

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 29, 1959

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 a new exchange offering:

"The Treasury Department announced today an optional exchange offering of 3¾ percent one-year Treasury certificates of indebtedness, to be dated February 15, 1959, and to mature February 15, 1960, and 4 percent 3-year Treasury notes, to be dated February 15, 1959, and to mature February 15, 1962, open to holders of \$9,770 million 2½ percent certificates of indebtedness maturing February 14 and \$5,102 million 1⅞ percent notes maturing February 15. Cash subscriptions will not be received.

"The new certificates and the new notes will be offered at an issue price of 99.993 percent of par to holders of the maturing certificates, and at par to holders of the maturing notes.

"In order to obtain uniform dates of issue and to have the maturity dates for the new certificates and notes coincide with the quarterly maturity dates for marketable issues, namely, February 15, May 15, August 15 and November 15, a discount of \$0.07 per \$1,000 on the issue price of the new certificates and notes is being allowed to the holders tendering the 2½ percent certificates maturing February 14, 1959, for exchange. This discount is equivalent to one day's interest covering the day which elapses between the maturity date of the certificates maturing February 14 and the date of issue of the new certificates and notes.

"Interest will be payable on the new certificates semiannually on August 15, 1959, and February 15, 1960. Interest on the new notes will be payable semiannually on August 15, 1959, and thereafter on February 15 and August 15 in each year.

"The subscription books will be open February 2 through February 4 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 Wednesday, February 4, will be considered as timely."

Official circulars and subscription forms for the exchange offering will be mailed as soon as possible. However, if the circulars and forms are not received by Wednesday, February 4, subscriptions may be entered by mail, telegraph or telephone, subject to confirmation with official subscription blanks.

Yours very truly,

Watrous H. Irons

President