

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 29, 1954

EXCHANGE OFFERINGS

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

There are enclosed Treasury Department Circulars No. 938 and No. 939 which govern the exchange offerings of—

1 $\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series A-1955,
dated February 15, 1954

for

2 $\frac{1}{4}$ percent Treasury Certificates of Indebtedness of Series A-1954,
maturing February 15, 1954

1 $\frac{3}{8}$ percent Treasury Notes of Series A-1954, maturing March 15, 1954

* * * and * * *

2 $\frac{1}{2}$ percent Treasury Bonds of 1961, dated February 15, 1954
for

2 $\frac{1}{4}$ percent Treasury Certificates of Indebtedness of Series A-1954,
maturing February 15, 1954

1 $\frac{3}{8}$ percent Treasury Notes of Series A-1954, maturing March 15, 1954

2 percent Treasury Bonds of 1952-54 (dated June 26, 1944), maturing
June 15, 1954

2 $\frac{1}{4}$ percent Treasury Bonds of 1952-55, to be called for redemption
on June 15, 1954

2 $\frac{1}{4}$ percent Treasury Bonds of 1954-56, to be called for redemption
on June 15, 1954

Subscription forms for the two issues are also enclosed. Additional circulars and forms will be forwarded upon request. **Cash subscriptions will not be received.**

The books for the receipt of subscriptions for these offerings will be opened on Monday, February 1, 1954, and subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

Subscriptions should be submitted on the enclosed forms with the surrender of the maturing securities. Subscriptions for the certificates should be in multiples of \$1,000, and those for the bonds should be in multiples of \$500. The full amount of interest due February 15 on the maturing certificates surrendered will be paid following acceptance of the certificates. Coupons dated March 15, 1954 must be attached to the notes when surrendered, and accrued interest from September 15, 1953 to February 15, 1954 (\$5.81146 per \$1,000) will be paid following acceptance of the notes. Coupons dated June 15, 1954 must be attached to coupon bonds of each of the three eligible issues when surrendered, and accrued interest from December 15, 1953 to February 15, 1954 (\$3.40659 per \$1,000 in the case of the 2 percent bonds and \$3.83242 per \$1,000 in the case of the 2 $\frac{1}{4}$ percent bonds) will be paid following acceptance of the bonds. In the case of registered bonds, accrued interest from December 15, 1953 to February 15, 1954 will be paid by check drawn in accordance with the assignments on the bonds surrendered.

It is urged that subscriptions be entered on the appropriate 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. Separate subscription forms should be used for certificates and bonds in accordance with the instructions appearing on each form.

In submitting 2 percent Treasury Bonds of 1952-54, care should be exercised to see that only those maturing June 15, 1954 are tendered as those maturing December 15, 1954 are not eligible.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business **Wednesday, February 3. 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 February 3, will be considered as having been entered before the close of the subscription books.

Yours very truly,

W. D. GENTRY

First Vice President

UNITED STATES OF AMERICA

TWO AND ONE-HALF PERCENT TREASURY BONDS OF 1961

Dated and bearing interest from February 15, 1954

Due November 15, 1961

Interest payable May 15 and November 15

1954
Department Circular No. 939

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 1, 1954

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 2½ percent Treasury Bonds of 1961, in exchange for which any of the following listed securities, singly or in combinations aggregating \$500 or multiples thereof, may be tendered:

2½ percent Treasury Certificates of Indebtedness of Series A-1954, maturing February 15, 1954
1¾ percent Treasury Notes of Series A-1954, maturing March 15, 1954
2 percent Treasury Bonds of 1952-54 (dated June 26, 1944), maturing June 15, 1954
2½ percent Treasury Bonds of 1952-55, to be called for redemption on June 15, 1954
2½ percent Treasury Bonds of 1954-56, to be called for redemption on June 15, 1954

Exchanges will be made par for par in the case of the maturing certificates and at par with an adjustment of interest as of February 15, 1954 in the case of the other issues eligible for exchange. The amount of the offering under this circular will be limited to the amount of the eligible securities of the five issues enumerated above tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates and notes are offered the privilege of exchanging all or any part of such certificates and notes for 1½ percent Treasury Certificates of Indebtedness of Series A-1955, which offering is set forth in Department Circular No. 938, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated February 15, 1954, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on November 15, 1954 and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1961, and will not be subject to call for redemption prior to maturity.

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.

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, 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 or reduce any subscription, to close the books as to any or all subscriptions at any time without notice, and to allot less than the amount of bonds applied for; 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 bonds allotted hereunder must be made on or before February 15, 1954, or on later allotment, and may be made only in the securities of the five issues enumerated in Section I hereof, which will be accepted at par, and should accompany the subscription. The full amount of interest due on the maturing certificates surrendered will be paid following acceptance of the certificates. Coupons dated March 15, 1954 must be attached to the notes when surrendered, and accrued interest from September 15, 1953 to February 15, 1954 (\$5.81146 per \$1,000) will be paid following acceptance of the notes. Coupons dated June 15, 1954 must be attached to coupon bonds of each of the three eligible issues when surrendered, and accrued interest from December 15, 1953 to February 15, 1954 (\$3.40659 per \$1,000 in the case of the 2 percent bonds and \$3.83242 per \$1,000 in the case of the 2 1/4 percent bonds) will be paid following acceptance of the bonds. In the case of registered bonds, accrued interest from December 15, 1953 to February 15, 1954 will be paid by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its district.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of the three eligible issues in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 2 1/2 percent Treasury Bonds of 1961 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 Office of the Treasurer of the United States, Washington. 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 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.

UNITED STATES OF AMERICA

**ONE AND FIVE-EIGHTHS PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF
SERIES A-1955**

Dated and bearing interest from February 15, 1954

Due February 15, 1955

1954
Department Circular No. 938

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 1, 1954

I. OFFERING OF CERTIFICATES

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 certificates of indebtedness of the United States, designated 1 $\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series A-1955, in exchange for 2 $\frac{1}{4}$ percent Treasury Certificates of Indebtedness of Series A-1954, maturing February 15, 1954, or 1 $\frac{3}{8}$ percent Treasury Notes of Series A-1954, maturing March 15, 1954. Exchanges will be made par for par in the case of the maturing certificates and at par with an adjustment of interest as of February 15, 1954, in the case of the maturing notes. The amount of the offering under this circular will be limited to the amount of maturing certificates and notes tendered in exchange and accepted.

2. In addition to the offering under this circular, holders of the maturing certificates and notes are offered the privilege of exchanging all or any part of such certificates and notes for 2 $\frac{1}{2}$ percent Treasury Bonds of 1961, which offering is set forth in Department Circular No. 939, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 15, 1954, and will bear interest from that date at the rate of 1 $\frac{5}{8}$ percent per annum, payable at the maturity of the certificates on February 15, 1955. 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. Any premium paid on the acquisition of these certificates in the market may be amortized in accordance with Sec. 125 of the Internal Revenue Code.

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

4. Bearer certificates with one interest coupon attached 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 Office of the Treasurer of the United States, 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 or reduce any subscription, to close the books as to any or all subscriptions at any time without notice, and to allot less than the amount of certificates applied for; 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 February 15, 1954, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1954, maturing February 15, 1954, or in Treasury Notes of Series A-1954, maturing March 15, 1954, which will be accepted at par, and should accompany the subscription. The full amount of interest due on the maturing certificates surrendered will be paid following acceptance of the certificates. Coupons dated March 15, 1954 must be attached to the notes when surrendered, and accrued interest from September 15, 1953 to February 15, 1954 (\$5.81146 per \$1,000) will be paid following acceptance of the notes.

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.

G. M. HUMPHREY,
Secretary of the Treasury.

**FEDERAL RESERVE BANK
OF DALLAS**

**BULLETIN No. 1
FEBRUARY 15, 1954**
(Superseding Bulletin No. 1,
dated January 23, 1953)

RATES FOR DISCOUNTS AND ADVANCES

Under Sections 13, 13a, 13b and 10(b) of the Federal Reserve Act

To the Member Banks of the
Eleventh Federal Reserve District:

The following rates with respect to discounts, advances, and commitments under the Federal Reserve Act are now in effect at this bank:

<i>Discounts for and advances to member banks:</i>	<i>Per Annum</i>
(a) Discounts and advances under sections 13 and 13a.....	1 3/4%
(b) Advances under section 10(b).....	2 1/4%

**Advances (up to 90 days) to individuals, partnerships and corporations,
including nonmember banks, but excluding member banks:**

Advances under the last paragraph of section 13 secured by direct obligations of the United States.....	3%
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Industrial advances and commitments under section 13b:

(a) Advances direct to established industrial or commercial businesses, including advances made in participation with other financing institutions.....	3 to 5 1/2%
(b) Commitments to make advances direct to established industrial or commercial businesses.....	10% to 25% of loan rate, with a minimum of 1/2%.
(c) Advances taken over from financing institutions under commitments: On portion for which a financing institution is obligated.....	The rate charged borrower less commitment rate.
On portion for which Federal Reserve Bank assumes the risk..	The rate charged borrower.
(d) Commitments to financing institutions to discount, purchase, or make advances: On undisbursed portion of loan..... On disbursed portion of loan.....	1/4% 10% to 25% of loan rate, with a minimum of 1/2%.

Rebates of unearned discount on member bank notes and rediscounts anticipated before maturity will, as heretofore, until further notice, be made at the discount rate in effect at the time such paper is rebated, but in no case at a rate greater than that at which the paper was originally discounted.

Respectfully,

W. D. GENTRY

First Vice President