

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 16, 1959

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

The twelve Federal Land Banks have released for publication the following notice with respect to the maturity on February 2, 1959, of $4\frac{5}{8}$ percent Consolidated Federal Farm Loan bonds dated October 1, 1957, and the plans of the Federal Land banks to provide funds for the redemption of these maturing bonds and for other purposes through a public offering of Consolidated Federal Farm Loan bonds for delivery February 2, 1959:

“Consolidated Federal Farm Loan $4\frac{5}{8}$ percent bonds dated October 1, 1957, of which there are \$140 million outstanding, will mature on February 2, 1959. These bonds may be redeemed through the Federal Reserve Banks and Branches or the Treasurer of the United States, Washington, D. C.

“Funds for the redemption of the maturing bonds and for other requirements will be provided by the Federal land banks through a public offering of consolidated Federal farm loan bonds for delivery February 2, 1959. The new bonds will be offered for cash, no preference being given holders of the maturing issue. The offering will comprise \$89 million $3\frac{3}{4}$ percent bonds due February 1, 1960, and \$100 million $4\frac{3}{8}$ percent bonds due March 20, 1969, both issues to be dated February 2, 1959.

“The bonds will be offered by the banks' Fiscal Agent, John T. Knox, 130 William Street, New York 38, N. Y., through an organized dealer group, at prices to be announced on or about January 20.”

FEDERAL RESERVE BANK OF DALLAS
Fiscal Agent of the United States

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 14, 1959

NEW OFFERING — TREASURY BILLS

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

Your attention is invited to the following statement giving details of a new issue of Treasury bills:

"The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$1,800,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 22, 1959, in the amount of \$1,799,712,000, as follows:

91-DAY BILLS, for \$1,400,000,000, or thereabouts, to be dated January 22, 1959, and to mature April 23, 1959.

182-DAY BILLS, for \$400,000,000, or thereabouts, to be dated January 22, 1959, and to mature July 23, 1959.

"The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their 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).

"Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard Time, Monday, January 19, 1959. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

"Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

"Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$200,000 or less for the 91-day bills and noncompetitive tenders for \$50,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on January 22, 1959, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 22, 1959. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

"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.

"Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch."

In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston, and San Antonio, up to twelve-thirty o'clock p.m., Central Standard Time, Monday, January 19, 1959. Tenders may not be entered by telephone.

Yours very truly,

Watrous H. Irons

President

LAST PREVIOUS OFFERING OF TREASURY BILLS

Amount, range and *approximate yield of accepted tenders.

91-Day Bills Due April 16, 1959		182-Day Bills Due July 16, 1959		
\$2,178,797,000	Total applied for	\$733,782,000		
\$1,600,007,000	Total accepted	\$400,526,000		
Price	*Yield	Price	*Yield	
99.325	2.670%	High	98.480	3.007%
99.280	2.848%	Low	98.458	3.050%
99.290	2.808%	Average	98.466	3.034%

NOTICE REGARDING PAID DRAFTS

If any drafts are charged to your reserve account on this statement, they will be forwarded with tomorrow's statement. Hereafter, drafts paid on one day will be forwarded with the statement for the next business day.

This arrangement assists us in mailing your reserve account statements a day earlier than in the past, which should be helpful to you in keeping close touch with your reserve position each day.

FEDERAL RESERVE BANK OF DALLAS