

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 14, 1956

EXCHANGE OFFERING

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

Enclosed is Treasury Department Circular No. 978 governing the offering of $2\frac{3}{4}$ percent Treasury Notes of Series D-1957, maturing August 1, 1957, in exchange for 2 percent Treasury Notes of Series B-1956, maturing August 15, 1956, or $1\frac{1}{2}$ percent Treasury Notes of Series EO-1956, maturing October 1, 1956.

Subscription forms for this issue of securities are enclosed. Additional circulars and forms will be forwarded upon request. **Cash subscriptions will not be received.**

The books for the receipt of subscriptions for this offering will be open for **three days only, July 16 through July 18**. Subscriptions should be submitted on the enclosed form, with the surrender of the maturing securities, and should be in multiples of \$1,000.

The new notes will be dated July 16, 1956, and exchanges will be made at par with an adjustment of interest as of that date. Delivery of the new securities will be made on July 25, 1956, following acceptance of the securities to be exchanged. Coupons dated August 15, 1956, must be attached to the notes of Series B-1956 when surrendered, and accrued interest from February 15 to July 16, 1956, will be paid to subscribers following acceptance of the notes. Coupons dated October 1, 1956, must be attached to the notes of Series EO-1956 when surrendered, and accrued interest from April 1 to July 16, 1956, will be paid to subscribers following acceptance of the notes.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business Wednesday, July 18. 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 Wednesday, July 18, will be considered as having been entered before the close of the subscription books.

Yours very truly,

Watrous H. Irons

President

UNITED STATES OF AMERICA
TWO AND THREE-QUARTER PERCENT TREASURY NOTES
OF SERIES D-1957

Dated and bearing interest from July 16, 1956

Due August 1, 1957

1956
Department Circular No. 978
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 16, 1956

I. OFFERING OF NOTES

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 notes of the United States, designated $2\frac{3}{4}$ percent Treasury Notes of Series D-1957, in exchange for 2 percent Treasury Notes of Series B-1956, maturing August 15, 1956, or $1\frac{1}{2}$ percent Treasury Notes of Series EO-1956, maturing October 1, 1956. Exchanges will be made at par with an adjustment of interest as set forth in Section IV hereof. The amount of the offering under this circular will be limited to the amount of maturing notes tendered in exchange and accepted. The books will be open only on July 16 through July 18 for the receipt of subscriptions for this issue.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 16, 1956, and will bear interest from that date at the rate of $2\frac{3}{4}$ percent per annum, payable on a semiannual basis on February 1 and August 1, 1957. They will mature August 1, 1957, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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, \$1,000,000, \$100,000,000 and \$500,000,000. 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. 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 notes 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 notes allotted hereunder must be made on or before July 25, 1956, or on later allotment, and may be made only in Treasury Notes of Series B-1956, maturing August 15, 1956, or Treasury Notes of Series EO-1956, maturing October 1, 1956, which will be accepted at par, and should accompany the subscription. Coupons dated August 15, 1956, must be attached to the notes of Series B-1956 when surrendered, and accrued interest from February 15 to July 16, 1956 (\$8.35165 per \$1,000) will be paid to subscribers following acceptance of the notes. Coupons dated October 1, 1956, must be attached to the notes of Series EO-1956 when surrendered, and accrued interest from April 1 to July 16, 1956 (\$4.34426 per \$1,000) will be paid to subscribers 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 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.