

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 2, 1959

## CASH OFFERING 5 PERCENT TREASURY NOTES OF SERIES B-1964

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

Enclosed is Treasury Department Circular No. 1031 covering a cash offering of 5 percent Treasury Notes of Series B-1964. Also enclosed 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 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 from States, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds will also be received without deposit. Subscriptions from others must be accompanied by a deposit of 10 percent of the amount of notes applied for; provided, however, all subscriptions of \$25,000 or less, if **accompanied by payment in full at the time of entering subscriptions, will be allotted in full.** It will be permissible for a subscriber to enter a full-paid subscription for \$25,000 and an additional subscription on which the 10 percent is paid to be allotted on a percentage basis.

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.

**The Treasury Department calls the attention of all subscribers to the fact that, in making allotments of subscriptions to the 5 percent Treasury notes, it will allocate on a variable basis to different classes of subscribers and will give preferential allotments to savings-type and nonbank investors. Subscribers should give consideration to this information when entering their subscriptions. Attention is also called to the fact that the Treasury has reserved the right to reject or reduce any subscription in any case in which subscriptions are considered excessive.**

### CLOSING OF SUBSCRIPTION BOOKS

The subscription books will close at the close of business **Tuesday, October 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 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**  
**FIVE PERCENT TREASURY NOTES OF SERIES B-1964**

Dated and bearing interest from October 15, 1959

Due August 15, 1964

1959  
Department Circular No. 1031  
Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT  
Office of the Secretary  
Washington, October 6, 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 par and accrued interest, from the people of the United States for notes of the United States, designated 5 percent Treasury Notes of Series B-1964. The amount of the offering under this circular is \$2,000,000,000, 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 October 6, 1959** for the receipt of subscriptions for this issue.

**II. DESCRIPTION OF NOTES**

1. The notes will be dated October 15, 1959, and will bear interest from that date at the rate of 5 percent per annum, payable on a semiannual basis on February 15 and August 15, 1960, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1964, 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 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 10 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of notes allotted may be released upon the request of the subscribers. 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.

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 midnight, October 6, 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 par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before October 15, 1959, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 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 in its Treasury Tax and Loan Account 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.