### FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, March 27, 1961

## SECOND TEN-YEAR EXTENSION ON SERIES E SAVINGS BONDS

#### To All Qualified Issuing and Paying Agents in the Eleventh Federal Reserve District:

The announcement which appears below has been made by the Treasury Department. Included with this announcement are two schedules; one showing the redemption values of long-term Series E savings bonds, and the other recording certain statistical data relative to these bonds.

Additional copies of this statement will be forwarded upon request.

Yours very truly,

Watrous H. Irons

President

# TREASURY ANNOUNCES HIGHER INTEREST RATE FOR LONG-TERM HOLDERS OF SAVINGS BONDS

Treasury Secretary Douglas Dillon today announced new regulations that will benefit some ten million Americans who own Series E Savings Bonds issued from May, 1941, through May, 1949.

Under the new regulations, these bonds — the first of which will be twenty years old on May 1 — will earn a full three and three-quarters percent interest a year. They may now be held for an additional ten years. About fifteen billion of the forty-three billion dollars currently outstanding in Series E and H Savings Bonds will be affected by this action.

"In addition to benefiting the bond holder," Secretary Dillon said, "this action to encourage him to retain his bonds will diminish the Treasury's problem of refinancing the public debt and will contribute to the country's stability by keeping a sizeable portion of it in the hands of the average citizen.

"By retaining their matured bonds and purchasing new ones, individual citizens will not only prepare themselves and their children for a more secure future, but will help strengthen the economy of our country. The more than fortythree billion dollars now outstanding in Series E and H bonds testifies to the foresighted thrift of our people and to their faith in the future of America."

The new rate of interest on Series E bonds bearing issue dates from May, 1941 through May, 1949 is comparable to the yield on outstanding marketable obligations of the United States that have ten years to run to maturity. These bonds originally earned 2.90 percent if held to maturity. In their first extension period they have been earning from 2.90 to 3.47 percent if held to extended maturity. During the second extended maturity they will all earn a straight  $3\frac{3}{4}$  percent per year, compounded semi-annually.

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### **REDEMPTION VALUES**

### Series E Savings Bonds (Per \$100 Face Amount)

Issue dates									lssue price	Value at maturity (10 years from issue)	Value at first extended maturity (20 years from issue)	Value at second extended maturity (30 years from issue)
May 1941		•				٠		•	\$75.00	\$100.00	\$134.52	\$195.04
June to November 1941	•		•	•	•				75.00	100.00	134.92	195.64
December 1941 to April 1942.	•		•	•	•	•	•	•	75.00	100.00	135.32	196.20
May 1942	•		•	•					75.00	100.00	136.36	197.72
June to November 1942	•	•	•	•			•		75.00	100.00	136.68	198.16
December 1942 to May 1943.			•	•	•				75.00	100.00	137.04	198.72
June to November 1943		•		•					75.00	100.00	137.36	199.16
December 1943 to May 1944.	•		•	•	•				75.00	100.00	137.72	199.68
June to November 1944	•	•	•	•	•	•	•	•	75.00	100.00	138.04	200.16
December 1944 to May 1945.	•			•				•	75.00	100.00	138.36	200.60
June to November 1945		•		•		•		•	75.00	100.00	138.72	201.12
December 1945 to May 1946.			•	•	•		•	•	75.00	100.00	139.08	201.64
June to November 1946		•		•		•	•		75.00	100.00	139.40	202.12
December 1946 to May 1947.						•		•	75.00	100.00	139.76	202.64
June to November 1947	•	•	•		•	•		•	75.00	100.00	140.08	203.12
December 1947 to May 1948.	•	•		•	•			•	75.00	100.00	140.44	203.64
June to November 1948	•	•		•	•	•	•		75.00	100.00	140.78	204.12
December 1948 to May 1949.	•	•	•	•	•	•	•	•	75.00	100.00	141.12	204.60

Series E Savings Bonds by selected issue dates outstanding at September 30, 1960, their original maturity values, their current redemption values at said date and their redemption values at their respective extended maturity dates:

									Original maturity value outstanding Sept. 30, 1960	Current redemption value as of Sept. 30, 1960	Redemption value at end of first extended maturity
Мау 1941	•	•	•			•		. \$	24,158,900	\$ 30,952,382.68	\$ 32,498,552.28
June-November 1941.		•			•	•	•	•	153,405,850	195,450,455.58	206,975,172.82
December 1941-April 1942			•	-			•	•	481,523,900	602,851,628.52	651,598,141.48
May 1942			•	•		•	•	•	87,214,475	110,483,296.93	118,925,658.11
June-November 1942.	•	•	•	•					588,943,200	742,671,584.85	804,967,565.76
December 1942-May 1943				•					959,007,750	1,190,591,748.72	1,314,224,220.60
June-November 1943.	•			•			•	•	992,042,125	1,217,270,838.91	1,362,669,062.90
December 1943-May 1944	•		•						1,065,032,225	1,288,633,313.81	1,466,762,380.27
June-November 1944.								•	1,107,226,935	1,317,408,534.39	1,528,416,061.07
December 1944-May 1945			•	•					1,206,970,360	1,412,075,869.63	1,669,964,190.10
June-November 1945.	•					•			1,064,518,860	1,226,700,179.78	1,476,700,562.59
December 1945-May 1946								•	740,343,305	841,609,520.79	1,029,669,468.59
June-November 1946.			•						573,031,935	641,460,790.29	798,806,517.39
December 1946-May 1947									769,306,550	849,714,949.92	1,075,182,834,28
June-November 1947.							•		599,924,915	652,436,301.82	840.374.820.93
December 1947-May 1948									819,311,240	878,476,311.93	1,150,640,705,46
June-November 1948.				•	•		•		728,197,450	769,021,365.44	1.025.156.370.11
December 1948-May 1949				•			•		932,833,915	971,463,123.92	1,316,415,220.85
Total	•	•	•	•		•	•	. \$	12,892,993,890	\$14,939,272,197.91	\$17,869,947,505.59