

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 31, 1954

EXCHANGE OFFERINGS

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

Enclosed are Treasury Department Circulars No. 947 and No. 948 which govern the offerings of—

1 $\frac{1}{8}$ percent Treasury Certificates of Indebtedness of Series D-1955,
dated August 15, 1954

and

2 $\frac{1}{8}$ percent Treasury Bonds of 1960,
dated August 15, 1954

in exchange for

2 $\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series D-1954,
maturing August 15, 1954

or

2 $\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series E-1954,
maturing September 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 Tuesday, August 3, and will remain open for three days. 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. The full year's interest on the certificates of Series D-1954 will be paid following acceptance of the certificates. In the case of certificates of Series E-1954, coupons dated September 15, 1954, must be **attached** to the certificates when surrendered. The full year's interest will be credited and accrued interest on the new securities from August 15 to September 15 will be charged, as outlined in the official circulars.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business **Thursday, August 5. 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 August 5, will be considered as having been entered before the close of the subscription books.

The text of a press release by the Treasury Department in regard to the exchange is printed on the reverse of this letter.

Yours very truly,

WATROUS H. IRONS

President

TREASURY DEPARTMENT
Washington

Friday, July 30, 1954

Secretary Humphrey announced today the offering of 1-year $1\frac{1}{8}$ percent Certificates of Indebtedness and 6-year and 3-month $2\frac{1}{8}$ percent bonds in exchange for the \$7,512 million of Certificates of Indebtedness maturing August 15 and September 15. The subscription books will open on Tuesday, August 3.

Each of the new issues will be dated August 15, 1954, with the $1\frac{1}{8}$ percent certificates maturing August 15, 1955, and the $2\frac{1}{8}$ percent bonds maturing November 15, 1960. The maturing issues are the $2\frac{5}{8}$ percent Certificates of Indebtedness of Series D-1954 which will mature August 15 in the amount of \$2,788 million, and the $2\frac{5}{8}$ percent Certificates of Indebtedness of Series E-1954, which will mature September 15 in the amount of \$4,724 million. Holders of the two maturing issues will be offered the choice between the two new issues.

Exchanges will be made par for par. Holders of the August 15 certificates will receive the full-year's interest earned at the $2\frac{5}{8}$ percent rate. Holders of the September 15 certificates should present them with the September 15 coupon attached. They will be credited with the full-year's interest at the $2\frac{5}{8}$ percent rate borne by the maturing certificates, they will be charged accrued interest from August 15 to September 15 at the rate borne by the new securities for which they elect to exchange, and they will be paid the difference.

The subscription books will be open three days for this exchange offering, and they will close at the close of business Thursday, August 5, 1954.

UNITED STATES OF AMERICA

ONE AND ONE-EIGHTH PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS SERIES D-1955

Dated and bearing interest from August 15, 1954

Due August 15, 1955

1954
Department Circular No. 947
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, August 3, 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 $1\frac{1}{8}$ percent Treasury Certificates of Indebtedness of Series D-1955, in exchange for $2\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series D-1954, maturing August 15, 1954, or $2\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series E-1954, maturing September 15, 1954. Exchanges will be made par for par in the case of the certificates maturing on August 15 and, in the case of the certificates maturing on September 15, at par, with interest to be credited on the maturing certificates to September 15 and interest on the new certificates to be charged from August 15 to September 15, 1954. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted. The books will be open **only on August 3 through August 5** for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates are also offered the privilege of exchanging all or any part of such certificates for $2\frac{1}{8}$ percent Treasury Bonds of 1960 which offering is set forth in Department Circular No. 948, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 15, 1954, and will bear interest from that date at the rate of $1\frac{1}{8}$ percent per annum, payable at the maturity of the certificates on August 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.

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, 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 August 16, 1954, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series D-1954, maturing August 15, 1954, or in Treasury Certificates of Indebtedness of Series E-1954, maturing September 15, 1954, which will be accepted at par, and should accompany the subscription. The full year's interest on the certificates of Series D-1954 will be paid to the subscribers following acceptance of the certificates. In the case of the certificates of Series E-1954, coupons dated September 15, 1954, must be attached to the certificates when surrendered. The full year's interest will be credited, accrued interest on the new certificates from August 15 to September 15, (\$0.95548 per \$1,000) will be charged, and the difference (\$25.29452 per \$1,000) will be paid to the subscribers following acceptance of the certificates.

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.

UNITED STATES OF AMERICA

TWO AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1960

Dated and bearing interest from August 15, 1954

Due November 15, 1960

Interest payable May 15 and November 15

1954
Department Circular No. 948
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, August 3, 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 $2\frac{1}{8}$ percent Treasury Bonds of 1960, in exchange for $2\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series D-1954, maturing August 15, 1954, or $2\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series E-1954, maturing September 15, 1954. Exchanges will be made par for par in the case of the certificates maturing on August 15 and, in the case of the certificates maturing on September 15, at par, with interest to be credited on the maturing certificates to September 15 and interest on the new bonds to be charged from August 15 to September 15, 1954. The amount of the offering under this circular will be limited to the amount of maturing certificates tendered in exchange and accepted. The books will be open **only on August 3 through August 5** for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates are also offered the privilege of exchanging all or any part of such certificates for $1\frac{1}{8}$ percent Treasury Certificates of Indebtedness of Series D-1955, which offering is set forth in Department Circular No. 947, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1954, and will bear interest from that date at the rate of $2\frac{1}{8}$ percent per annum, payable on a semiannual basis on May 15 and November 15, 1955, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1960, 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, 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 August 16, 1954, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series D-1954, maturing August 15, 1954, or in Treasury Certificates of Indebtedness of Series E-1954, maturing September 15, 1954, which will be accepted at par, and should accompany the subscription. The full year's interest on the certificates of Series D-1954 will be paid to the subscribers following acceptance of the certificates. In the case of the certificates of Series E-1954, coupons dated September 15, 1954, must be attached to the certificates when surrendered. The full year's interest will be credited, accrued interest on the new bonds from August 15 to September 15, (\$1.79008 per \$1,000) will be charged, and the difference (\$24.45992 per \$1,000) will be paid to the subscribers following acceptance of the certificates.

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 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.