

FEDERAL RESERVE BANK OF DALLAS
FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, March 19, 1959

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 it is offering for cash subscription:

\$2,000 million, or thereabouts, of 289-day Treasury bills to be dated April 1, 1959, and to mature January 15, 1960;

\$1,500 million, or thereabouts, of 4 percent Treasury notes of Series B-1963, at par, to be dated April 1, 1959, and to mature May 15, 1963;

\$500 million, or thereabouts, of additional 4 percent Treasury bonds of 1969, at par, originally issued October 1, 1957, and maturing October 1, 1969, with interest from April 1, 1959.

"The subscription books will be open for the Treasury notes and bonds only on Monday, March 23, 1959. The Treasury bills will be sold at auction on Thursday, March 26, 1959.

TREASURY BILLS

"The inclusion in the current financing of a Treasury bill to be issued on an auction basis and to mature January 15, 1960, is the first step in a move by the Treasury looking to the eventual establishment of a pattern of one-year maturities on quarterly dates in January, April, July and October, which after their initial issue will be redeemed at maturity and replaced with one-year obligations offered on an auction basis.

TREASURY NOTES

"Subscriptions to the May 1963 notes from commercial banks, for their own account, will be received without deposit, but will be restricted to 50 percent of the combined capital, surplus and undivided profits of the subscribing bank, and subscriptions from all others must be accompanied by payment of 2 percent of the amount of notes applied for not subject to withdrawal until after allotment.

TREASURY BONDS

"Subscriptions to the October 1969 bonds from commercial banks, for their own account, and from States, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds will be received without deposit. Subscriptions from all others must be accompanied by payment of 20 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 5 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations, and other organizations not operated for profit) and of savings deposits; or 15 percent of the combined capital, surplus and undivided profits, of the subscribing bank, whichever is greater.

(over)

GENERAL REQUIREMENTS FOR ALL THREE ISSUES

"The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds or notes applied for, and to make different percentage allotments to various classes of subscribers

"Commercial banks and other lenders are requested to refrain from making unsecured loans, or loans collateralized in whole or in part by the notes or bonds subscribed for, to cover the deposits required to be paid when subscriptions are entered, and banks will be required to make the usual certification to that effect.

"All subscribers to all three issues are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of the securities subscribed for under this offering, until after midnight, March 23, in the case of the notes and bonds, and until after the closing hour for tenders on March 26 in case of the bills.

"Any subscriptions for the notes or the bonds addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, March 23, will be considered as timely.

"Full details regarding the offering of Treasury bills will be released for morning newspapers, Monday, March 23.

"The new issues may be paid for by credit in Treasury Tax and Loan accounts."

The books for the receipt of the subscriptions to the notes and bonds will be open only on **Monday, March 23, 1959**. The Treasury bills will be sold at auction on **Thursday, March 26, 1959**. Subscriptions for the notes and bonds and tenders for the bills will be received at this bank and its branches at El Paso, Houston and San Antonio.

Official circulars and subscription forms for the cash offering will be mailed as soon as possible. However, if the circulars and forms are not received by Monday, March 23, subscriptions may be entered by mail, telegraph or telephone in the case of the notes and bonds and by mail or telegraph in the case of the bills, subject to confirmation with official subscription blanks.

Yours very truly,

Watrous H. Irons

President