

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 29, 1961

## CASH OFFERING

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

Enclosed is Treasury Department Circular No. 1068 governing the offering of 3¼ percent Treasury Notes of Series D-1963 (Additional Issue).

### DESCRIPTION

The notes are dated May 15, 1961, with interest from October 11, 1961, at the rate of 3¼ percent per annum, payable on a semiannual basis 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. They will be issued in bearer and registered form.

Subscriptions from commercial banks for their own account will be received without deposit, but will be restricted to 50 percent of the combined capital, surplus and undivided profits of the subscribing bank. Subscriptions from all others must be accompanied by payment of 2 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Such deposits should be retained by the subscribing bank, if entered through a bank.

### PAYMENT

Payment at 99.875 and accrued interest from May 15 to October 11, 1961 (\$13.15897 per \$1,000) for notes allotted must be made or completed on or before October 11, 1961, or on later allotment. The total amount of payment per \$1,000 face amount of notes will be \$1,011.90897.

Payment for 75 percent of these Treasury notes may be made by credit in Treasury Tax and Loan accounts.

### GENERAL INFORMATION

Commercial banks and other lenders are requested to refrain from making unsecured loans, or loans collateralized in whole or in part by the notes subscribed for, to cover the deposits required to be paid when subscriptions are entered, and banks will be required to make the usual certification to that effect.

All subscribers to the notes are required to agree not to purchase or sell, or to make any agreements with respect to the purchase or sale or other disposition of the securities subscribed for under this offering, until after midnight, October 2.

Subscription forms accompany this circular. If the supply of forms is not sufficient, list additional subscriptions, by name and amount, on an attached schedule.

The subscription books will be open only on **Monday, October 2, 1961**. Subscriptions placed in the mail before midnight, October 2 will be considered timely.

Yours very truly,

**Watrous H. Irons**

President

**UNITED STATES OF AMERICA**  
**THREE AND ONE-FOURTH PERCENT TREASURY NOTES OF SERIES D-1963**

**Dated May 15, 1961, with interest from October 11, 1961**

**Due May 15, 1963**

**ADDITIONAL ISSUE**

**1961**  
**Department Circular No. 1068**  
  
**Fiscal Service**  
**Bureau of the Public Debt**

**TREASURY DEPARTMENT**  
**Office of the Secretary**  
**Washington, October 2, 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, at 99.875 percent of their face value 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 \$2,000,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to \$100,000,000 of these notes to Government Investment Accounts. The books will be open **only on October 2, 1961**, for the receipt of subscriptions for this issue.

**II. DESCRIPTION OF NOTES**

1. The notes now offered will be an addition to and will form a part of the 3¼ percent Treasury Notes of Series D-1963 issued pursuant to Department Circular No. 1061, dated May 1, 1961, will be freely interchangeable therewith, and are identical in all respects therewith except that interest on the notes to be issued under this circular will accrue from October 11, 1961. Subject to the provisions for the accrual of interest from October 11, 1961, on the notes now offered, the notes are described in the following quotation from Department Circular No. 1061:

"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 received without deposit, but 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 all others must be accompanied by payment 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 additional issue, until after midnight October 2, 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. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

#### **IV. PAYMENT**

1. Payment at 99.875 percent of their face value and accrued interest from May 15, to October 11, 1961 (\$13.15897 per \$1,000), for notes allotted hereunder must be made or completed on or before October 11, 1961, or on later allotment. The total amount of such payment will be \$1,011.90897 per \$1,000 face amount of notes allotted. 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. Any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for not more than 75 percent of the amount of notes 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.

#### **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,**  
Secretary of the Treasury.