

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas Texas, May 30, 1958

## CASH AND EXCHANGE OFFERINGS

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

Enclosed are Treasury Department Circulars No. 1009, No. 1010, and No. 1011, governing the offering of  $3\frac{1}{4}$  percent Treasury Bonds of 1985, offered for cash only at  $100\frac{1}{2}$ ; and  $1\frac{1}{4}$  percent Treasury Certificates of Indebtedness of Series B-1959 and  $2\frac{5}{8}$  percent Treasury Bonds of 1965, both offered par for par in exchange only for securities listed below. Also enclosed are subscription forms for both the cash and exchange offerings. Additional copies of the forms and circulars will be forwarded upon request.

### CASH OFFERING

Please read carefully Treasury Department Circular No. 1009 covering the cash offering of  $3\frac{1}{4}$  percent Treasury Bonds of 1985. Note especially (1) that the bonds are offered at  $100\frac{1}{2}$  and will be dated June 3, 1958, with delivery and final payment June 18, (2) the restrictions on the amount of subscriptions permitted from commercial banks for their own account, (3) the requirement that a payment of 20 percent of the amount of bonds subscribed for must be made to the Federal Reserve Bank on all subscriptions, including those from commercial banks for their own account, and (4) the provisions for final payment, as stated in Part IV of the circular. Both the payment to accompany the subscription and final settlement may be made by Treasury Tax and Loan Account credit.

The books will be open for this cash offering for one day only, Tuesday, June 3.

### EXCHANGE OFFERINGS

The  $1\frac{1}{4}$  percent Treasury Certificates of Indebtedness of Series B-1959 and the  $2\frac{5}{8}$  percent Treasury Bonds of 1965 are offered in exchange only for the following securities:

- $2\frac{7}{8}$  percent Treasury Notes of Series A-1958, maturing June 15, 1958
- $2\frac{3}{4}$  percent Treasury Bonds of 1958-63, called for redemption on June 15, 1958
- $2\frac{3}{8}$  percent Treasury Bonds of 1958, maturing June 15, 1958

These securities may be tendered singly or in combination for the new certificates or the  $2\frac{5}{8}$  percent Treasury Bonds of 1965. Subscriptions should be submitted on the enclosed forms and should be in multiples of \$1,000 for the certificates and \$500 for the bonds.

The books for the receipt of subscriptions for the exchange offerings will be open on Wednesday, June 4, and will remain open through Friday, June 6.

The new securities will be dated June 15, 1958, and exchanges will be made at par. In all cases the June 15 coupons should be detached from the bearer securities and cashed when due. All coupons dated subsequent to June 15 on the  $2\frac{3}{4}$  percent Treasury Bonds of 1958-63 in coupon form should remain attached to the bonds when surrendered.

### CLOSING OF SUBSCRIPTION BOOKS

The subscription books on the cash offering will close at the close of business Tuesday, June 3, and on the exchange offering at the close of business, Friday, June 6. 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 of the dates the books are closed, will be considered as having been entered before the close of the subscription books. Subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

Yours very truly,

Watrous H. Irons

President

# UNITED STATES OF AMERICA

## THREE AND ONE-QUARTER PERCENT TREASURY BONDS OF 1985

Dated and bearing interest from June 3, 1958

Due May 15, 1985

Interest payable May 15 and November 15

1958  
Department Circular No. 1009  
Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT  
Office of the Secretary  
Washington, June 3, 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 100½ and accrued interest, from the people of the United States for bonds of the United States, designated 3¼ percent Treasury Bonds of 1985. The amount of the offering under this circular is \$1,000,000,000, 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 June 3 for the receipt of subscriptions for this issue.

### II. DESCRIPTION OF BONDS

1. The bonds will be dated June 3, 1958, and will bear interest from that date at the rate of 3¼ percent per annum, payable on a semiannual basis on November 15, 1958 and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1985, 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. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,<sup>1</sup> provided:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at \_\_\_\_\_ for credit on Federal estate taxes due from estate of \_\_\_\_\_."

Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;<sup>2</sup> bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must

<sup>1</sup> An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

<sup>2</sup> The transfer books are closed from April 16 to May 15 and from October 16 to November 15 (both dates inclusive) in each year.

be accompanied by Form PD 1782,<sup>3</sup> properly completed, signed and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

6. 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 restricted in each case to an amount not exceeding 2 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit), and of savings deposits, or 5 percent of the combined capital, surplus and undivided profits, of the subscribing bank, whichever is greater. All subscriptions, including those from commercial banks for their own account, must be accompanied by payment of 20 percent of the amount of bonds applied for, which payment must be made 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. Following allotment, any portion of the 20 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. In the event allotments are at a rate which exceeds 20 percent of the amount subscribed for, payment at 100½ and accrued interest in the amount of \$1.335 per \$1,000 par amount for the bonds allotted hereunder, less an adjustment for the amount of the deposit, and accrued interest thereon in the amount of \$1.335 per \$1,000 must be completed on June 18, 1958, or on later allotment. In the event allotments are less than a rate of 20 percent of the amount subscribed for, the amount of the deposit in excess of 100½ per \$1,000 par amount for the bonds allotted hereunder will be returned to the subscribers. In no event will bonds allotted be delivered prior to June 18, 1958. In every case where payment is not so completed, the payment with application up to 20 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 depository 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 subscription 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.

---

<sup>3</sup>Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

ROBERT B. ANDERSON,  
Secretary of the Treasury.

**UNITED STATES OF AMERICA**  
**ONE AND ONE-FOURTH PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS**  
**OF SERIES B-1959**

Dated and bearing interest from June 15, 1958

Due May 15, 1959

1958  
Department Circular No. 1010  

---

Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT  
Office of the Secretary  
Washington, June 4, 1958

**I. OFFERING OF CERTIFICATES**

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated  $1\frac{1}{4}$  percent Treasury Certificates of Indebtedness of Series B-1959, in exchange for which any of the following listed securities, singly or in combinations aggregating \$1,000 or multiples thereof, may be tendered:

- $2\frac{7}{8}$  percent Treasury Notes of Series A-1958, maturing June 15, 1958
- $2\frac{3}{4}$  percent Treasury Bonds of 1958-63, called for redemption on June 15, 1958
- $2\frac{3}{8}$  percent Treasury Bonds of 1958, maturing June 15, 1958

The amount of the offering under this circular will be limited to the amount of the eligible securities of the three issues enumerated above tendered in exchange and accepted. The books will be open **only on June 4 through June 6** for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the eligible securities are also offered the privilege of exchanging all or any part of such securities for  $2\frac{5}{8}$  percent Treasury Bonds of 1965, which offering is set forth in Department Circular No. 1011, issued simultaneously with this circular.

**II. DESCRIPTION OF CERTIFICATES**

1. The certificates will be dated June 15, 1958, and will bear interest from that date at the rate of  $1\frac{1}{4}$  percent per annum, payable on a semiannual basis on November 15, 1958, and May 15, 1959. They will mature May 15, 1959. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with two 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 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 June 16, 1958, or on later allotment, and may be made only in the securities of the three issues enumerated in Section I hereof, which will be accepted at par, and should accompany the subscription. Coupons dated June 15, 1958, should be **detached** from the securities in coupon form to be exchanged, and cashed when due. All coupons subsequent thereto on 2¾ percent Treasury Bonds of 1958-63 in coupon form should be **attached** to such bonds when surrendered. In the case of registered bonds, final interest due on June 15, 1958, will be paid by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District.

#### V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury bonds of the two eligible issues in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 1¼ percent certificates of indebtedness of Series B-1959 to be delivered to \_\_\_\_\_," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington. The bonds must be delivered at the expense and risk of the holders.

#### VI. 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.

ROBERT B. ANDERSON,  
Secretary of the Treasury.