

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 18, 1958

EXCHANGE OFFERING

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

Enclosed is Treasury Department Circular No. 1012 which governs the offering of $1\frac{5}{8}$ percent Certificates of Indebtedness of Series C-1959.

This security is offered only in exchange for any of the following listed securities which may be tendered singly or in combinations aggregating \$1,000 or multiples thereof.

4 percent Certificates of Indebtedness dated August 1, 1957, due August 1, 1958.

$2\frac{1}{4}$ percent Bonds dated February 1, 1944, called for redemption September 15, 1958.

$2\frac{3}{8}$ percent Bonds dated March 1, 1952, called for redemption September 15, 1958.

Subscriptions should be submitted on the enclosed forms. 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 opened on Monday, July 21, and will remain open through Wednesday, July 23. Subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

The new certificates will be dated August 1, 1958, and exchange will be made par for par in the case of the maturing certificates, and in the case of the called bonds at par with interest allowed to September 15, 1958, on the bonds and interest charged from August 1 to September 15, 1958, on the new certificates. Coupons due September 15, 1958, on the coupon bonds should be detached and cashed when due. All subsequent coupons should remain attached to the securities. In the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business **Wednesday, July 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 July 23, 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
ONE AND FIVE-EIGHTHS PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS
OF SERIES C-1959

Dated and bearing interest from August 1, 1958

Due August 1, 1959

1958
Department Circular No. 1012
Fiscal Service
Bureau of Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 21, 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 from the people of the United States for certificates of indebtedness of the United States, designated $1\frac{5}{8}$ percent Treasury Certificates of Indebtedness of Series C-1959, in exchange for which any of the following listed securities, singly or in combinations aggregating \$1,000 or multiples thereof, may be tendered:

- 4 percent Treasury Certificates of Indebtedness of Series C-1958, maturing August 1, 1958.
- $2\frac{1}{4}$ percent Treasury Bonds of 1956-59, called for redemption on September 15, 1958.
- $2\frac{3}{8}$ percent Treasury Bonds of 1957-59, called for redemption on September 15, 1958.

Exchanges will be made par for par in the case of the maturing certificates and in the case of the called bonds, at par with interest allowed to September 15 on the bonds and interest charged from August 1 to September 15 on the new certificates. The amount of the offering 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 July 21 through July 23** for the receipt of subscriptions for this issue.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 1, 1958, and will bear interest from that date at the rate of $1\frac{5}{8}$ percent per annum, payable semiannually on February 1 and August 1, 1959. They will mature August 1, 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 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 August 1, 1958, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series C-1958, maturing August 1, 1958, Treasury Bonds of 1956-59, called for redemption on September 15, 1958, or Treasury Bonds of 1957-59, called for redemption on September 15, 1958, which will be accepted at par, and should accompany the subscription. Coupons dated August 1, 1958 should be detached from the maturing certificates and cashed when due. Coupons dated September 15, 1958 should be detached from both series of bonds and cashed when due. All subsequent coupons should be attached to coupon bonds when surrendered. Payment of accrued interest on the new certificates from August 1 to September 15, 1958 (\$1.98709 per \$1,000) should be made by all subscribers tendering coupon bonds in exchange when the subscription is tendered. In the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered.

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 1 $\frac{3}{8}$ percent Treasury Certificates of Indebtedness of Series C-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.