

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **4175**]
[December 27, 1954]

**COMMERCIAL BANKS MAY OWN 2½ PERCENT
TREASURY BONDS OF 1967-72**

*To all Banks and Trust Companies
in the Second Federal Reserve District:*

We quote below from the text of a statement made public today:

The Treasury announced, effective January 1, 1955, the removal of the restrictions against bank ownership of the outstanding 2½ per cent bonds of June and December 1967-72, amounting to \$1,888,000,000 and \$3,820,000,000, respectively. These are the only two issues of marketable securities sold during World War II which are not now eligible for bank ownership. The removal of the restrictions will provide a broader market for these securities.

The restrictions are removed by Treasury Department Circular No. 942, dated December 22, 1954, a copy of which is printed on the reverse side.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

(OVER)

REMOVAL OF RESTRICTIONS AS TO OWNERSHIP OF CERTAIN TREASURY
BONDS BY COMMERCIAL BANKS WHICH ACCEPT DEMAND DEPOSITS

1954
Department Circular No. 942
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 22, 1954.

I. ENUMERATION OF DEPARTMENT CIRCULARS AND
TREASURY BOND ISSUES AFFECTED

1. The Department circulars affected by this circular and the Treasury bonds which they govern are as follows:

No. 768—2½ per cent Treasury Bonds of 1967-72 (dated June 1, 1945)

No. 776—2½ per cent Treasury Bonds of 1967-72 (dated November 15, 1945)

II. REMOVAL OF RESTRICTIONS

1. Each of the circulars enumerated in Section I hereof provides that the bonds issued thereunder may not be transferred to or be held by commercial banks, which were defined for this purpose as banks accepting demand deposits, before June 15, 1962, and December 15, 1962, respectively, except to the extent and in the manner set forth in the governing circulars. All restrictions against the ownership by commercial banks of the bonds issued pursuant to said circulars are hereby removed, effective January 1, 1955.

G. M. HUMPHREY,
Secretary of the Treasury.