

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 30, 1954

PRELIMINARY ANNOUNCEMENT CASH AND EXCHANGE OFFERINGS

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

There is quoted below a press statement issued today by the Treasury Department in regard to cash and exchange offerings:

“Secretary of the Treasury Humphrey announced today the following offerings of Treasury securities:

CASH OFFERING

“On Tuesday, May 4, the books will be opened for cash subscriptions to an issue of \$2,000,000,000, or thereabouts, of 4-year and 9 months' $1\frac{7}{8}$ percent Treasury Notes to be dated May 17, 1954, and to mature February 15, 1959.

“The books for cash subscriptions to this offering will be open only one day. Cash subscriptions addressed to a Federal Reserve Bank or Branch or the Treasury Department placed in the mail before midnight, May 4, will be considered as having been entered before the close of the subscription books.

“Subscriptions may be paid for by credit in Treasury Tax and Loan Accounts. Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, but will be restricted in each case to an amount not exceeding one-half the combined capital, surplus, and undivided profits of the subscribing bank. A payment of 10 percent of the amount of notes subscribed for, not subject to withdrawal until after allotment, must be made on all other subscriptions. All subscriptions for amounts up to and including \$10,000 will be allotted in full, and larger subscriptions will be allotted on an equal percentage basis, but not less than \$10,000 on any one subscription.

“Commercial banks and other lenders are requested to refrain from making unsecured loans or loans collateralized in whole or in part by the notes subscribed for, to cover the 10 percent deposits required to be paid when subscriptions are entered. A certification by the subscribing bank that no such loan has been made will be required on each subscription entered by it for account of its customers. A certification that the bank has no beneficial interest in its customers' subscriptions, and that no customers have any beneficial interest in the bank's own subscription, will also be required.

EXCHANGE OFFERING

"Subscription books will be opened on May 5 for the following:

(A) A $1\frac{1}{8}$ percent Certificate of Indebtedness dated May 17, 1954, to mature May 17, 1955 to be offered in exchange for:

1. \$1,743,115,500 of outstanding 2 percent bonds of 1952-54, maturing June 15, 1954
2. \$373,161,500 of outstanding $2\frac{1}{4}$ percent Bonds of 1952-55 called for redemption on June 15, 1954.
3. \$311,551,150 of outstanding $2\frac{1}{4}$ percent bonds of 1954-56 called for redemption on June 15, 1954.

(B) The $1\frac{1}{8}$ percent Certificate of Indebtedness dated May 17, 1954, to mature May 17, 1955 or the $1\frac{7}{8}$ percent Treasury Note, dated May 17, 1954, to mature February 15, 1959, to be issued in exchange for:

\$4,858,173,000 of outstanding $2\frac{5}{8}$ percent Certificates of Indebtedness, Series B of 1954, maturing June 1, 1954.

"Accrued interest on the securities surrendered in exchange will be credited to their respective maturity or call dates, and accrued interest on the new securities from May 17, 1954, will be charged to those same dates.

"The exchange subscription books for both issues, which will open on Wednesday, May 5, will close at the close of business Friday, May 7. Any exchange subscription addressed to a Federal Reserve Bank or Branch or the Treasury Department placed in the mail before midnight May 7, will be considered as timely."

The official circulars and subscription forms for the cash and exchange offerings will be mailed to reach all banking institutions by Tuesday, May 4. However, if the circulars and forms are not received in sufficient time, subscriptions may be entered by mail, telegraph or telephone, subject to confirmation with an official application blank. This applies particularly to cash subscriptions, as the books for those subscriptions will be open only one day, May 4.

Yours very truly,

WATROUS H. IRONS

President