

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 2, 1958

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 a new cash offering:

“The Treasury Department announced today that on Monday, April 7, it will offer for cash subscription \$3½ billion, or thereabouts, of 2⅝ percent 4-year 10-month Treasury notes. The subscription books will be open only on April 7 for this offering. In addition up to \$100 million of the notes may be allotted to Government Investment accounts.

“The new notes will be dated April 15, 1958, and will mature February 15, 1963. Interest will be payable on a semiannual basis on August 15, 1958, and thereafter on February 15 and August 15 in each year.

“Subscriptions from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit, but will be restricted to an amount not exceeding 75 percent of the combined capital, surplus and undivided profits of the subscribing bank. A payment of 10 percent of the amount of notes subscribed for must be made on all other subscriptions. The new 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 notes subscribed for, to cover the 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, April 7, will be considered as timely.”

The official circular and subscription forms for the cash offering will be mailed to reach you by Monday. However, if the circular and forms are not received by Monday, April 7, subscriptions may be entered by mail, telegraph or telephone, subject to confirmation with an official subscription blank.

Yours very truly,

Watrous H. Irons

President