

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 9, 1959

CASH OFFERING

3¼ PERCENT TREASURY NOTES OF SERIES B-1960 @ 99¾

(Yield Approximately 3.45 Percent)

4 PERCENT TREASURY BONDS OF 1980 @ 99

(Yield Approximately 4.07 Percent)

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

Enclosed are Treasury Department Circulars No. 1019 and 1020 covering a cash offering of 3¼ percent Treasury Notes of Series B-1960 and 4 percent Treasury Bonds of 1980. Enclosed also is a supply of subscription forms. Additional circulars and forms will be forwarded upon request.

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.

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 50 percent of the combined capital, surplus and undivided profits of the submitting bank.

Subscriptions to the *notes* from others than commercial banks must be accompanied by a deposit of 2 percent of the amount of notes applied for.

Subscriptions to the *bonds* from commercial banks for their own account will be received without deposit, but will be restricted to an amount not exceeding 4 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 operating for profit), and of savings deposits, or 10 percent of the combined capital, surplus and undivided profits, whichever is greater.

Subscriptions to the *bonds* from states, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds will be received without deposit. Subscriptions from others must be accompanied by a deposit of 15 percent of the amount of bonds applied for; provided, however, all subscriptions of \$25,000 or less, if accompanied by full payment at the time of entering subscriptions, will be allotted in full.

All deposits accompanying subscriptions entered through a commercial bank, including payment in full for subscriptions of \$25,000 or less, are to remain at the commercial bank submitting the subscription.

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.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books for the *notes* will close at the close of business **Monday, January 12**. The subscription books for the *bonds* will close at the close of business, **Tuesday, January 13**. 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 date the books are closed 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

3¼ PERCENT TREASURY NOTES OF SERIES B-1960

Dated and bearing interest from January 21, 1959

Due May 15, 1960

1959
Department Circular No. 1019
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, January 12, 1959

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 99¾ and accrued interest, from the people of the United States for notes of the United States, designated 3¼ percent Treasury Notes of Series B-1960. The amount of the offering under this circular is \$2,500,000,000, or thereabouts. The books will be open *only on* January 12, 1959, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF NOTES

1. The notes will be dated January 21, 1959, and will bear interest from that date at the rate of 3¼ percent per annum, payable on a semiannual basis on May 15 and November 15, 1959, and May 15, 1960. They will mature May 15, 1960, 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 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 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. All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any notes of this issue, until after January 12, 1959.

3. 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.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, 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 99¾ and accrued interest, if any, for notes allotted hereunder must be made or completed on or before January 21, 1959, 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.

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

4 PERCENT TREASURY BONDS OF 1980

Dated and bearing interest from January 23, 1959

Due February 15, 1980

Interest payable February 15 and August 15

1959
Department Circular No. 1020
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, January 12, 1959

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 99 and accrued interest, from the people of the United States for bonds of the United States, designated 4 percent Treasury Bonds of 1980. The amount of the offering under this circular is \$750,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to \$75,000,000 of these bonds to Government Investment Accounts. The books will be open *only* on January 12 and January 13 for the receipt of subscriptions for this issue.

2. Deferred payment for bonds allotted hereunder may be made as provided in Section IV hereof by any of the following subscribers, who for this purpose are defined as savings-type investors:

Pension and Retirement Funds — public and private
Endowment Funds
Insurance Companies
Mutual Savings Banks
Fraternal Benefit Associations and Labor Unions' insurance funds
Savings and Loan Associations
Credit Unions
Other Savings Organizations (not including commercial banks)
States, Political Subdivisions or instrumentalities thereof, and Public Funds

II. DESCRIPTION OF BONDS

1. The bonds will be dated January 23, 1959, and will bear interest from that date at the rate of 4 percent per annum, payable on a semiannual basis on August 15, 1959 and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1980 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,¹ *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;² 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.

¹An 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.

²The transfer books are closed from January 16 to February 15, and from July 16 to August 15 (both dates inclusive) in each year.

All bonds submitted must be accompanied by form PD 1782,³ 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 received without deposit but will be restricted in each case to an amount not exceeding 4 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 10 percent of the combined capital, surplus and undivided profits, of the subscribing bank, whichever is greater. Subscriptions from states, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds also will be received without deposit. Subscriptions from all others must be accompanied by payment of 15 percent of the amount of bonds applied for, not subject to withdrawal until after allotment; provided, however, that all subscriptions up to a maximum of \$25,000 will be allotted in full if accompanied by 100 percent payment at the time of entering the subscriptions. Following allotment, any portion of the 15 percent payment in excess of 15 percent of the amount of bonds allotted may be released upon the request of the subscribers.

2. All subscribers will be required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bonds of this issue, until after January 13, 1959.

3. 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.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, 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 99 and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before January 23, 1959; provided, however, that where a subscriber eligible to defer payment under Section I hereof elects to defer payment for part of the bonds allotted, not less than 25 percent of the bonds allotted must have been paid for by January 23, 1959, not less than 50 percent must have been paid for by February 24, 1959, not less than 75 percent must have been paid for by March 23, 1959, and full payment must be completed by April 23, 1959. All payments made subsequent to January 23, 1959 must be accompanied by accrued interest from that date, at the rate of \$0.1096 per \$1,000 per day. Where partial payment for bonds allotted is to be deferred beyond January 23, 1959, delivery of 5 percent of the total par amount of bonds allotted, adjusted to the next higher \$500, will be withheld from all subscribers (except states, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds) until payment for the total amount allotted has been completed. In every case where payment is not so completed the 5 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. In all other cases, where payment is not completed on or before January 23, 1959, or on later allotment, 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 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 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.

³Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington 25, D.C.