

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, September 12, 1957

## PRELIMINARY ANNOUNCEMENT CASH OFFERING

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

There is quoted below a press statement issued today by the Treasury Department in regard to the new cash offering:

“The Treasury Department announced today that on Monday, September 16, it will offer for cash subscription \$3 billion, or thereabouts, of Public Debt securities. The offering will consist of \$500 million, or thereabouts, of a new 4 percent 12-year Treasury bond, \$1,750 million, or thereabouts, of a new 4 percent 5-year Treasury note redeemable at the option of the holder on February 15, 1960 on 3 months advance notice and \$750 million, or thereabouts, of the 4 percent Treasury Certificates of Indebtedness of Series C-1958, dated and bearing interest from August 1, 1957, and due August 1, 1958. In addition, up to \$100 million of each of the three issues may be allotted to Government investment accounts.

“The new bonds will be dated October 1, 1957, and will mature October 1, 1969. Payment of not more than 50 percent of the amount allotted on this issue may be deferred until not later than October 21, 1957. In the case of deferred payments, accrued interest must be paid at the rate of \$0.11 a day per \$1,000 from October 1 to the dates payments are completed. Interest will be payable on these bonds semiannually on April 1 and October 1 in each year.

“The new notes will be dated September 26, 1957, and will mature August 15, 1962. Interest will be payable on a semiannual basis on February 15, 1958, and thereafter each six months until the notes become payable.

“Since interest will run from August 1, 1957, in the case of the additional issue of certificates of indebtedness, accrued interest from August 1, 1957, to September 26, 1957, the date payment must be made, will be collected. This interest will amount to about \$6.09 per \$1,000. Interest on this issue will be payable on February 1 and August 1, 1958.

“Subscriptions for each of the three issues from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, and such banks may subscribe for each issue to an amount not exceeding 50 percent of the combined capital, surplus and undivided profits of the subscribing banks. A payment of 2 percent of the amount of securities subscribed for must be made on all other subscriptions. The securities may be paid for by credit in Treasury Tax and Loan Accounts.

“Commercial banks and other lenders are requested to refrain from making unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the 2 percent deposits required to be paid when subscriptions are entered.

“Any subscription addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, September 16, will be considered as timely.”

Official circulars and subscription forms for the cash offering will be mailed to reach all banking institutions by Monday, September 16. However, if the circulars and forms are not received in sufficient time, subscriptions may be entered by mail, telegraph or telephone, subject to confirmation with an official subscription blank.

Yours very truly,

Watrous H. Irons

President