

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 29, 1960

EXCHANGE OFFERING

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

Enclosed are Treasury Department Circulars Nos. 1037 and 1038 governing the offering of $4\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series A-1961 dated February 15, 1960, due February 15, 1961, and $4\frac{7}{8}$ percent Treasury Notes of Series C-1964 dated February 15, 1960, and due November 15, 1964.

SECURITIES OFFERED

$4\frac{7}{8}$ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1961

or

$4\frac{7}{8}$ PERCENT TREASURY NOTES OF SERIES C-1964

in exchange for

$3\frac{3}{4}$ percent Treasury Certificates of Indebtedness
of Series A-1960, maturing February 15, 1960

or

$1\frac{1}{2}$ percent Treasury Notes of Series EA-1960, maturing April 1, 1960

COUPON AND DISCOUNT INFORMATION

In the case of exchange for either of the new issues, the February 15 interest coupons should be detached from the maturing $3\frac{3}{4}$ percent Treasury certificates and cashed when due. With respect to the $1\frac{1}{2}$ percent Treasury Notes of Series EA-1960, the April 1 coupon should remain attached to the notes when surrendered. Interest on these notes will be adjusted by crediting the interest from October 1, 1959 to March 15, 1960, charging the interest from February 15 to March 15 on the new certificates or notes, with payment of the difference to subscribers.

In cases of subscriptions to the new 4-year 9-month Treasury notes, a cash payment of \$2.50 per \$1,000 face value, representing the discount from face value, will be paid upon issuance of the notes.

GENERAL INFORMATION

The books for the receipt of subscriptions for the new issues will be opened on **Monday, February 1**, and will remain open through **Wednesday, February 3**.

The maturing securities may be tendered singly or in combinations in exchange for either of the new issues. Payment of the face amount of the new securities allotted in this offering must be made on or before **Monday, February 15, 1960**, by tendering a like face amount of the securities set forth above. **Cash subscriptions will not be received.**

Subscriptions to this exchange offering will be received at this bank and its branches at El Paso, Houston and San Antonio, and should be submitted on the enclosed forms. Additional circulars and forms will be forwarded upon request.

CLOSING OF SUBSCRIPTION BOOKS

Subscription books will close at the close of business **Wednesday, February 3**. **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, February 3, 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
FOUR AND SEVEN-EIGHTHS PERCENT TREASURY NOTES OF SERIES C-1964

Dated and bearing interest from February 15, 1960

Due November 15, 1964

1960
Department Circular No. 1038

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 1, 1960

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 99.75 percent of their face value, from the people of the United States for notes of the United States, designated 4 $\frac{7}{8}$ percent Treasury Notes of Series C-1964 in exchange for:

3 $\frac{3}{4}$ percent Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960

1 $\frac{1}{2}$ percent Treasury Notes of Series EA-1960, maturing April 1, 1960

A cash adjustment, as provided in Section IV, payment, hereof, will be made in favor of subscribers for the discount from the face value of the new notes and for interest adjustments in the case of the notes of Series EA-1960. The amount of the offering under this circular will be limited to the amount of the eligible securities of the two issues tendered in exchange and accepted. The books will be open **only on February 1 through February 3** for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates and the notes of Series EA-1960 are offered the privilege of exchanging all or any part of such securities for 4 $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series A-1961, which offering is set forth in Department Circular No. 1037, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated February 15, 1960, and will bear interest from that date at the rate of 4 $\frac{7}{8}$ percent per annum, payable on a semiannual basis on May 15 and November 15, 1960, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 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, and notes registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$1,000,000, \$100,000,000 and \$500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

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. 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 notes 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 for the face amount of notes allotted hereunder must be made on or before February 15, 1960, or on later allotment, and may be made only in a like face amount of Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960, or Treasury Notes of Series EA-1960, maturing April 1, 1960, which should accompany the subscription. Coupons dated February 15, 1960, should be **detached** from the maturing certificates by holders and cashed when due. The discount of \$2.50 per \$1,000 on notes allotted will be paid to holders of the maturing certificates following their acceptance. Coupons dated April 1, 1960, must be **attached** to the notes of Series EA-1960 when surrendered. Accrued interest from October 1, 1959, to March 15, 1960 (\$6.80328 per \$1,000) on the notes surrendered plus the discount of \$2.50 per \$1,000 on notes allotted will be credited, accrued interest from February 15, 1960, to March 15, 1960 (\$3.88393 per \$1,000) on the notes to be issued will be charged, and the difference (\$5.41935 per \$1,000) will be paid to holders of the notes of Series EA-1960 following their acceptance.

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
FOUR AND SEVEN-EIGHTS PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS
OF SERIES A-1961

Dated and bearing interest from February 15, 1960

Due February 15, 1961

1960
Department Circular No. 1037

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, February 1, 1960

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 4 $\frac{7}{8}$ percent Treasury Certificates of Indebtedness of Series A-1961 in exchange for:

3 $\frac{3}{4}$ percent Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960

1 $\frac{1}{2}$ percent Treasury Notes of Series EA-1960, maturing April 1, 1960

Interest will be adjusted as of March 15, 1960, in the case of the notes of Series EA-1960, as provided in Section IV, payment, hereof. The amount of the offering under this circular will be limited to the amount of the eligible securities of the two issues tendered in exchange and accepted. The books will be open **only on February 1 through February 3** for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing certificates and the notes of Series EA-1960 are offered the privilege of exchanging all or any part of such securities for 4 $\frac{7}{8}$ percent Treasury Notes of Series C-1964, which offering is set forth in Department Circular No. 1038, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 15, 1960, and will bear interest from that date at the rate of 4 $\frac{7}{8}$ percent per annum, payable semiannually on August 15, 1960, and February 15, 1961. They will mature February 15, 1961, and 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 February 15, 1960, or on later allotment, and may be made only in Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960, or Treasury Notes of Series EA-1960, maturing April 1, 1960, which will be accepted at par, and should accompany the subscription. Coupons dated February 15, 1960, should be **detached** from the maturing certificates by holders and cashed when due. Coupons dated April 1, 1960, must be **attached** to the notes when surrendered, and accrued interest from October 1, 1959, to March 15, 1960 (\$6.80328 per \$1,000) will be credited, accrued interest from February 15, 1960, to March 15, 1960 (\$3.88393 per \$1,000) on the certificates to be issued will be charged, and the difference (\$2.91935 per \$1,000) will be paid to holders of the notes following their acceptance.

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 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.