

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 11, 1953

CASH AND EXCHANGE OFFERING

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

The press statement concerning the offering of 3 $\frac{1}{4}$ percent Treasury Bonds of 1978-83, for cash and in exchange for Series F and G Savings Bonds maturing during 1953, is reproduced on the reverse hereof. Treasury Department Circular No. 921 covering the offering, and a supply of subscription forms are enclosed. Additional circulars and forms will be forwarded upon request.

The books for the receipt of subscriptions will be opened on Monday, April 13, 1953, and subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

Banking institutions generally may submit subscriptions for the account of customers, but others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions by commercial banks for their own account should be entered by the subscribing bank and not through a correspondent bank. In the case of the cash offering, the **Commercial Bank** subscription forms should be used by banks subscribing for their own account; all nonbank subscriptions should be entered on a **Nonbank** cash offering form. Exchange subscriptions should be entered on **exchange** subscription forms. Attention is called to the fact that payment for the cash subscriptions may be made through Treasury Tax and Loan Accounts.

Cash subscriptions from commercial banks for their own account will be received without deposit but will be restricted in each case to an amount not exceeding 5 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operating for profit) and of savings deposits as shown on the bank's books as of December 31, 1952. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for.

Subject to the usual reservations, cash subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers, and subscriptions in payment of which United States Savings Bonds of Series F and G maturing in the months of May through December, 1953, are tendered and accepted will be allotted in full.

CLOSING OF THE SUBSCRIPTION BOOKS

Cash subscription books may be closed at any time without notice. **Exchange subscription books** will close at the close of business April 30, 1953. Exchange subscriptions for this offering addressed to a Federal Reserve bank or branch or to the Treasury Department and placed in the mail before midnight, April 30, will be considered as having been entered before the close of the exchange subscription books.

Yours very truly,

R. R. GILBERT

President

TREASURY DEPARTMENT

Washington

Release, morning newspapers, Monday, April 13, 1953.

Secretary of the Treasury Humphrey announced today the details of an offering of $3\frac{1}{4}$ percent fully marketable Treasury bonds, to be dated May 1, 1953. They will mature June 15, 1983, but may be redeemed, at the option of the United States, on and after June 15, 1978. Interest will be payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15.

The amount of this issue allotted on cash subscriptions will be limited to \$1,000,000,000, or thereabouts, and may be paid for by credit in Treasury Tax and Loan Accounts. Payments at par and accrued interest from May 1, 1953, may be deferred over a period of three months, but must be completed not later than July 31, 1953. Exchange subscriptions will be received from holders of Series F and G savings bonds maturing in the months of May through December, 1953, of which there are about \$1,100,000,000 outstanding. The Treasury also reserves the right to allot limited amounts of these bonds to Government Investment Accounts.

Cash subscriptions from commercial banks for their own account will be received without deposit, but will be restricted in each case to an amount not exceeding 5 percent of their time deposits as of December 31, 1952. Other cash subscriptions must be accompanied by payment of 10 percent of the amount of bonds applied for. Cash subscriptions will be received subject to allotment, and such subscriptions from commercial banks for their own account may be allotted on a different percentage basis than cash subscriptions from other classes of subscribers.

Exchanges of Series F and G savings bonds will be made par for par and will be allotted in full. Since holders of Series F and G bonds will receive interest on the new bonds at the rate of $3\frac{1}{4}$ percent from May 1, 1953, interest adjustments will be made as follows: In the case of Series F bonds the subscriber will be charged an amount equivalent to interest from May 1 to date of maturity of the F bond at the rate of 2.53 percent per annum. In the case of Series G bonds, the owner will receive an interest payment at the rate of $2\frac{1}{2}$ percent per annum borne by the G bond, from the last interest payment date to May 1, 1953.

The lowest denomination of the new bonds will be \$500. Holders of smaller denomination Series F and G bonds may exchange them for the next higher multiple of \$500 upon payment of any cash difference.

The bonds will be redeemable at par prior to maturity in payment of Federal estate taxes if owned by the decedent at time of death.

Subscriptions either for cash or exchange will be received at Federal Reserve Banks and Branches, and at the Treasury. Commercial banks should enter their subscriptions directly with the Federal Reserve Bank of the District in which they are located, even though payment for or delivery of the bonds allotted is desired in another District.

Cash subscription books may be closed at any time without notice. Exchange subscription books will be open through April 30, 1953, to permit holders of the maturing Series F and G savings bonds to take advantage of the offering.

UNITED STATES OF AMERICA

THREE AND ONE-FOURTH PERCENT TREASURY BONDS OF 1978-83

Dated and bearing interest from May 1, 1953

Due June 15, 1983

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED
INTEREST ON AND AFTER JUNE 15, 1978

Interest payable June 15 and December 15

1953
Department Circular No. 921
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, April 13, 1953

I. OFFERING OF BONDS

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 bonds of the United States, designated $3\frac{1}{4}$ percent Treasury Bonds of 1978-83.

2. **Cash offering.**—Subscriptions are invited at par and accrued interest. The amount of the public offering is \$1,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot limited amounts of these bonds to Government Investment accounts.

3. **Exchange offering.**—Exchange subscriptions are invited at par, with interest adjustments as set forth in Section IV hereof, from holders of United States Savings Bonds of Series F and G maturing in the months of May through December, 1953. Holders of Series F and G bonds aggregating less than an even multiple of \$500 maturity value may exchange such bonds with payment of the difference in cash to make up the next higher \$500 multiple.

II. DESCRIPTION OF BONDS

1. The bonds will be dated May 1, 1953, and will bear interest from that date at the rate of $3\frac{1}{4}$ percent per annum, payable on a semiannual basis on December 15, 1953, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1983, but may be redeemed at the option of the United States on and after June 15, 1978, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all taxes now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bonds 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 bonds will be acceptable to secure deposits of public moneys.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

The final interest payable on bonds maturing November 1, 1953, will be paid in regular course on May 1, 1953, by check mailed by the Treasury Department. The remainder of the final interest payment provided for above will be paid following acceptance of the bonds by the agency through which the exchange is made.

(c) **Requests for payment.**—Series F and G bonds tendered in exchange must bear appropriate requests for payment in accordance with the provisions of Treasury Department Circular No. 530, Seventh Revision, as amended, or the special endorsement provided for in Treasury Department Circular No. 888, Revised. In any case in which new bonds in bearer form, or new registered bonds in another name, are desired, requests for payment must be supplemented by specific instructions signed by the owner who signed the request for payment.

V. REGISTRATION OF NEW BONDS

1. New Treasury bonds in registered form may be registered only as authorized in Treasury Department Circular No. 300, as supplemented and amended. Registration in the name of one person payable on death to another is not authorized. Treasury bonds are not redeemable before maturity at the option of the owners. Registered Treasury bonds may be transferred to a purchaser only upon proper assignment. Treasury bonds registered in the form "A or B" may be transferred only upon assignment by or on behalf of both, except that if one of them is deceased, an assignment by or on behalf of the survivor will be accepted.

A bond registered in the name of a minor may be assigned only by a guardian or similar representative appointed by a court of competent jurisdiction or otherwise duly qualified.

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 bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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.

G. M. HUMPHREY,
Secretary of the Treasury.