FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4663
November 18, 1958]

TREASURY FINANCING

—Offering of Two New Issues in Exchange for December Maturities

—New Program for Offerings of 26-Week Treasury Bills

To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

The following statement was made public today:

The Treasury Department announced today two further steps in its program to achieve a more orderly scheduling of its short-term debt maturities.

The first of these steps is the offering to holders of $9,853 million of 3¾ percent certificates of indebtedness maturing December 1, 1958, and the holders of $2,368 million of 2½ percent Treasury Bonds maturing December 15, 1958, the opportunity to exchange these holdings for either of two new issues: a 3⅜ percent 11½-month certificate due November 15, 1959, to be issued at a price of 99.95 percent of face value, to yield 3.43 percent, or a 3⅝ percent 2-year 5½-month note due May 15, 1961, to be issued at a price of 99⅞ percent of face value, to yield 3.68 percent.

With the completion of this financing, over 80 percent of outstanding Treasury marketable securities maturing within the next ten years (excluding regular Treasury bills and tax anticipation securities) will fall due in February, May, August, or November.

For some time, the Treasury has been working toward scheduling its maturities on these quarterly dates to reduce the number of times each year its financing will interfere with other borrowers such as corporations, states, municipalities, etc.; to minimize the "churning" in the money markets on the major quarterly corporate income tax dates; and facilitate the effective execution by the Federal Reserve of its monetary policy. In addition, the present offering also works in the direction of a more even distribution of the amounts of certificates maturing on each of the four quarterly dates.

Another important debt management objective, from the standpoint of marketing techniques, is to place on a routine basis, so far as practicable, the roll-over of the Treasury debt maturing within one year. The amount outstanding at a given time will tend to vary considerably, depending on the liquidity needs of the economy and on the ability of the Treasury to extend the debt. The composition of the short-term debt, however, influences to a degree the amount of market disturbance occasioned by refinancing, and also affects Treasury borrowing costs.

New 26-week Treasury bills

As the second step in its program to achieve a better composition of the short-term debt, the Treasury also announced that it plans a re-arrangement of the structure of its weekly bill maturities.

Accordingly, on December 11, 1958, the Treasury will inaugurate a program to move gradually over the next 6 months from the present cycle of 13-week bills ($23.4 billion total) to a new cycle which will include both 13-week and 26-week bills ($26.0 billion total). Full details of the program will be announced during the week preceding the offering.

The shift of part of the volume of Treasury bills outstanding to a 26-week cycle will enable certain corporations and other investors to meet their requirements for a regular bill which is longer than the present 13-week maturity. In the course of the transition to the new cycle of Treasury bills, a total of $2.6 billion of new money will be raised during the next three months, thus meeting more than half of the Treasury's anticipated cash borrowing needs of $4-$4½ billion through March 1959. Increases in the amount of outstanding bills under this program, together with continuing efforts to extend the debt, should permit a reduction in Treasury certificates of indebtedness outstanding over the period ahead, so that the over-all volume of short-term debt would not be increased.

Exchange offerings

Both the new 3⅜ percent certificate and the new 3⅝ percent note will be dated December 1, 1958. Interest will be payable on the new certificates on a semiannual basis on May 15 and November 15, 1959. Interest on the new notes will be payable on a semiannual basis on May 15 and November 15, in each year.

Exchanges will be made as of December 1, 1958, and in the case of the maturing bonds with an adjustment of interest as of that date. Coupons dated December 1, 1958, should be detached from the maturing certificates and cashed when due. In the case of the bonds, coupons dated December 15, 1958, must be attached to the bonds when surrendered and accrued interest from June 15, 1958, to December 1, 1958, will be paid following acceptance of the bonds. A payment of $.50 per $1,000 face value of the new certificates, and $1.25 per $1,000 face value of the new notes representing the discount from the face values will be paid to holders upon issuance of the new securities.

The subscription books will be open November 19 through November 21 for this exchange offering. Any subscription for either issue addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight Friday, November 21, will be considered as timely.

The terms of the exchange offerings are set forth in Treasury Department Circulars No. 1017 and No. 1018, both dated November 19, 1958, copies of which are printed below.

Subscriptions will be received by this Bank as fiscal agent of the United States. *Cash subscriptions will not be received.* Subscriptions should be submitted in triplicate on official subscription forms, copies of which are enclosed, and should be mailed immediately; if filed by telegram or letter, the subscriptions should be confirmed immediately by mail on the forms provided. The subscription books will remain open for *three days only,* November 19, 20, and 21. Any subscription addressed to a Federal Reserve Bank or Branch or to the Treasury Department and placed in the mail before midnight Friday, November 21, will be considered timely.

ALFRED HAYES,
President.

UNITED STATES OF AMERICA

3⅜ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES E-1959

Dated and bearing interest from December 1, 1958 **Due November 15, 1959**

1958
Department Circular No. 1017

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 19, 1958.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at 99.95 percent of their face value, from the people of the United States for certificates of indebtedness of the United States, designated 3⅜ percent Treasury Certificates of Indebtedness of Series E-1959, in exchange for a like face amount of 3¾ percent Treasury Certificates of Indebtedness of Series D-1958, maturing December 1, 1958, or 2½ percent Treasury Bonds of 1958, maturing December 15, 1958, singly or in combinations aggregating $1,000 or multiples thereof. Interest will be adjusted as of December 1, 1958, in the case of the Treasury Bonds of 1958, maturing December 15, 1958. In all cases a cash adjustment representing the discount from the face value of the new certificates will be made in favor of the subscriber, as provided in Section IV, Payment, hereof. The amount of the offering under this circular will be limited to the amount of maturing certificates and bonds tendered in exchange and accepted. The books will be open *only on November 19 through November 21* for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing securities are offered the privilege of exchanging all or any part of such securities for 3⅝ percent Treasury Notes of Series B-1961, which offering is set forth in Department Circular No. 1018, issued simultaneously with this circular.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 1, 1958, and will bear interest from that date at the rate of 3⅜ percent per annum, payable on a semiannual basis on May 15 and November 15, 1959. They will mature November 15, 1959. They 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. 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 certificates 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 certificates allotted hereunder must be made on or before December 1, 1958, or on later allotment, and may be made only in a like face amount of Treasury Certificates of Indebtedness of Series D-1958, maturing December 1, 1958, or Treasury Bonds of 1958, maturing December 15, 1958, which should accompany the subscription. Coupons dated December 1, 1958, should be *detached* from the Series D-1958 certificates by holders and cashed when due. The discount of $0.50 per $1,000 on certificates allotted will be paid subscribers following acceptance of the certificates. In the case of the bonds, coupons dated December 15, 1958, must be *attached* to the bonds when surrendered, and accrued interest from June 15, 1958, to December 1, 1958 ($11.54372 per $1,000) plus the discount of $0.50 per $1,000 on certificates allotted will be paid subscribers, 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 1958 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 3⅜ percent Treasury Certificates of Indebtedness of Series E-1959 to be delivered to ....", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, Washington. The bonds must be delivered at the expense and risk of the holders.

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 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.

ROBERT B. ANDERSON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

3⅝ PERCENT TREASURY NOTES OF SERIES B-1961

Dated and bearing interest from December 1, 1958 **Due May 15, 1961**

1958
Department Circular No. 1018

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, November 19, 1958.

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 99⅞ percent of their face value, from the people of the United States for notes of the United States, designated 3⅝ percent Treasury Notes of Series B-1961, in exchange for a like face amount of 3¾ percent Treasury Certificates of Indebtedness of Series D-1958, maturing December 1, 1958, or 2½ percent Treasury Bonds of 1958, maturing December 15, 1958, singly or in combinations aggregating $1,000 or multiples thereof. Interest will be adjusted as of December 1, 1958, in the case of the Treasury Bonds of 1958, maturing December 15, 1958. In all cases a cash adjust-

ment representing the discount from the face value of the new notes will be made in favor of the subscriber, as provided in Section IV, Payment, hereof. The amount of the offering under this circular will be limited to the amount of maturing certificates and bonds tendered in exchange and accepted. The books will be open *only on November 19 through November 21* for the receipt of subscriptions for this issue.

2. In addition to the offering under this circular, holders of the maturing securities are offered the privilege of exchanging all or any part of such securities for 3⅝ percent Treasury Certificates of Indebtedness of Series E-1959, which offering is set forth in Department Circular No. 1017, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 1, 1958, and will bear interest from that date at the rate of 3⅝ percent per annum, payable on a semiannual basis on May 15 and November 15, 1959, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1961, 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 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 notes will not be issued in registered form.

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. 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 for the face amount of notes allotted hereunder must be made on or before December 1, 1958, or on later allotment, and may be made only in a like face amount of Treasury Certificates of Indebtedness of Series D-1958, maturing December 1, 1958, or Treasury Bonds of 1958, maturing December 15, 1958, which should accompany the subscription. Coupons dated December 1, 1958, should be *detached* from the Series D-1958 certificates by holders and cashed when due. The discount of $1.25 per $1,000 on notes allotted will be paid subscribers following acceptance of the certificates. In the case of the bonds, coupons dated December 15, 1958, must be *attached* to the bonds when surrendered, and accrued interest from June 15, 1958, to December 1, 1958 ($11.54372 per $1,000) plus the discount of $1.25 per $1,000 on notes allotted will be paid subscribers, 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 1958 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for 3⅝ percent Treasury Notes of Series B-1961 to be delivered to ....", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, Washington. The bonds must be delivered at the expense and risk of the holders.

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.

ROBERT B. ANDERSON,
Secretary of the Treasury.

-iber's Reference No. **(Please type or print legibly and submit in triplicate)** Subscription No. **C-1**

EXCHANGE SUBSCRIPTION

r United States of America 3⅜ Percent Treasury Certificates of Indebtedness of Series E-1959, Dated December 1, 1958, Due November 15, 1959

Important Instructions. **1. Securities of different issues surrendered in exchange may be listed together on the e subscription form, except that a separate form should be used (a) for listing *coupon* securities surrendered, for listing *registered* securities surrendered, and (c) for each group of *new* securities for which different very instructions are given. 2. Signatures are required on original only; all other filled-in matter should appear riplicate. 3. The new certificates can be subscribed for at 99.95 per cent of their face value. Payment of the count of $0.50 per $1,000 on the certificates allotted will be made to subscribers in accordance with their ructions indicated herein and the terms of the offering.**

DERAL RESERVE BANK OF NEW YORK, Dated at ....
Fiscal Agent of the United States,
New York 45, N. Y. 1958

Attention: Government Bond Division

AR SIRS:

Subject to the provisions of Treasury Department Circular No. 1017, dated November 19, 1958, the dersigned hereby subscribes, at 99.95 percent of their face value, for United States of America 3⅜ percent asury Certificates of Indebtedness of Series E-1959, in the amount of $..............................* and ers in payment therefor a like par amount of the securities—

Delivered to you herewith .... $....................

To be withdrawn from securities held by you .... $....................

To be delivered by .... $....................

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED

(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	**$**....................
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	**$**....................
Total	**$**....................

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($0.50 per $1,000 on the certificates allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account

2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per ,000) in the amount of $.............................., as follows:
☐ By check ☐ By credit to our reserve account

(Signature(s) required also on Delivery Instructions below)

(Do not fill in boxes below)

GOVERNMENT BOND DIVISION		
Received	Checked	Canceled

Submitted by ....
(Please print)

By.............................., By..............................,
(Authorized signature(s) required)

Title.............................. Title..............................

Address ....

Subscription No.

DELIVERY INSTRUCTIONS—EXCHANGE SUBSCRIPTION

r United States of America 3⅜ Percent Treasury Certificates of Indebtedness of Series E-1959, Dated December 1, 1958, Due November 15, 1959

CERTIFICATES DESIRED IN EXCHANGE

-ces	Denomination	Face amount			*(Leave this space blank)*
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

☐ 1. Deliver over the counter to the undersigned
☐ 2. Hold in safekeeping (for member bank only)
☐ 3. Hold as collateral for Treasury Tax and Loan Account
☐ 4. Ship to the undersigned
☐ 5. Special instructions:

he undersigned hereby certifies that the ecurities to be disposed of as indicated n item 2 or 3 above are owned solely by he undersigned.

(IMPORTANT: No changes in delivery instructions will be accepted. A separate subscription form must be submitted for each group of securities for which different delivery instructions are given.)

Submitted by ....
(Please print)

By.............................., By..............................,
(Authorized signature(s) required)

he subscription books will open on ovember 19, and close at the close f business November 21, 1958.

Title.............................. Title..............................

Address ....

(Spaces below are for the use of the Federal Reserve Bank of New York)

SAFEKEEPING RECORD
Received
Checked and delivered

Received from FEDERAL RESERVE BANK OF NEW YORK the above described United States obligations in the amount subscribed for.

Subscriber ....

Date.............. By..

(If space is insufficient in schedules below, attach separate listing)

List of Accounts Included in this Subscription

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account *(Please print or typewrite)*	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	$

Denominations and Serial Numbers of Securities Surrendered

Issue								
3¾% C of I's (D 1958)								
2½% Bonds (1958)								

iber's Reference No. **DUPLICATE—SECURITY RECORDS "IN TICKET"** Subscription No. **C-2**

EXCHANGE SUBSCRIPTION

United States of America 3⅜ Percent Treasury Certificates of Indebtedness of Series E-1959, Dated December 1, 1958, Due November 15, 1959

DERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 45, N. Y.

Dated at ....

....1958

AR SIRS:

Subject to the provisions of Treasury Department Circular No. 1017, dated November 19, 1958, the dersigned hereby subscribes, at 99.95 percent of their face value, for United States of America 3⅜ percent easury Certificates of Indebtedness of Series E-1959, in the amount of $..............................* and ders in payment therefor a like par amount of the securities—

Delivered to you herewith .... $....................

To be withdrawn from securities held by you .... $....................

To be delivered by .... $....................

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED
(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	$....................
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	$....................
Total	$....................

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($0.50 per $1,000 on the certificates allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account

2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per ,000) in the amount of $..............................., as follows: ☐ By check ☐ By credit to our reserve account

Submitted by ....

Address ....

Subscription No.

SECURITY RECORDS "OUT TICKET"

DELIVERY INSTRUCTIONS—EXCHANGE SUBSCRIPTION

r United States of America 3⅜ Percent Treasury Certificates of Indebtedness of Series E-1959, Dated December 1, 1958, Due November 15, 1959

CERTIFICATES DESIRED IN EXCHANGE

eces	Denomination	Face amount			(Leave this space blank)
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

- ☐ 1. Deliver over the counter to the undersigned
- ☐ 2. Hold in safekeeping (for member bank only)
- ☐ 3. Hold as collateral for Treasury Tax and Loan Account
- ☐ 4. Ship to the undersigned
- ☐ 5. Special instructions:

Submitted by ....

Address ....

(If space is insufficient in schedules below, attach separate listing)

List of Accounts Included in this Subscription

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account *(Please print or typewrite)*	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	$

Denominations and Serial Numbers of Securities Surrendered

Issue							
3¾% C of I's (D 1958)							
2½% Bonds (1958)							

iber's Reference No. TRIPLICATE—TREASURY REPORTS COPY Subscription No. **C-3**

EXCHANGE SUBSCRIPTION

United States of America 3⅜ Percent Treasury Certificates of Indebtedness of Series E-1959, Dated December 1, 1958, Due November 15, 1959

ERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 45, N. Y.

Dated at ....

..............................1958

R SIRS:

Subject to the provisions of Treasury Department Circular No. 1017, dated November 19, 1958, the ersigned hereby subscribes, at 99.95 percent of their face value, for United States of America 3⅜ percent sury Certificates of Indebtedness of Series E-1959, in the amount of $..............................* and rs in payment therefor a like par amount of the securities—

Delivered to you herewith .... $..............

o be withdrawn from securities held by you .... $..............

To be delivered by .... $..............

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED

(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	$..............
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	$..............
Total	$..............

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($0.50 per $1,000 on the certificates allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account

2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per 000) in the amount of $.............................., as follows:
☐ By check ☐ By credit to our reserve account

Submitted by ....

Address ....

Subscription No.

NONNEGOTIABLE RECEIPT

ubscriber:

RAL RESERVE BANK OF NEW YORK, Fiscal Agent of the United States, hereby acknowledges receipt of ities tendered with subscription numbered as above in exchange for
3⅜ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES E-1959.
ities allotted on this subscription will be delivered
ecember 1, 1958, in accordance with your instructions. ....

Teller
Government Bond Division—Issues & Redemption Section

CERTIFICATES DESIRED IN EXCHANGE

es	Denomination	Face amount			(Leave this space blank)
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

☐ 1. Deliver over the counter to the undersigned
☐ 2. Hold in safekeeping (for member bank only)
☐ 3. Hold as collateral for Treasury Tax and Loan Account
☐ 4. Ship to the undersigned
☐ 5. Special instructions:

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States

....
(Date)

u are hereby authorized to deliver to

....
(Name of representative)

ose signature appears below,

$.............................. par amount
securities issued pursuant to this subscription.

Name..............................
(Please print)

....
(Official signature required)

....
(Signature of authorized representative)

Submitted by ....

Address ....

To Subscriber: If securities are to be delivered over the counter at this Bank to your representative, the authority in the box to the left should be executed on the date of delivery.

List of Accounts Included in this Subscription

(If space is insufficient in schedules below, attach separate listing)

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account (Please print or typewrite)	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	$

Denominations and Serial Numbers of Securities Surrendered

Issue							
3¾% C of I's (D 1958)							
2½% Bonds (1958)							

riber's Reference No. **(Please type or print legibly and submit in triplicate)** Subscription No. **N-1**

EXCHANGE SUBSCRIPTION

For United States of America 3⅝ Percent Treasury Notes of Series B-1961 Dated December 1, 1958, Due May 15, 1961

Important Instructions. **1. Securities of different issues surrendered in exchange may be listed together on the e subscription form, except that a separate form should be used (a) for listing *coupon* securities surrendered, for listing *registered* securities surrendered, and (c) for each group of *new* securities for which different ivery instructions are given. 2. Signatures are required on original only; all other filled-in matter should appear riplicate. 3. The notes can be subscribed for at 99⅞ percent of their face value. Payment of the discount of 25 per $1,000 on the notes allotted will be made to subscribers in accordance with their instructions indicated ein and the terms of the offering.**

DERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 45, N. Y.

Dated at ....

....1958

Attention: Government Bond Division

AR SIRS:

Subject to the provisions of Treasury Department Circular No. 1018, dated November 19, 1958, the dersigned hereby subscribes, at a price of 99⅞ percent of their face value, for United States of America ⅜ percent Treasury Notes of Series B-1961, in the amount of $..................................* and tenders in yment therefor a like par amount of the securities—

Delivered to you herewith .... $........................

To be withdrawn from securities held by you .... $........................

To be delivered by .... $........................

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED

(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	$........................
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	$........................
Total	$........................

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($1.25 per $1,000 on the notes allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account

2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per ,000) in the amount of $.................................., as follows: ☐ By check ☐ By credit to our reserve account

(Do not fill in boxes below)

GOVERNMENT BOND DIVISION		
Received	Checked	Canceled

(Signature(s) required also on Delivery Instructions below)

Submitted by ....
(Please print)

By.............................., By..............................,
(Authorized signature(s) required)

Title.............................. Title..............................

Address ....

Subscription No.

DELIVERY INSTRUCTIONS—EXCHANGE SUBSCRIPTION

For United States of America 3⅝ Percent Treasury Notes of Series B-1961 Dated December 1, 1958, Due May 15, 1961

NOTES DESIRED IN EXCHANGE

ces	Denomination	Face amount			(Leave this space blank)
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

☐ 1. Deliver over the counter to the undersigned
☐ 2. Hold in safekeeping (for member bank only)
☐ 3. Hold as collateral for Treasury Tax and Loan Account
☐ 4. Ship to the undersigned
☐ 5. Special instructions:

he undersigned hereby certifies that the ecurities to be disposed of as indicated n item 2 or 3 above are owned solely by he undersigned.

(IMPORTANT: No changes in delivery instructions will be accepted. A separate subscription form must be submitted for each group of securities for which different delivery instructions are given.)

Submitted by ....
(Please print)

By.............................., By..............................,
(Authorized signature(s) required)

Title.............................. Title..............................

Address ....

The subscription books will open on November 19, and close at the close of business November 21, 1958.

(Spaces below are for the use of the Federal Reserve Bank of New York)

SAFEKEEPING RECORD
Received
Checked and Delivered

Received from FEDERAL RESERVE BANK OF NEW YORK the above described United States obligations in the amount subscribed for.

Subscriber ....

Date............... By..

(If space is insufficient in schedules below, attach separate listing)

List of Accounts Included in this Subscription

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account *(Please print or typewrite)*	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	

Denominations and Serial Numbers of Securities Surrendered

Issue							
3¾% C of I's (D 1958)							
2½% Bonds (1958)							

riber's Reference No. DUPLICATE—SECURITY RECORDS "IN TICKET" Subscription No. N-2

EXCHANGE SUBSCRIPTION

For United States of America 3⅝ Percent Treasury Notes of Series B-1961 Dated December 1, 1958, Due May 15, 1961

DERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 45, N. Y.

Dated at ....
....1958

AR SIRS:

Subject to the provisions of Treasury Department Circular No. 1018, dated November 19, 1958, the dersigned hereby subscribes, at a price of 99⅞ percent of their face value, for United States of America 8 percent Treasury Notes of Series B-1961, in the amount of $...................................* and tenders in yment therefor a like par amount of the securities—

Delivered to you herewith .... $..........................
To be withdrawn from securities held by you .... $..........................
To be delivered by .... $..........................

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED
(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	$..............................
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	$..............................
Total	$..............................

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($1.25 per $1,000 on the notes allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account
2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per ,000) in the amount of $..................................., as follows: ☐ By check ☐ By credit to our reserve account

Submitted by ....

Address ....

Subscription No.

SECURITY RECORDS "OUT TICKET"

DELIVERY INSTRUCTIONS—EXCHANGE SUBSCRIPTION

For United States of America 3⅝ Percent Treasury Notes of Series B-1961 Dated December 1, 1958, Due May 15, 1961

NOTES DESIRED IN EXCHANGE

eces	Denomination	Face amount			(Leave this space blank)
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

☐ 1. Deliver over the counter to the undersigned
☐ 2. Hold in safekeeping (for member bank only)
☐ 3. Hold as collateral for Treasury Tax and Loan Account
☐ 4. Ship to the undersigned
☐ 5. Special instructions:

Submitted by ....

Address ....

(If space is insufficient in schedules below, attach separate listing)

List of Accounts Included in this Subscription

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account (Please print or typewrite)	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	$

Denominations and Serial Numbers of Securities Surrendered

Issue							
3¾% C of I's (D 1958)							
2½% Bonds (1958)							

ber's Reference No. TRIPLICATE—TREASURY REPORTS COPY Subscription No. **N-3**

EXCHANGE SUBSCRIPTION

For United States of America 3⅝ Percent Treasury Notes of Series B-1961 Dated December 1, 1958, Due May 15, 1961

ERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 45, N. Y.

Dated at ....
....1958

R SIRS:

Subject to the provisions of Treasury Department Circular No. 1018, dated November 19, 1958, the ersigned hereby subscribes, at a price of 99⅞ percent of their face value, for United States of America percent Treasury Notes of Series B-1961, in the amount of $....................................* and tenders in ment therefor a like par amount of the securities—

Delivered to you herewith .... $..........................

To be withdrawn from securities held by you .... $..........................

To be delivered by .... $..........................

*(Please fill in on the reverse side the schedule "List of Accounts Included in this Subscription.")

SECURITIES SURRENDERED

(List serial numbers on reverse side)

	Face amount
3¾% Treasury C of I's of Series D-1958 (detach coupons)	$..............................
2½% Treasury Bonds of 1958 with Dec. 15, 1958 coupons attached	$..............................
Total	$..............................

(All subscribers should fill in item 1 below. In addition, if bonds are surrendered, fill in item 2 below)

1. Pay the discount ($1.25 per $1,000 on the notes allotted) due subscriber in the amount of ....: ☐ By check ☐ By credit to our reserve account

2. Pay accrued interest on the bonds surrendered from June 15 to December 1, 1958 ($11.54372 per 000) in the amount of $.................................., as follows:
☐ By check ☐ By credit to our reserve account

Submitted by ....

Address ....

NONNEGOTIABLE RECEIPT

Subscription No.

Subscriber:

ERAL RESERVE BANK OF NEW YORK, Fiscal Agent of the United States, hereby acknowledges receipt of rities tendered with subscription numbered as above in exchange for
3⅝ PERCENT TREASURY NOTES OF SERIES B-1961.

rities allotted on this subscription will be delivered
December 1, 1958, in accordance with your instructions. ....

Teller
Government Bond Division—Issues & Redemption Section

NOTES DESIRED IN EXCHANGE

es	Denomination	Face amount			*(Leave this space blank)*
	$ 1,000				
	5,000				
	10,000				
	100,000				
	1,000,000				
	TOTAL				

Dispose of securities issued as follows:

☐ 1. Deliver over the counter to the undersigned
☐ 2. Hold in safekeeping (for member bank only)
☐ 3. Hold as collateral for Treasury Tax and Loan Account
☐ 4. Ship to the undersigned
☐ 5. Special instructions:

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States

....
(Date)

u are hereby authorized to deliver to

....
(Name of representative)

ose signature appears below,

$.............................. par amount
securities issued pursuant to this subscription.

Name..............................
(Please print)

....
(Official signature required)

....
(Signature of authorized representative)

Submitted by ....

Address ....

To Subscriber: If securities are to be delivered over the counter at this Bank to your representative, the authority in the box to the left should be executed on the date of delivery.

(If space is insufficient in schedules below, attach separate listing)

List of Accounts Included in this Subscription

(Indicate amount of each issue surrendered by each customer and by yourself)

(Leave this space blank)	Name and address of account *(Please print or typewrite)*	3¾% C of I's (D 1958)	2½% Bonds (1958)	Total
		$	$	$
	Our own account			
	Total subscription	$	$	$

Denominations and Serial Numbers of Securities Surrendered

Issue							
3¾% C of I's (D 1958)							
2½% Bonds (1958)							

at 4663

Not for Publication November 14, 1958

THE TREND OF BUSINESS IN
THE SECOND DISTRICT

Research Department
Federal Reserve Bank of New York

Business activity in the Second District evidently edged upward with the national recovery during August and September, although with less apparent vigor than could be observed elsewhere in the country. To judge by the rising levels of earnings, department store sales, and construction activity, the recovery has been steady. However, it has been unevenly distributed throughout the District. Unemployment has fallen seasonally, but pockets of substantial labor surplus remain and the District level of unemployment is still high.

Seasonally adjusted total nonagricultural employment has shown no clear sign of participating in the recovery. In contrast to the national total, which has risen steadily, nonagricultural employment in this District has been marked by small erratic monthly changes and no net increase since May. Following a small increase in July, employment fell in August to the lowest level in the past three years and rose only slightly in September.

The August and September changes were chiefly attributable to variations in manufacturing employment, which fell 1 per cent in August to a new recession low, 11 per cent below the cyclical peak reached in June 1957; in September it recovered only very slightly. The chief areas of weakness in the employment picture are in automotive and machinery manufacturing among durable goods, and in textile, apparel, and petroleum manufacturing among nondurables. The number of workers employed in both durable and nondurable goods manufacturing enterprises, before seasonal adjustment, was higher in September than in July--but in both manufacturing lines the increase was less than seasonally expected.

Outside of manufacturing, nonfarm employment (seasonally adjusted) apparently reached its low point in July and has been rising at an accelerating pace since that time. However, nonmanufacturing employment has shown a much smaller decline in the past year than employment in manufacturing; while nonmanufacturing employment in September was less than 1 per cent below the year-ago level, manufacturing employment was down more than 9 per cent from September 1957. From the viewpoint of available jobs, the recession in this District has been concentrated in manufacturing industries and it is in this same area that the least recovery is evident.

Unemployment in the District's Major Labor Market Areas

Area	Classification* September 1957	July 1958	September 1958
Connecticut			
Bridgeport	B	F	E
Stamford-Norwalk	A	C	C
New Jersey			
Newark	C	D	D
Paterson	C	E	D
Perth Amboy	C	E	D
New York			
Albany-Schenectady-Troy	C	D	D
Binghamton	B	C	D
Buffalo	C	F	F
New York	C	D	D
Rochester	B	C	D
Syracuse	B	D	D
Utica-Rome	C	E	E

Note: There are currently nineteen smaller areas in the District with substantial labor surplus. These areas include: in Connecticut, Ansonia and Danbury; in New Jersey, Long Branch, Morristown-Dover, and Plainfield-Somerville; in New York, Amsterdam, Auburn, Batavia, Corning-Hornell, Elmira, Glens Falls-Hudson Falls, Gloversville, Jamestown-Dunkirk, Kingston, Newburgh-Middletown-Beacon, Olean-Salamanca, Oneida, Oneonta, and Watertown. In July sixteen areas had substantial labor surplus, while in September 1957 only one area (Long Branch, New Jersey) was in this category.

* Group A - critical labor shortage; unemployment less than 1.5 per cent.
Group B - moderate labor shortage; unemployment 1.5-2.9 per cent.
Group C - moderate labor surplus; unemployment 3.0-5.9 per cent.
Group D - substantial labor surplus; unemployment 6.0-8.9 per cent.
Group E - very substantial labor surplus; unemployment 9.0-11.9 per cent.
Group F - severe labor surplus; unemployment 12.0 per cent or more.

Source: United States Bureau of Labor Statistics.

The fall upturn in business activity has significantly reduced unemployment throughout the District, but, as in the country, the reduction has been largely seasonal. In New York (both in the city and upstate), the number of unemployed claimants under the State insurance programs declined steadily from early July to late October, but part of the drop reflected the exhaustion of benefit rights by people who had been unemployed for longer periods. New Jersey and Connecticut have shown similar patterns, although the decline in the number of jobless in these States has lagged behind New York.

Despite the recent improvement, unemployment remains high in most of the District's major labor markets (see table). Of the thirty-one labor markets in this District classified by the Bureau of Labor Statistics, only two (Rochester and Stamford-Norwalk) were estimated in September to have an unemployment rate less than the national average of 6.0 per cent (not adjusted for seasonal variation). Binghamton, which previously was found to have only a moderate labor surplus, was reclassified in September as an area of substantial labor surplus. Three major labor markets in the District showed improvement, however. The number of jobless fell below 12 per cent in Bridgeport and below 9 per cent in Paterson and Perth Amboy, all three cases representing a significant decline in unemployment from July to September. Only Buffalo is now considered to have a "severe" labor surplus--12 per cent or more of the labor force unemployed--and rehiring by durable goods manufacturers, including motor vehicle facilities, began to ease unemployment in this area during September.

While weekly hours worked in the District have increased since July, the increase has been less than seasonal and has probably reflected less-than-normal opportunity for overtime earnings. Hourly earnings in September, however, were at about the same high level as in July and average weekly earnings in the District rose to a new peak, $85.23, up $1.01 from July. Total factory payrolls expanded by almost 5 per cent in the same two-month period, incorporating an increase in the number of workers on factory payrolls and a rise in average wage rates.

At the same time, while incomes were rising, department store sales in the District reached a new peak in August, and ran nearly 2 per cent above year-ago levels in both August and September. The pattern was uneven in the District, however, with sales depressed to levels significantly below year-ago volume in serious unemployment areas, such as Buffalo, Bridgeport, and Newark. In the New York metropolitan area, on the other hand, there has been vigorous consumer buying, with the result that department store sales have averaged nearly 4 per cent above year-ago volume since July. While these gains partly reflect the opening of new suburban stores in New Jersey, it is notable that in October the sales by big downtown stores rose to the highest levels in history for that month. Outstanding consumer credit at District commercial banks has also risen slightly in each month since April, demonstrating a renewed willingness of consumers to accumulate indebtedness to attain their buying goals.

Construction has contributed strongly to the rise of activity in the District and promises to show continued gains in future months. Awards of public works and utilities contracts in August and September were more than double the value of awards in the corresponding months of 1957 or 1956, with the most significant increases above the year-ago levels appearing in New York State and in Fairfield County, where new power-generating and transmission facilities are to be installed. Other nonresidential building contracts in New York State and Fairfield County also turned upward to levels substantially above the comparative periods in 1957 and 1956, compensating for the low level of such awards in June and July of this year. Awards for nonresidential building in New Jersey also increased in August and September, but less sharply than elsewhere in the District.

Since June, contracts for residential construction in the District, as in the nation, have been significantly above the levels of the corresponding months in recent years. In September, chiefly as a result of a surge of new awards in New York, total residential building contracts turned up again, contraseasonally, to a level 40 per cent above that of September 1956 or 1957. New York will be the chief beneficiary of the stimulus to business activity from the high level of construction expenditures predicted by these contract awards, while New Jersey appears to be lagging significantly.