

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 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 4¾ percent one-year Certificates of Indebtedness, to be dated November 15, 1959, and to mature November 15, 1960, and 4⅞ percent four-year Treasury Notes, to be dated November 15, 1959, and to mature November 15, 1963, open to holders of:

\$7,711,000,000 of 3⅞ percent Certificates of Indebtedness of Series E-1959, maturing November 15, 1959; and

\$1,184,000,000 of 3½ percent Treasury Notes of Series B-1959, maturing November 15, 1959.

"In addition, \$2,000,000,000, 4 percent Treasury Notes of Series B-1962 maturing August 15, 1962, will be eligible for exchange into the new four-year notes only. Holders of the Series B-1962 notes have an option to effect the redemption of such notes on February 15, 1960, upon giving notice of intention to redeem not later than November 16, 1959. Cash subscriptions will not be received.

"Interest on the new certificates will be payable on May 15 and November 15, 1960. Interest on the new notes will be payable May 15 and November 15 in each year until the principal amount is payable.

"Exchanges will be made at par as of November 15. The coupons due on that date on the maturing certificates and 3½ percent notes maturing on November 15, 1959, should be detached and cashed when due. In the case of the 4 percent Notes of Series B-1962, interest coupons Nos. 5 through 10 should be attached to the notes when they are surrendered, and accrued interest for these notes from August 15, 1959, to November 15, 1959, will be paid subscribers following acceptance of the notes.

"The delivery date for both new issues will be November 16.

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

"The 4⅞ percent four-year notes maturing November 15, 1963, will be made available in registered form, as well as bearer form. Notes in this form, however, will not be available for immediate delivery on November 16, as special printing arrangements have to be made for registered notes. In the interim, notes in conventional bearer form will be available to subscribers.

"The Treasury also announced that in view of the widespread interest of individuals evidenced by their purchases of the 4¾ percent Treasury notes dated July 20, 1959, maturing May 15, 1964, and the 5 percent Treasury notes dated October 15, 1959, maturing August 15, 1964, it is arranging to make available to the holders of these issues notes in registered form. As soon as the new registered notes are available, a further announcement will be made and instructions for presenting bearer notes for exchange for registered notes will be given."

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, November 4, subscriptions may be entered by mail, telegraph, or telephone, subject to confirmation with official subscription blanks.

Yours very truly,

Watrous H. Irons

President