

# **FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

Dallas, Texas, July 29, 1960

## **OFFERING OF SECURITIES**

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

Enclosed are Treasury Department Circulars Nos. 1048 and 1049 governing the offering of  $3\frac{1}{8}$  percent Treasury Certificates of Indebtedness of Series C-1961, dated August 15, 1960, due August 1, 1961, and additional  $3\frac{7}{8}$  percent Treasury Bonds of 1968, dated June 23, 1960, and due May 15, 1968.

### **SECURITIES OFFERED**

**$3\frac{1}{8}$  PERCENT CERTIFICATES OF INDEBTEDNESS OF SERIES C-1961**

**$3\frac{7}{8}$  PERCENT TREASURY BONDS OF 1968**

### **PAYMENT**

By cash, or by the following securities:

**$4\frac{3}{4}$  PERCENT TREASURY NOTES OF SERIES C-1960**

Maturing August 15, 1960

or

**FEDERAL NATIONAL MORTGAGE ASSOCIATION  $3\frac{1}{2}$  PERCENT  
NOTES OF SERIES ML-1960-A**

Maturing August 23, 1960

The new issues may not be paid for by credit in Treasury Tax and Loan accounts.

### **SURRENDER OF MATURING SECURITIES**

Securities to be applied in payment, in whole or in part, of subscriptions (including securities received as down payments, referred to in the following paragraph) may be forwarded to this bank with the subscriptions; and, unless otherwise instructed, any excess over the amount of new securities allotted will be handled by this bank for cash redemption at maturity. If subscribers contemplate disposition of any excess over allotments by means other than redemption by this bank at maturity, all of the securities should be held by the commercial banks until after allotment. This is important since, under Treasury regulations, the return of any securities would be at the risk and expense of the owner.

### **DOWN PAYMENTS**

Down payments of not less than **2 percent** of the amount of certificates of indebtedness applied for and **20 percent** of the amount of Treasury bonds applied for (in the form of cash or securities of the eligible issues listed above) are required of all subscribers, except those specifically exempted in Section III of the respective offering circulars. Cash down payments received by commercial banks from subscribers **should be held by commercial banks** until after allotment is made. Securities received from subscribers may be forwarded to this bank with subscriptions, provided any unused portion is to be redeemed by this bank at maturity.

### **ALLOTMENTS**

Allotments will be made for both issues in accordance with Section III of the respective circulars. It will be noted that with respect to the **certificates**, subject to the usual reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve banks will be allotted in full. Allotment notices will be sent out by this bank upon notification by the Treasury.

#### **SUBSCRIPTIONS HANDLED THROUGH OUT-OF-DISTRICT CORRESPONDENT BANKS**

Commercial banks are urged to enter subscriptions for their own account and for account of their customers with the Federal Reserve bank or branch in the district in which they are located. However, where their maturing securities are held with correspondent banks in other districts and it is desired to enter subscriptions through such correspondents, subscribing banks are requested to list separately by name the subscriptions for their own account and for each of their customers.

In consideration of the acceptance of such subscriptions entered through correspondent banks, the subscribing banks agree that by their action they certify that they have no beneficial interest in any 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; that the subscriptions for their own account do not exceed the prescribed limitations; and that the subscribing banks and their customers have agreed not to purchase or sell, or to make any agreements with respect to the purchase or sale or other disposition of any certificates subscribed for until after midnight August 2, 1960.

#### **GENERAL INFORMATION**

Coupons due August 23, 1960, must **remain attached** to Federal National Mortgage Association 3½ percent Notes of Series ML-1960-A when surrendered. All coupons should be **detached** from 4¾ percent Treasury Notes of Series C-1960 when surrendered. In the case of FNMA notes applied in payment of subscriptions, accrued interest from February 23, 1960, to August 15, 1960, will be paid to subscribers. In the case of the Treasury bonds to be issued, accrued interest from June 23, 1960, to August 15, 1960, will be charged to subscribers. A form for furnishing payment and delivery instructions and providing for settlement of interest adjustments will be forwarded promptly upon allotment.

The subscription books will be open only on **Monday, August 1**, and **Tuesday, August 2, 1960**. Payment for the securities must be made on or before August 15, 1960. Subscriptions 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 Tuesday, August 2. **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, **August 2**, 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**  
**THREE AND ONE-EIGHTH PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS**  
**OF SERIES C-1961**

**Dated and bearing interest from August 15, 1960**

**Due August 1, 1961**

**1960**  
Department Circular No. 1048  
  
Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT  
Office of the Secretary  
Washington, August 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, subject to allotment, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 3 $\frac{1}{8}$  percent Treasury Certificates of Indebtedness of Series C-1961. The amount of the offering under this circular is \$7,750,000,000, or thereabouts. Treasury Notes of Series C-1960, maturing August 15, 1960, will be accepted at par in payment or exchange, in whole or in part, for the new certificates subscribed for, to the extent such subscriptions are allotted by the Treasury. The books will be open **only on August 1 and August 2, 1960**, for the receipt of subscriptions for this issue.

2. The Secretary of the Treasury, on behalf of the Federal National Mortgage Association, offers to purchase on August 15, 1960, at par and accrued interest, Federal National Mortgage Association 3 $\frac{5}{8}$  percent Notes of Series ML-1960-A, dated January 20, 1958, due August 23, 1960, to the extent to which subscriptions from the holders thereof to Treasury Certificates of Indebtedness of Series C-1961 hereunder are allotted by the Treasury, and the proceeds from the par amount of such notes are applied, to the payment, in whole or in part, of the certificates in accordance with Paragraph 2 of Section IV of this circular. Tenders of the Federal National Mortgage Association 3 $\frac{5}{8}$  percent Notes of Series ML-1960-A for that purpose are invited.

**II. DESCRIPTION OF CERTIFICATES**

1. The certificates will be dated August 15, 1960, and will bear interest from that date at the rate of 3 $\frac{1}{8}$  percent per annum, payable on a semiannual basis on February 1 and August 1, 1961. They will mature August 1, 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. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers. 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 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 commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit. Subscriptions from all others must be accompanied by payment (in cash or in Treasury Notes of Series

C-1960, maturing August 15, 1960, at par, or Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase under Paragraph 2 of Section I, hereof, at par) of 2 percent of the amount of certificates 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 certificates 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 certificates of this issue, until after midnight August 2, 1960.

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 certificates 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. Subject to these reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks will be allotted in full. 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 certificates allotted hereunder must be made or completed on or before August 15, 1960, 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 certificates allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Payment may be made for any certificates allotted hereunder in cash or by exchange of Treasury Notes of Series C-1960, maturing August 15, 1960, which will be accepted at par. Where payment is made with Treasury Notes of Series C-1960, coupons dated August 15, 1960, should be **detached** from such notes by holders and cashed when due.

2. In addition, payment may be made for any certificates allotted hereunder with the proceeds of the par amount of Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase in accordance with Paragraph 2 of Section I of this circular. Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase must have coupons dated August 23, 1960, **attached**, and payment will be made at par and accrued interest to August 15, 1960. Accrued interest from February 23, 1960, to August 15, 1960, on the Series ML-1960-A notes (\$17.31944 per \$1,000) will be paid following acceptance of the notes.

#### 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.

# UNITED STATES OF AMERICA

## THREE AND SEVEN-EIGHTHS PERCENT TREASURY BONDS OF 1968

Dated June 23, 1960, with interest from August 15, 1960

Due May 15, 1968

Interest payable May 15 and November 15

### ADDITIONAL ISSUE

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1960  
Department Circular No. 1049  
  
Fiscal Service  
Bureau of the Public Debt

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

### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at par and accrued interest, from the people of the United States for bonds of the United States, designated 3 $\frac{7}{8}$  percent Treasury Bonds of 1968. The amount of the offering under this circular is \$1,000,000,000, or thereabouts. Treasury Notes of Series C-1960, maturing August 15, 1960, will be accepted at par in payment or exchange, in whole or in part, for the new bonds subscribed for, to the extent such subscriptions are allotted by the Treasury. The books will be open **only on August 1 and August 2, 1960**, for the receipt of subscriptions for this issue.

2. The Secretary of the Treasury, on behalf of the Federal National Mortgage Association, offers to purchase on August 15, 1960, at par and accrued interest, Federal National Mortgage Association 3 $\frac{5}{8}$  percent Notes of Series ML-1960-A, dated January 20, 1958, due August 23, 1960, to the extent to which subscriptions from the holders thereof to Treasury Bonds of 1968 hereunder are allotted by the Treasury, and the proceeds from the par amount of such notes are applied, to the payment, in whole or in part, of the bonds in accordance with Paragraph 2 of Section IV of this circular. Tenders of the Federal National Mortgage Association 3 $\frac{5}{8}$  percent Notes of Series ML-1960-A for that purpose are invited.

### II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 3 $\frac{7}{8}$  percent Treasury Bonds of 1968 issued pursuant to Department Circular No. 1044, dated June 8, 1960, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from August 15, 1960. Subject to the provision for the accrual of interest from August 15, 1960, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1044:

"1. The bonds will be dated June 23, 1960, and will bear interest from that date at the rate of 3 $\frac{7}{8}$  percent per annum, payable on a semiannual basis on November 15, 1960, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1968, 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. They will not be acceptable in payment of taxes.

"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. 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. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers. 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 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 commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit. Subscriptions from all others must be accompanied by payment (in cash or in Treasury Notes of Series C-1960, maturing August 15, 1960, at par, or Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase under Paragraph 2 of Section I, hereof, at par) of 20 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 20 percent payment in excess of 20 percent of the amount of bonds 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, 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 par and accrued interest from June 23, 1960, to August 15, 1960 (\$5.58084 per \$1,000) for bonds allotted hereunder must be made or completed on or before August 15, 1960, or on later allotment. In every case where payment is not so completed, the payment with application up to 20 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. Payment may be made for any bonds allotted hereunder in cash or by exchange of Treasury Notes of Series C-1960, maturing August 15, 1960, which will be accepted at par. Where payment is made with Treasury Notes of Series C-1960, coupons dated August 15, 1960, should be **detached** from such notes by holders and cashed when due.

2. In addition, payment may be made for any bonds allotted hereunder with the proceeds of the par amount of Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase in accordance with Paragraph 2 of Section I of this circular. Federal National Mortgage Association Notes of Series ML-1960-A tendered for purchase must have coupons dated August 23, 1960, **attached**, and payment will be made at par and accrued interest to August 15, 1960. Accrued interest from February 23, 1960, to August 15, 1960, on the Series ML-1960-A notes (\$17.31944 per \$1,000) will be credited and accrued interest from June 23, 1960, to August 15, 1960 (\$5.58084 per \$1,000) will be charged and the difference (\$11.7386 per \$1,000) will be paid subscribers following acceptance of the notes.

#### 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.