

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 4, 1948

EXCHANGE OFFERING

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

There is reproduced herein Treasury Department Circular No. 839, dated December 6, 1948, in which the Secretary of the Treasury offers 1 $\frac{1}{4}$ % Treasury Certificates of Indebtedness of Series H-1949, on an exchange basis, par for par, in authorized denominations, to holders of 2% Treasury Bonds of 1948-50 (dated December 8, 1939), called for redemption on December 15, 1948, in the amount of \$571,431,150. Cash subscriptions will not be accepted.

The new certificates will be dated December 15, 1948, and will bear interest from that date at the rate of 1 $\frac{1}{4}$ % per annum, payable with the principal at maturity on December 15, 1949. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Although the called bonds are outstanding in denominations as low as \$50, exchanges may be made only in amounts or multiples of \$1,000 in the aggregate, since this is the lowest denomination in which the new certificates will be available.

The books for the receipt of subscriptions to this exchange offering will be opened on Monday, December 6, 1948. All timely subscriptions will be allotted in full.

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 called securities. Payment of final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1948, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

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, December 8. 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 December 8, 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

ONE AND ONE-FOURTH PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES H-1949

Dated and bearing interest from December 15, 1948

Due December 15, 1949

1948
Department Circular No. 839
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, December 6, 1948

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 1 $\frac{1}{4}$ % Treasury Certificates of Indebtedness of Series H-1949, in exchange for 2% Treasury Bonds of 1948-50, dated December 8, 1939, called for redemption on December 15, 1948.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 15, 1948, and will bear interest from that date at the rate of 1 $\frac{1}{4}$ % per annum, payable with the principal at maturity on December 15, 1949. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. 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, all subscriptions will be allotted in full. 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 December 15, 1948, or on later allotment, and may be made only in Treasury Bonds of 1948-50, called for redemption on December 15, 1948, which will be accepted at par, and should accompany the subscription. Payment of final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1948, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1948-50 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Certificates of Indebtedness of Series H-1949 to be delivered to.....," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

VI. 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.