

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, June 2, 1961

TREASURY FINANCING

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

Enclosed are tender forms for the offering of additional amounts of eighteen issues of outstanding Treasury bills maturing weekly from August 3, 1961, to November 30, 1961.

UNITS IN WHICH BILLS ARE OFFERED

Tenders for each subscriber should be submitted in units of \$18,000, or even multiples thereof, since amounts issued on accepted tenders will be applied equally to each of the separate issues included in the offering.

Noncompetitive tenders not to exceed \$180,000, in units of \$18,000, will be allotted in full unless the total of noncompetitive tenders exceeds \$900,000,000, in which case the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments necessary to the next higher multiple of \$18,000.

Competitive tenders for the additional bills must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. A single price should be submitted for each unit of \$18,000, or multiple thereof.

SUBMISSION OF TENDERS AND PAYMENT

Commercial banks may submit tenders for the account of customers, but others will not be permitted to enter tenders except for their own account. Tenders by commercial banks for their own account should be entered by the subscribing bank and not through another bank.

Settlement of accepted tenders must be made or completed at the Federal Reserve Bank on or before June 14, 1961, in cash or other immediately available funds, provided, however, payment may be made by qualified depositories through credit to Treasury Tax and Loan Accounts for bills allotted to it for itself and its nonbank customers.

Tenders may not be entered by telephone. Additional forms will be furnished upon request. Tenders submitted by wire, if received before the closing hour, 11:30 a.m., Central Standard time, Thursday, June 8, 1961, are acceptable.

Yours very truly,

Watrous H. Irons

President

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, June 2, 1961

ADDITIONAL AMOUNTS OF TREASURY BILLS**Eighteen series maturing weekly from August 3, 1961 to November 30, 1961.****To All Banking Institutions and Others Concerned****in the Eleventh Federal Reserve District:****Your attention is invited to the following statement giving details of a strip of weekly Treasury bills:**

"The Treasury Department, by this public notice, invites tenders for additional amounts of eighteen series of Treasury bills to an aggregate amount of \$1,800,000,000, or thereabouts, for cash. The additional bills will be issued June 14, 1961, will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

Amount of Additional Issue	Original Issue Dates 1961	Maturity Dates 1961	Days from June 14, 1961 to Maturity	Amount Outstanding (in millions) June 2, 1961
\$100,000,000	February 2	August 3	50	\$1,601
100,000,000	February 9	August 10	57	1,601
100,000,000	February 16	August 17	64	1,600
100,000,000	February 23	August 24	71	1,600
100,000,000	March 2	August 31	78	1,501
100,000,000	March 9	September 7	85	500
100,000,000	March 16	September 14	92	500
100,000,000	March 23	September 21	99	500
100,000,000	March 30	September 28	106	500
100,000,000	April 6	October 5	113	500
100,000,000	April 13	October 13	121	500
100,000,000	April 20	October 19	127	400
100,000,000	April 27	October 26	134	400
100,000,000	May 4	November 2	141	500
100,000,000	May 11	November 9	148	500
100,000,000	May 18	November 16	155	501
100,000,000	May 25	November 24	163	500
100,000,000	June 1	November 30	169	500
\$1,800,000,000				

The additional and original bills will be freely interchangeable.

"Each tender submitted must be in the amount of \$18,000, or an even multiple thereof, and the amount tendered will be applied to each of the above series of bills on the basis of the ratio of each series to the total of all series. (For example, an accepted tender for \$90,000 will be applied \$5,000 to the issue with original date of February 2, 1961, and \$5,000 to each of the additional weekly issues through the issue with original date of June 1, 1961.)

"The bills offered hereunder will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

"Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Daylight Saving time, June 8, 1961. Tenders will not be received at the Treasury Department, Washington. In the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. A single price must be submitted for each unit of \$18,000, or even multiple thereof. A unit represents \$1,000 face amount of each issue of bills offered hereunder, as previously described. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks and Branches on application therefor.

"Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

"Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Noncompetitive tenders for \$180,000 or less (in even multiples of \$18,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds \$900,000,000 the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of \$18,000. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on June 14, 1961, provided, however, any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for Treasury bills 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.

"The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills 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. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

"Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch."

Payment for these Treasury bills must be made or completed at this bank or appropriate branch in cash or other immediately available funds on June 14, 1961, provided, however, any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for the Treasury bills allotted to it for itself and its customers (up to the amount for which it shall be qualified in excess of existing deposits).

In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to eleven-thirty o'clock a.m., Central Standard time, Thursday, June 8, 1961. Tenders may not be entered by telephone.

Yours very truly,

Watrous H. Irons

President

TENDER FOR TREASURY BILLS

Addition of \$100,000,000 to each series of outstanding Treasury bills maturing weekly from August 3, 1961 to November 30, 1961.

To: Federal Reserve Bank, Station K, Dallas 2, Texas

or The _____ Branch _____ (Date)
 El Paso Houston San Antonio

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public announcement, as shown on reverse side, as issued by the Treasury Department, the undersigned offers to purchase Treasury bills in the amount shown below, and agrees to pay for the amount allotted, on or before the issue date, by the method and at the rate indicated.

NONCOMPETITIVE TENDER \$ _____ NOT TO EXCEED \$180,000
 (In multiples of \$18,000 for each subscriber)

Noncompetitive tenders for \$180,000 or less (in even multiples of \$18,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds \$900,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of \$18,000.

COMPETITIVE TENDERS (In multiples of \$18,000 for each subscriber)	}	\$ _____ @ _____ \$ _____	Prices should be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions must not be used.
		\$ _____ @ _____ \$ _____	
		\$ _____ @ _____ \$ _____	

A single price must be submitted for each unit of \$18,000 or even multiple thereof.

TENDERS MAY NOT BE ENTERED BY TELEPHONE. TENDERS BY WIRE, IF RECEIVED BEFORE THE CLOSING HOUR, ARE ACCEPTABLE.

METHOD OF PAYMENT

These bills may be paid for by credit in Treasury Tax and Loan Accounts.

- | | |
|--|--|
| <input type="checkbox"/> By charge to our Treasury Tax and Loan Account.

<input type="checkbox"/> Payment to be made by _____

(Name of Bank) | <input type="checkbox"/> By charge to our reserve account on payment date.
<input type="checkbox"/> By draft enclosed (effectual delivery of enclosed draft shall be on latest day which will permit presentment in order to obtain irrevocably collected funds on payment date). |
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Delivery Instructions:

Treasury Bills allotted will be delivered in convenient denominations.

Describe by issue, if more than one of the following methods of delivery is desired.

- Hold in Custody Account—Member banks for own account only
- Pledge to Secure Treasury Tax and Loan Account
- Ship to _____

 (Subscriber's full name or corporate title)

 (Address)
 By _____
 (Authorized official signature and title)

 (For the account of, if tender is for another subscriber)

 (Address)

IMPORTANT

1. No tender for less than \$18,000 will be considered and each tender must be for an amount in multiples of \$18,000 (maturity value).
2. Tenders should be forwarded in an envelope clearly addressed to this bank or appropriate branch as Fiscal Agent of the United States, with notation on the envelope reading "TENDER FOR TREASURY BILLS." Since envelopes received with this legend will not be opened until after the closing time specified in the public announcement, communications relating to other matters should not be enclosed. Envelopes for submitting tenders may be requested from this bank or appropriate branch.
3. Any qualified or conditional tender will be rejected.
4. If a corporation makes the tender the form should be signed by an officer of the corporation authorized to make the tender and the signing of the form by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership it should be signed by a member of the firm, who should sign in the form "_____, a copartnership, by _____, a member of the firm."
5. Tenders from those other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 per cent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guaranty of full payment by an incorporated bank or trust company.
6. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to eleven-thirty o'clock a.m., Central Standard time, Thursday, June 8, 1961.