

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 29, 1958

PRELIMINARY ANNOUNCEMENT EXCHANGE 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 exchange offering:

"The Treasury Department today announced that on Monday, February 3, it will offer three new Treasury securities, all to be dated February 14, 1958, as follows:

2½ percent Treasury Certificates of Indebtedness of Series A-1959, maturing February 14, 1959

3 percent Treasury Bonds of 1964, maturing February 15, 1964

3½ percent Treasury Bonds of 1990, maturing February 15, 1990.

Each of the three issues will be open only on an exchange basis to holders of any of the following maturing securities:

<u>Title of Issue</u>	<u>Maturity Date</u>	<u>Amount Outstanding (Millions of Dollars)</u>
3¾ % Treasury Certificates, Series A-1958.....	February 14, 1958.....	10,851
2½ % Treasury Bonds of 1956-58.....	March 15, 1958.....	1,449
1½ % Treasury Notes, Series EA-1958.....	April 1, 1958.....	383
Treasury Bills (Special Issue).....	April 15, 1958.....	1,751
3½ % Treasury Certificates, Series B-1958.....	April 15, 1958.....	2,351
Total.....		16,785

"Interest on the new certificates will be payable on August 14, 1958, and February 14, 1959. Interest on the two new bonds will be payable on August 15, 1958, and thereafter on February 15 and August 15, in each year until they respectively mature.

"Exchange of the maturing securities for any of the three new issues will be made par for par with the following interest adjustments:

3¾ % Certificates of Indebtedness of Series A-1958: Coupons dated February 14, 1958, to be detached and cashed when due.

2½ % Treasury Bonds of 1956-58: To be surrendered with coupons dated March 15, 1958, attached. Accrued interest from September 15, 1957, to February 14, 1958, will be paid the subscriber following acceptance of the bonds. In the case of registered bonds accrued interest will be paid in accordance with the assignments.

1½ % Treasury Notes of Series EA-1958: To be surrendered with coupons dated April 1, 1958, attached. Interest from October 1, 1957, to April 1, 1958, will be credited, accrued interest from February 14, 1958, to April 1, 1958, at the appropriate rate on the new securities for which the notes are exchanged will be charged, and the difference will be paid the subscriber following acceptance of the notes.

(Over)

Treasury Bills maturing April 15, 1958: They will be accepted at face value. Accrued interest from February 14, 1958, to April 15, 1958, at the rate borne by the securities for which the bills are exchanged must be paid by the subscriber following acceptance of the bills.

3½% Certificates of Indebtedness of Series B-1958: Coupons dated April 15, 1958, must be attached to certificates when surrendered. Interest from October 15, 1957, to February 14, 1958, will be paid if exchanged for new 3½% bonds. If exchanged for the 2½% certificates or the 3% bonds interest from October 15, 1957, to April 15, 1958, will be credited. Interest from February 14, 1958, to April 15, 1958, at the appropriate rate borne by the new securities subscribed for will be charged, and the difference will be paid the subscriber following acceptance of the certificates.

"The subscription books will be open only on February 3 through February 5 for this exchange offering. Any subscription for any of the three issues addressed to a Federal Reserve Bank or Branch or to the Treasurer of the United States and placed in the mail before midnight Wednesday, February 5, will be considered as timely."

**TABLE OF INTEREST ADJUSTMENTS PER \$1,000 IN CONNECTION WITH EXCHANGE OF VARIOUS
MATURING SECURITIES FOR NEW 2½% CERTIFICATES, 3% BONDS AND 3½% BONDS**

<u>Securities Surrendered</u>	<u>Int. Credited to Subscriber</u>	<u>Int. Charged to Subscriber</u>	<u>Net Amount to Be Paid Subscriber</u>	<u>Net Amount to Be Collected From Subscriber</u>
3½% Certs., Series A-1958	\$16.78	\$	\$16.78	\$
2½% Bonds of 1956-58	10.50	.....	10.50	.....
1½% Notes of Series EA-1958				
(If Exchanged for 2½'s)	7.50	3.18	4.32	.....
(If Exchanged for 3's)	7.50	3.81	3.69	.....
(If Exchanged for 3½'s)	7.50	4.45	3.05	.....
Treasury Bills				
(If Exchanged for 2½'s) . . . . .	.....	4.14	.....	4.14
(If Exchanged for 3's) . . . . .	.....	4.97	.....	4.97
(If Exchanged for 3½'s) . . . . .	.....	5.80	.....	5.80
3½% Certs., Series B-1958				
(If Exchanged for 2½'s)	17.50	4.14	13.36	.....
(If Exchanged for 3's)	17.50	4.97	12.53	.....
(If Exchanged for 3½'s)	11.73	.....	11.73	.....

Official circulars and subscription forms for the exchange offering will be mailed to reach all banking institutions by Monday, February 3. 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