

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 26, 1958

CASH OFFERING

219-DAY TREASURY BILLS
OFFERED AT A FIXED PRICE OF 98.023
(Equivalent rate of discount approximately 3.25 percent per annum)

3½ PERCENT TREASURY NOTES OF SERIES B-1959

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

Enclosed are Treasury Department Circulars Nos. 1015 and 1016 covering a cash offering of 219-Day Treasury Bills and 3½ percent Treasury Notes of Series B-1959. 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 **Monday, September 29, for one day only**. Subscriptions will be received at this bank and its branches at El Paso, Houston, and San Antonio.

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. It will be observed that a qualified depository will be permitted to make payment by Treasury Tax and Loan Account credit for securities allotted to it for itself and its customers.

Subscriptions to the notes 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 to the Treasury bills from commercial banks for their own account will also be received without deposit, but will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus and undivided profits of the subscribing bank.

Subscriptions to either issue from others than commercial banks must be accompanied by payment of 2 percent of the amount of securities applied for, not subject to withdrawal until after allotment.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business, **Monday, September 29. 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 Monday, September 29, 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

219-DAY TREASURY BILLS OFFERED AT A FIXED PRICE OF 98.023

(EQUIVALENT RATE OF DISCOUNT APPROXIMATELY 3.25 PERCENT PER ANNUM)

Dated October 8, 1958

Due May 15, 1959

1958
Department Circular No. 1015
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, September 29, 1958

I. OFFERING OF BILLS

1. The Secretary of the Treasury pursuant to the authority of the Second Liberty Bond Act, as amended, and under the applicable terms and conditions of Treasury Department Circular No. 418, Revised, invites subscriptions at 98.023 (equivalent rate of discount approximately 3.25 percent per annum) for 219-day Treasury Bills. The amount of the offering under this circular is \$2,500,000,000, or thereabouts. The books will be open **only on September 29** for the receipt of subscriptions for this issue.

II. DESCRIPTION OF BILLS

1. The bills of this issue will be dated October 8, 1958, and will mature May 15, 1959, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value). Each subscription must be for an even multiple of \$1,000 at the price stated above.

2. The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills 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. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

3. The bills will be acceptable at maturity value to secure deposits of public moneys. They will not be acceptable in payment of taxes.

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 50 percent of the combined capital, surplus and undivided profits of the subscribing bank. Subscriptions from all others must be accompanied by payment of 2 percent of the face amount of bills applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of bills allotted may be released upon the request of 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 bills 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 for bills allotted hereunder must be made or completed on or before October 8, 1958, or on later allotment. In every case where payment is not so completed, the payment with application up to 2 percent of the amount of bills 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 bills 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 bills allotted, to make delivery of bills on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bills.

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.

UNITED STATES OF AMERICA

THREE AND ONE-HALF PERCENT TREASURY NOTES OF SERIES B-1959

Dated and bearing interest from October 10, 1958

Due November 15, 1959

1958
Department Circular No. 1016
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, September 29, 1958

I. OFFERING OF NOTES

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 notes of the United States, designated 3½ percent Treasury Notes of Series B-1959. 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 notes to Government Investment Accounts. The books will be open only on September 29 for the receipt of subscriptions for this issue.

II. DESCRIPTION OF NOTES

1. The notes will be dated October 10, 1958, and will bear interest from that date at the rate of 3½ percent per annum, payable on a semiannual basis on May 15 and November 15, 1959. They will mature November 15, 1959, 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. 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 2 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of notes allotted may be released upon the request of 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 notes 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, if any, for notes allotted hereunder must be made or completed on or before October 10, 1958, or on later allotment. In every case where payment is not so completed, the payment with application up to 2 percent of the amount of notes 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 notes 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 notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

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ROBERT B. ANDERSON,
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