

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, November 3, 1961

EXCHANGE OFFERING

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

Enclosed are Treasury Department Circulars Nos. 1069, 1070 and 1071 which govern the offering of three Treasury issues.

SECURITIES OFFERED

- 3¼ Percent Treasury Notes of Series E-1963**
- 3¼ Percent Treasury Bonds of 1966 (Additional Issue)**
- 3⅞ Percent Treasury Bonds of 1974 (Additional Issue)**

PAYMENT

Payment must be made by exchange of 2½ percent Treasury Bonds of 1961 in multiples of \$1,000, in the case of the note, or \$500 in the case of the bonds.

Payment must be made on or before November 15, 1961; and since allotments are to be made in full, subject to the usual reservations, the securities to be applied in payment should accompany subscriptions.

GENERAL INFORMATION

The new Treasury notes are offered at par, the 3¼ percent Treasury Bonds of 1966 are offered at 99.75 percent of face value, and the 3⅞ percent Treasury Bonds of 1974 are offered at 99.00 percent of face value. A cash adjustment, as provided in Section IV of the offering circular, will be made in favor of subscribers for the discount from the face value of the bonds.

The subscription books will be open November 6 through November 9, 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, Thursday, November 9. 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, November 9, 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-FOURTH PERCENT TREASURY NOTES OF SERIES E-1963

Dated and bearing interest from November 15, 1961

Due February 15, 1963

1961
Department Circular No. 1069
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, November 6, 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 par, from the people of the United States for notes of the United States, designated 3¼ percent Treasury Notes of Series E-1963, in exchange for 2½ percent Treasury Bonds of 1961, maturing November 15, 1961, in amounts of \$1,000 or multiples thereof. The amount of the offering under this circular will be limited to the amount of maturing bonds tendered in exchange and accepted. The books will be open **only on November 6 through November 9, 1961**, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing bonds are offered the privilege of exchanging them for 3¾ percent Treasury Bonds of 1966 (Additional Issue), or 3⅞ percent Treasury Bonds of 1974 (Additional Issue), which offerings are set forth in Department Circulars Nos. 1070 and 1071, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated November 15, 1961, and will bear interest from that date at the rate of 3¼ percent per annum, payable on a semiannual basis on February 15 and August 15, 1962, and on February 15, 1963. They will mature February 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, D. C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of notes applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before November 15, 1961, or on later allotment, and may be made only in 2½ percent Treasury Bonds of 1961, maturing November 15, 1961, which will be accepted at par, and should accompany the subscription. Coupons dated November 15, 1961, should be **detached** from the maturing bonds in coupon form by holders and cashed when due. In the case of registered bonds, final interest due on November 15, 1961, will be paid by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1961 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the notes are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury Notes of Series E-1963"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury Notes of Series E-1963 in the name of....."; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3¼ percent Treasury Notes of Series E-1963 in coupon form to be delivered to.....".

VI. 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.

UNITED STATES OF AMERICA

THREE AND THREE-FOURTHS PERCENT TREASURY BONDS OF 1966

Dated November 15, 1960, with interest from November 15, 1961

Due May 15, 1966

Interest payable May 15 and November 15

ADDITIONAL ISSUE

1961
Department Circular No. 1070
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, November 6, 1961

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.75 percent of their face value, from the people of the United States for bonds of the United States, designated 3¾ percent Treasury Bonds of 1966, in exchange for 2½ percent Treasury Bonds of 1961, maturing November 15, 1961. The cash payment due subscribers on account of the issue price of the new bonds will be paid as provided in Section IV hereof. The amount of the offering under this circular will be limited to the amount of maturing bonds tendered in exchange and accepted. The books will be open **only on November 6 through November 9, 1961**, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing bonds are offered the privilege of exchanging them for 3¾ percent Treasury Notes of Series E-1963, or 3⅞ percent Treasury Bonds of 1974 (Additional Issue), which offerings are set forth in Department Circulars Nos. 1069 and 1071, respectively, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 3¾ percent Treasury Bonds of 1966 issued pursuant to Department Circular No. 1054, dated October 31, 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 November 15, 1961. Subject to the provision for the accrual of interest from November 15, 1961, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1054:

"1. The bonds will be dated November 15, 1960, and will bear interest from that date at the rate of 3¾ percent per annum, payable semiannually on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1966, 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, D. C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before November 15, 1961, or on later allotment, and may be made only in a like face amount of 2½ percent Treasury Bonds of 1961, maturing November 15, 1961, which should accompany the subscription. Coupons dated November 15, 1961, should be **detached** from the maturing bonds in coupon form by holders and cashed when due. In the case of registered bonds, final interest due on November 15, 1961, will be paid by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District. A cash payment of \$2.50 per \$1,000 on account of the issue price of the new bonds will be made to subscribers. The payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1961 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury Bonds of 1966"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury Bonds of 1966 in the name of _____"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3¾ percent Treasury Bonds of 1966 in coupon form to be delivered to _____".

VI. 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.

DOUGLAS DILLON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

THREE AND SEVEN-EIGHTHS PERCENT TREASURY BONDS OF 1974

Dated December 2, 1957, with interest from November 15, 1961

Due November 15, 1974

Interest payable May 15 and November 15

ADDITIONAL ISSUE

1961
Department Circular No. 1071

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
Office of the Secretary
Washington, November 6, 1961

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.00 percent of their face value, from the people of the United States for bonds of the United States, designated 3 $\frac{7}{8}$ percent Treasury Bonds of 1974, in exchange for 2 $\frac{1}{2}$ percent Treasury Bonds of 1961, maturing November 15, 1961. The cash payment due subscribers on account of the issue price of the new bonds will be paid as provided in Section IV hereof. The amount of the offering under this circular will be limited to the amount of maturing bonds tendered in exchange and accepted. The books will be open **only on November 6 through November 9, 1961**, for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing bonds are offered the privilege of exchanging them for 3 $\frac{1}{4}$ percent Treasury Notes of Series E-1963, or 3 $\frac{3}{4}$ percent Treasury Bonds of 1966 (Additional Issue), which offerings are set forth in Department Circulars Nos. 1069 and 1070, respectively, issued simultaneously with this circular.

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 1974 issued pursuant to Department Circular No. 1000, dated November 20, 1957, 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 November 15, 1961. Subject to the provision for the accrual of interest from November 15, 1961, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 1000:

"1. The bonds will be dated December 2, 1957, and will bear interest from that date at the rate of 3 $\frac{7}{8}$ percent per annum, payable on a semiannual basis on May 15 and November 15, 1958, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1974, 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.

"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. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,¹ provided:

- (a) that the bonds were actually owned by the decedent at the time of his death; and
- (b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at _____ for credit on Federal estate taxes due from estate of _____." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the

¹ An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;² bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,³ properly completed, signed and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by a formal receipt from the District Director of Internal Revenue.

"6. 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, D. C. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject or reduce any subscription, and to allot less than the amount of bonds applied for; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder must be made on or before November 15, 1961, or on later allotment, and may be made only in a like face amount of 2½ percent Treasury Bonds of 1961, maturing November 15, 1961, which should accompany the subscription. Coupons dated November 15, 1961, should be **detached** from the maturing bonds in coupon form by holders and cashed when due. In the case of registered bonds, final interest due on November 15, 1961, will be paid by check drawn in accordance with the assignments on the bonds surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District. A cash payment of \$10.00 per \$1,000 on account of the issue price of the new bonds will be made to subscribers. The payments will be made in the case of bearer bonds following their acceptance and in the case of registered bonds following discharge of registration.

V. ASSIGNMENT OF REGISTERED BONDS

1. Treasury Bonds of 1961 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ percent Treasury Bonds of 1974"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ per cent Treasury Bonds of 1974 in the name of _____"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 3⅞ percent Treasury Bonds of 1974 in coupon form to be delivered to _____".

VI. 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.

DOUGLAS DILLON,
Secretary of the Treasury.

² The transfer books are closed from April 16 to May 15 and from October 16 to November 15 (both dates inclusive) in each year.
³ Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.