

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 19, 1946

EXCHANGE OFFERING ON ALLOTMENT BASIS

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

There is reproduced on the reverse side hereof Treasury Department Circular No. 796 in which the Secretary of the Treasury offers $\frac{7}{8}\%$ Certificates of Indebtedness of Series K-1947, on an exchange basis, to holders of Treasury Certificates of Indebtedness of Series J-1946, maturing November 1, 1946, in the amount of \$3,777,773,000. Since it is planned to retire about \$2,000,000,000 of the maturing certificates by redemption in cash, subscriptions will be received subject to allotment to all holders on an equal percentage basis except that subscriptions in amounts up to \$25,000 will be allotted in full. Cash subscriptions will not be received.

The new certificates will be dated November 1, 1946, and will bear interest from that date at the rate of $\frac{7}{8}\%$ per annum, payable with the principal at maturity on November 1, 1947. They will be issued in bearer form only in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000, and since the interest is payable with the principal at maturity no interest coupons will be attached.

The books for the receipt of subscriptions to this exchange offering will be opened on Monday, October 21, 1946. It is important that subscribers tender maturing certificates in an amount equal to the amount of new certificates subscribed for or arrange for delivery of the maturing certificates to this bank or one of its branches prior to the close of the subscription books. If the maturing certificates are held in safekeeping at this bank or one of its branches, please so indicate on the subscription form. Arrangements should be made to substitute other securities for any maturing pledged certificates to be tendered in order that the maturing certificates may be available to support the subscription.

Subscriptions will be received at this bank and its branches at El Paso, Houston and San Antonio, and should be submitted on the enclosed form. It is urged that subscriptions be entered on the subscription forms rather than by letters or otherwise. Additional subscription forms will be forwarded upon request.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business Wednesday, October 23, except for the receipt of subscriptions from holders of \$25,000 or less of the maturing certificates. The subscription books will close for the receipt of subscriptions of the latter class at the close of business Thursday, October 24. **No further closing announcement will be made.**

Subscriptions addressed to a Federal Reserve bank or branch or to the Treasury Department, and placed in the mail before midnight of the respective closing days, will be considered as having been entered before the close of the subscription books.

Yours very truly,

R. R. GILBERT

President

UNITED STATES OF AMERICA

SEVEN-EIGHTHS PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES K-1947

Dated and bearing interest from November 1, 1946

Due November 1, 1947

1946
Department Circular No. 796

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, October 21, 1946

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series K-1947, in exchange for Treasury Certificates of Indebtedness of Series J-1946, maturing November 1, 1946. Approximately \$2,000,000,000 of the maturing certificates will be retired on cash redemption.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated November 1, 1946, and will bear interest from that date at the rate of $\frac{7}{8}$ percent per annum, payable with the principal at maturity on November 1, 1947. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including \$25,000 will be allotted in full, and subscriptions for amounts over \$25,000 will be allotted to all holders on an equal percentage basis, but not less than \$25,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before November 1, 1946, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series J-1946, maturing November 1, 1946, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

JOHN W. SNYDER,
Secretary of the Treasury.