

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, May 19, 1947

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. 807, in which the Secretary of the Treasury offers $\frac{7}{8}\%$ Treasury Certificates of Indebtedness of Series E-1948, on an exchange basis, to holders of Treasury Certificates of Indebtedness of Series E-1947, maturing June 1, 1947, in the amount of \$2,774,925,000. Since it is planned to retire about \$1,000,000,000 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 and including \$25,000 will be allotted in full. Cash subscriptions will not be received.

The new certificates will be dated June 1, 1947, and will bear interest from that date at the rate of $\frac{7}{8}\%$ per annum, payable with the principal at maturity on June 1, 1948. 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 Wednesday, May 21, 1947. 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, with surrender of the maturing certificates. 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 for the receipt of all subscriptions at the close of business Friday, May 23. **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 closing day 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 E-1948

Dated and bearing interest from June 1, 1947

Due June 1, 1948

1947
Department Circular No. 807

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, May 21, 1947

I. OFFERING OF CERTIFICATES

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 E-1948, in exchange for Treasury Certificates of Indebtedness of Series E-1947, maturing June 1, 1947. Approximately \$1,000,000,000 of the maturing certificates will be retired on cash redemption.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated June 1, 1947, and will bear interest from that date at the rate of $\frac{7}{8}$ percent per annum, payable with the principal at maturity on June 1, 1948. 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 June 2, 1947, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series E-1947, maturing June 1, 1947, 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.

FEDERAL RESERVE EXCHANGE DRAFTS

To the Member Banks of the
Eleventh Federal Reserve District:

A Federal Reserve Exchange Draft is a special form of draft which, subject to specific regulations, may be drawn by a member bank on its Federal Reserve bank (or branch) and, when issued on the prescribed form and in accordance with regulations governing its use, will be received for immediate credit at par by any other Federal Reserve bank or branch subject to payment by the Federal Reserve bank or branch upon which it is drawn.

Such Exchange Drafts are entirely different from ordinary drafts and are intended to serve a different purpose. The plan of issuing Federal Reserve Exchange Drafts is not intended to interfere in any way with the issuance by member banks of regular drafts on their reserve accounts, nor is it intended to modify the system of telegraphic and mail transfers now in use.

Federal Reserve Exchange Drafts are to be used only when a member bank desires to furnish exchange immediately available in a Federal Reserve bank or branch city in a district other than where its reserve account is kept. **Ordinary drafts drawn by member banks of the Eleventh Federal Reserve District on their reserve accounts will continue to be received for immediate credit at any Federal Reserve bank office in this district.** Ordinary drafts on member banks' reserve accounts will continue to be received by other Federal Reserve banks and branches on a deferred credit basis in accordance with their time schedules.

All references in this bulletin to the Federal Reserve Bank of Dallas apply to the Houston, San Antonio, and El Paso branches as well as to the Head Office. Member banks located in the territory served by our branches should deal with the branches as heretofore.

After obtaining permission to do so, member banks may draw Federal Reserve Exchange Drafts on the Federal Reserve Bank of Dallas without limitation as to amount, except that such drafts may be drawn only against available balances.

**APPLICATION FOR PERMISSION TO ISSUE FEDERAL RESERVE
EXCHANGE DRAFTS**

The privilege of drawing Federal Reserve Exchange Drafts may be obtained only upon application made by the member bank on a form provided by the Federal Reserve Bank of Dallas. If permission is granted, the member bank may proceed to issue drafts as soon as it has been provided with approved draft forms, as well as a supply of advices of drafts drawn.

FEDERAL RESERVE EXCHANGE DRAFT FORMS

Federal Reserve Exchange Drafts may be drawn only upon forms provided by the Federal Reserve Bank of Dallas which bear the phrase, "Any Federal Reserve Bank or Branch will receive this draft for immediate availability at par."

A supply of the approved draft forms will be furnished by the Federal Reserve Bank of Dallas upon the request of any member bank and at its expense, after it has obtained permission to issue Federal Reserve Exchange Drafts.

ADVICE OF DRAFTS DRAWN

When permission to issue Federal Reserve Exchange Drafts is given, the member bank will be furnished with a supply of blank advices of drafts drawn, which are to be used in advising the Federal Reserve Bank of Dallas the numbers, amounts, and total of Federal Reserve Exchange Drafts drawn. **On receipt by the Federal Reserve Bank, the total amount of this advice will be charged to the member bank and credited to a special account for the payment of such drafts when presented.**

The advice forms will be furnished to member banks by the Federal Reserve Bank of Dallas free of charge.

RIGHT TO WITHDRAW PRIVILEGE RESERVED

The Federal Reserve Bank of Dallas expressly reserves the right to reject any application for permission to issue Federal Reserve Exchange Drafts, and also the right to withdraw immediately on notice to a member bank the permission which may have been granted to it.

Respectfully,

R. R. GILBERT

President