Second Revision, dated January 1, 1944, as amended, are hereby further amended to read as follows:

IV. LIMITATION ON HOLDINGS

1. The amount of United States Savings Bonds of Series F, or of Series G, or the combined aggregate amount of both series originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as coowner, that may be held by that person at any one time shall not exceed \$100,000 (issue price), except as provided in paragraph 2. Commercial banks (which are defined for this purpose as those accepting demand deposits) are not authorized to acquire savings bonds of Series F or Series G, except as provided in paragraph 2, or (in accordance with the provisions of V, 1 (2) hereof) in official circulars governing the offering of other Treasury securities.¹

2. For the period from July 1, 1948, through July 15, 1948, there is hereby provided for certain classes of institutional investors, and for certain commercial and industrial banks, a special limitation on holdings as follows:

(1) The limitation will be \$1,000,000 (issue price) of United States Savings Bonds of Series F or Series G or the combined aggregate of both for institutional investors holding savings, insurance and pension funds, and \$100,000 (issue price) of either series or of the combined aggregate of both for commercial and industrial banks holding savings deposits or issuing time certificates of deposit in the names of individuals and of corporations, associations and other organizations not operated for profit.

(2) For the purposes of this special limitation the classes of institutional investors will be limited to: (i) insurance companies, (ii) savings banks, (iii) savings and loan associations and building and loan associations, and co-operative banks, (iv) pension and retirement funds, including those of the Federal, State and local governments, (v) fraternal benefit associations, (vi) endowment funds, and (vii) credit unions.

(3) Any bonds of Series F-1948 and Series G-1948 purchased under this special limitation, including any bonds in excess of \$100,000 (issue price) purchased by eligible institutional investors, must be purchased during the period from July 1 through July 15, 1948.

3. Any bonds acquired on original issue which create an excess must immediately be surrendered for refund of the issue price, as provided in the regulations governing savings bonds.

V. AUTHORIZED FORMS OF REGISTRATION

1. United States Savings Bonds of Series F and Series G may be registered only in one of the following forms:

(1) In the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (a) In the name of one person; (b) in the names of two (but not more than two) persons as coowners; and (c) in the name of one person payable on death to one (but not more than one) other designated person.

(2) In the name of an incorporated or unincorporated body in its own right; but may not be registered in the names of commercial banks, which are defined for this purpose as those accepting demand deposits, except as provided in IV, 2 of this Circular or to such extent and under such conditions as may have been or may hereafter be provided specifically in official circulars governing the offering of other Treasury securities.

(3) In the name of a fiduciary (except where the fiduciary would hold the bonds merely or principally as security for the performance of a duty or obligation).

(4) In the name of the owner or custodian of public funds.

2. *Restrictions.*—Only residents (whether individuals or others) of the United States (which for the purposes of this section shall include the territories, insular possessions and the Canal Zone), citizens of the United States temporarily residing abroad and nonresident aliens employed in the United States by the Federal Government or an agency thereof may be named as owners, coowners or designated beneficiaries of savings bonds originally issued on or after April 1, 1940, or of authorized reissues thereof, except that such persons may name as coowners or beneficiaries of their bonds American citizens permanently residing abroad or nonresident aliens who are not citizens of enemy nations. American citizens permanently residing abroad and nonresident aliens who become entitled to bonds under these regulations, by right of survivorship or otherwise upon the death of another, will have the right only to receive payment either at or before maturity.

3. Full information regarding authorized forms of registration will be found in the regulations currently in force governing United States Savings Bonds.

JOHN W. SNYDER,

Secretary of the Treasury.

¹ Circulars heretofore issued making provisions for subscription to Series F and Series G bonds by commercial banks are numbered as follows: 729 and 740, offering 2½% Treasury Bonds of 1965-70; 730, offering 2¼% Treasury Bonds of 1956-59; 741 and 756, offering 2% Treasury Bonds of 1952-54; 755, offering 2½% Treasury Bonds of 1966-71; 770, offering 1½% Treasury Bonds of 1950; 776, offering 2½% Treasury Bonds of 1967-72; and 777, offering 2¼% Treasury Bonds of 1959-62.