

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 28, 1961

TREASURY FINANCING

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

Treasury Department Circulars Nos. 1060 and 1061 are enclosed, governing the offering of two new Treasury issues.

SECURITIES OFFERED

3 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES A-1962

3¼ PERCENT TREASURY NOTES OF SERIES D-1963

PAYMENT

By cash, or by surrender of the following securities:

4½ percent Treasury Certificates of Indebtedness of Series B-1961

3 percent Treasury Notes of Series B-1961

Payment for the securities must be made on or before May 15, 1961.

SURRENDER OF MATURING SECURITIES

Securities to be applied in full payment or as a partial payment 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 entering subscriptions through commercial banks contemplate the 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 will be at the risk and expense of the owner.

DOWN PAYMENTS

Down payments of not less than 2 percent of the amount of securities applied for (in the form of cash or securities of the eligible issues) are required of all subscribers, except those specifically exempted in Section III of each of the official circulars. Down payments received by commercial banks from subscribers should be held by commercial banks until after allotment is made. Eligible securities held by other 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 in accordance with Section III of each of the official circulars. It will be noted that, 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.

GENERAL INFORMATION

All coupons should be **detached** from 4³/₈ percent Treasury Certificates of Indebtedness of Series B-1961 and 3⁵/₈ percent Treasury Notes of Series B-1961.

A form for furnishing delivery instructions and denominations of securities desired and method of payment for securities allotted will be forwarded promptly upon allotment.

The subscription books will be open only on **Monday, May 1, 1961**. 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, **Monday, May 1**. 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, **May 1**, 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 PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS
OF SERIES A-1962

Dated and bearing interest from May 15, 1961

Due May 15, 1962

1961
Department Circular No. 1060
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, May 1, 1961

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 percent Treasury Certificates of Indebtedness of Series A-1962. The amount of the offering under this circular is \$5,250,000,000, or thereabouts. Treasury Certificates of Indebtedness of Series B-1961, and Treasury Notes of Series B-1961, both maturing May 15, 1961, will be accepted at par in payment or exchange, in whole or in part, for the certificates subscribed for, to the extent such subscriptions are allotted by the Treasury. The books will be open **only on May 1, 1961**, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated May 15, 1961, and will bear interest from that date at the rate of 3 percent per annum, payable semiannually on November 15, 1961, and May 15, 1962. They will mature May 15, 1962, 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 provided the names of the customers are set forth in such subscriptions. 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 will be received without deposit 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. Subscriptions from all others must be accompanied by payment (in cash or in securities of the two issues enumerated in Section I hereof, which will be accepted 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 May 1, 1961.

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 May 15, 1961, 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 the securities of the two issues enumerated in Section I hereof, which will be accepted at par. Where payment is made with maturing securities, coupons dated May 15, 1961, should be detached from such securities by holders and cashed when due.

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.

DOUGLAS DILLON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

THREE AND ONE-FOURTH PERCENT TREASURY NOTES OF SERIES D-1963

Dated and bearing interest from May 15, 1961

Due May 15, 1963

1961
Department Circular No. 1061
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, May 1, 1961

I. OFFERING OF NOTES

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 notes of the United States, designated 3¼ percent Treasury Notes of Series D-1963. The amount of the offering under this circular is \$2,500,000,000, or thereabouts. Treasury Certificates of Indebtedness of Series B-1961, and Treasury Notes of Series B-1961, both maturing May 15, 1961, will be accepted at par in payment or exchange, in whole or in part, for the notes subscribed for, to the extent such subscriptions are allotted by the Treasury. The books will be open **only on May 1, 1961**, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF NOTES

1. The notes will be dated May 15, 1961, and will bear interest from that date at the rate of 3¼ percent per annum, payable semiannually on November 15, 1961, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1963, 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. 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 provided the names of the customers are set forth in such subscriptions. 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 will be received without deposit 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. Subscriptions from all others must be accompanied by payment (in cash or in the securities of the two issues enumerated in Section I hereof, which will be accepted at par) of 2 percent of the amount of notes 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 notes 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 notes of this issue, until after midnight May 1, 1961.

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. 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 notes allotted hereunder must be made or completed on or before May 15, 1961, 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 notes 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 notes allotted hereunder in cash or by exchange of the securities of the two issues enumerated in Section I hereof, which will be accepted at par. Where payment is made with maturing securities, coupons dated May 15, 1961, should be **detached** from such securities by holders and cashed when due.

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.

DOUGLAS DILLON,
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