FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, February 25, 1958

CASH OFFERING

3 Percent Treasury Bonds of 1966

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

Enclosed is Treasury Department Circular No. 1006 covering a cash offering of 3 percent Treasury Bonds of 1966. 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 Friday, **February 28, for one day only.** Subscriptions will be received at this bank and its branches at El Paso, Houston and San Antonio. The bonds also will be dated February 28, 1958, and payment must be made on or before March 10, 1958. Payment must include par value plus accrued interest at the rate of $0.08287 per day per $1,000 from February 28, 1958, to date of payment.

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 another bank. A qualified depositary will be permitted to make payment by Treasury Tax and Loan Account credit for securities 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 25 percent of the combined capital, surplus and undivided profits of the subscribing bank. Subscriptions from all others must be accompanied by payment of 15 percent of the amount of bonds applied for, which payment must be made with the subscription to this bank or appropriate branch, in immediately available funds or by credit in the Treasury Tax and Loan account.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business, **Friday, February 28. 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, Friday, February 28, 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
THREE PERCENT TREASURY BONDS OF 1966

Dated and bearing interest from February 28, 1958 **Due August 15, 1966**

Interest payable February 15 and August 15

1958
Department Circular No. 1006

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 28, 1958

I. OFFERING OF BONDS

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 bonds of the United States, designated 3 percent Treasury Bonds of 1966. The amount of the offering under this circular is $1,250,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $100,000,000 of these bonds to Government Investment Accounts. The books will be open **only on February** 28 for the receipt of subscriptions for this issue.

II. DESCRIPTION OF BONDS

1. The bonds will be dated February 28, 1958, and will bear interest from that date at the rate of 3 percent per annum, payable on a semiannual basis on August 15, 1958, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1966, and will not be subject to call for redemption prior to maturity.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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 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. 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 25 percent of the combined capital, surplus and undivided profits, of the subscribing bank. Subscriptions from all others must be accompanied by

payment of 15 percent of the amount of bonds applied for, which payment must be made with the subscription, to the Federal Reserve Bank or Branch, or to the Treasurer of the United States, in immediately available funds or by credit in a Treasury Tax and Loan Account of the bank through which the subscription is entered. Following allotment, any portion of the 15 percent payment in excess of the amount of bonds allotted will be returned to the subscribers.

2. Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

3. 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 to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest for bonds allotted hereunder in excess of payments accompanying subscriptions must be made or completed on or before March 10, 1958, or on later allotment. In every case where payment is not so completed, the payment with application up to 15 percent of the amount of bonds allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit for bonds 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 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.

ROBERT B. ANDERSON,
Secretary of the Treasury.