

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 1, 1950

EXCHANGE OFFERING

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

There is reproduced herein Treasury Department Circular No. 879, dated December 4, 1950, in which the Secretary of the Treasury offers $1\frac{3}{4}$ percent Treasury Notes of Series B-1955, on an exchange basis, in authorized denominations, to holders of $1\frac{1}{2}$ percent Treasury Bonds of 1950, maturing December 15, 1950, in the amount of \$2,635,433,500, or $1\frac{1}{8}$ percent Treasury Certificates of Indebtedness of Series A-1951, maturing January 1, 1951, in the amount of \$5,372,668,000. Exchanges will be made par for par on December 15 in the case of the maturing bonds, and at par with an adjustment of interest on January 1 in the case of the maturing certificates. The new notes will be delivered on or after December 15 in the case of bonds exchanged, and on or after January 2 in the case of certificates exchanged. Cash subscriptions will not be received.

The new notes will be dated December 15, 1950, and will bear interest from that date at the rate of $1\frac{3}{4}$ percent per annum, payable semiannually on June 15 and December 15 in each year until the principal amount becomes payable. They will not be subject to call for redemption prior to maturity. They will be issued in bearer form only, with interest coupons attached, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Although the maturing issue of bonds is outstanding in denominations as low as \$500, 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 notes will be available.

The books for the receipt of subscriptions to this exchange offering will be opened Monday, December 4, 1950. 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 forms, with surrender of the maturing securities. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1950, 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. The full year's interest on certificates exchanged hereunder will be credited, accrued interest on the new notes from December 15, 1950, to January 1, 1951, (\$0.8173 per \$1,000) will be charged, and the difference (\$10.4327 per \$1,000) will be paid to subscribers on January 2, 1951.

It is urged that subscriptions be entered on the subscription forms; however, when it is necessary to enter a subscription by letter or otherwise, a confirmation should be furnished on an official subscription form as soon as received. Additional subscription forms will be forwarded on request.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business Thursday, **December 7. 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 7, 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 THREE-FOURTHS PERCENT TREASURY NOTES OF SERIES B-1955

Dated and bearing interest from December 15, 1950

Due December 15, 1955

Interest payable June 15 and December 15

1950
Department Circular No. 879

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, December 4, 1950

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions from the people of the United States for notes of the United States, designated $1\frac{3}{4}$ percent Treasury Notes of Series B-1955, in exchange for $1\frac{1}{2}$ percent Treasury Bonds of 1950, maturing December 15, 1950, or $1\frac{1}{8}$ percent Treasury Certificates of Indebtedness of Series A-1951, maturing January 1, 1951. Exchanges will be made par for par on December 15 in the case of the maturing bonds, and at par with an adjustment of interest on January 1 in the case of the maturing certificates.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 15, 1950, and will bear interest from that date at the rate of $1\frac{3}{4}$ percent per annum, payable semiannually on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1955, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The notes 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 notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

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

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 notes 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 for notes allotted hereunder must be made on or before December 15, 1950, or on later allotment, in the case of maturing bonds tendered in exchange, and on or before January 2, 1951, or on later allotment, in the case of maturing certificates tendered in exchange. The new notes will be delivered on or after December 15 in the case of bonds exchanged, and on or after January 2 in the case of certificates exchanged. Payment of the principal amount may be made only in Treasury Bonds of 1950, maturing December 15, 1950, or in Treasury Certificates of Indebtedness of Series A-1951, maturing January 1, 1951, which will be accepted at par and should accompany the subscription. Payment of final interest due December 15, 1950, on bonds exchanged hereunder will be effected, in the case of coupon bonds, by payment of December 15, 1950 coupons, which should

be detached by holders before presentation of the bonds for exchange, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered. The full year's interest on certificates exchanged hereunder will be credited, accrued interest on the new notes from December 15, 1950, to January 1, 1951, (\$0.8173 per \$1,000) will be charged, and the difference (\$10.4327 per \$1,000) will be paid to subscribers on January 2, 1951.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1950 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury Notes of Series B-1955 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 notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

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.