

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

Dallas, Texas, September 20, 1954

CASH OFFERING
1½ PERCENT TREASURY NOTES OF SERIES B-1957

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

Enclosed is Treasury Department Circular No. 949 covering a cash offering of 1½ percent Treasury Notes of Series B-1957. Enclosed also is a supply of subscription forms. Additional circulars and forms will be forwarded upon request.

The books for the receipt of subscriptions will be open on Thursday, September 23, **for one day only**. Subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

Commercial banks may submit subscriptions for the account of customers, but others will not be permitted to enter subscriptions except for their own account. Subscriptions by commercial banks for their own account should be entered by the subscribing bank and not through a correspondent bank. It will be observed that a qualified depository will be permitted to make payment by Treasury Tax and Loan Account credit for notes allotted to it for itself and its customers.

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 one-half of the combined capital, surplus and undivided profits of the subscribing bank as of June 30, 1954. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business, **Thursday, September 23**. **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 Thursday, September 23, will be considered as having been entered before the close of the subscription books.

Reproduced on the reverse hereof is the Treasury Department's press statement covering this cash offering.

Yours very truly,

WATROUS H. IRONS
President

TREASURY DEPARTMENT
Washington

Monday, September 20, 1954

Secretary Humphrey announced today that on Thursday, September 23, the Treasury will offer for cash subscription \$4 billion of 1 $\frac{5}{8}$ percent Treasury Notes to be dated October 4, 1954, and to mature May 15, 1957. The books will be open for only one day, on September 23.

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 of the combined capital, surplus and undivided profits of the subscribing bank as of June 30, 1954. On all other subscriptions a payment of 10 percent of the amount of notes subscribed for must be made, not subject to withdrawal until after allotment. The new notes may be paid for by credit in Treasury Tax and Loan Accounts.

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.

Any subscription addressed to a Federal Reserve Bank or Branch or to the Treasury Department and placed in the mail before midnight September 23 will be considered as timely.

UNITED STATES OF AMERICA

ONE AND FIVE-EIGHTHS PERCENT TREASURY NOTES OF SERIES B-1957

Dated and bearing interest from October 4, 1954

Due May 15, 1957

Interest payable May 15 and November 15

1954
Department Circular No. 949
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, September 23, 1954

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated $1\frac{5}{8}$ percent Treasury Notes of Series B-1957. The amount of the offering is \$4,000,000,000, or thereabouts. The books will be open only on September 23 for the receipt of subscriptions.

II. DESCRIPTION OF NOTES

1. The notes will be dated October 4, 1954, and will bear interest from that date at the rate of $1\frac{5}{8}$ 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 May 15, 1957, 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 Office of the Treasurer of the United States, Washington. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than commercial banks will not be permitted to enter subscriptions except for their own account. 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 one-half of the combined capital, surplus and undivided profits, of the subscribing bank, as of June 30, 1954. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of notes allotted may be released upon the request of the subscribers.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before October 4, 1954, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

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 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.

G. M. HUMPHREY,
Secretary of the Treasury.