

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 27, 1961

PRELIMINARY ANNOUNCEMENT TREASURY FINANCING

**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 current financing:

“The Treasury will borrow \$7¾ billion, or thereabouts, on May 15, 1961, for the purpose of paying off in cash securities maturing May 15, 1961.

“The maturing securities to be redeemed in cash are:

\$3,674 million of 4¾ percent Certificates of Indebtedness of Series B-1961, dated May 15, 1960, maturing May 15, 1961, and \$4,078 million of 3⅝ percent Treasury Notes of Series B-1961, dated December 1, 1958, maturing May 15, 1961.

“The \$7¾ billion of new cash to be borrowed will be obtained from the issue of:

\$5,250 million, or thereabouts, of 3 percent Treasury certificates of indebtedness, to be dated May 15, 1961, and to mature May 15, 1962, and
\$2,500 million, or thereabouts, of 3¼ percent Treasury notes, to be dated May 15, 1961, and to mature May 15, 1963.

“The new certificates of indebtedness and Treasury notes will be issued at par, and subscriptions will be received subject to allotment. Payment for the new certificates and notes may be made in cash, in 4¾ percent Certificates of Indebtedness of Series B-1961, or in 3⅝ percent Treasury Notes of Series B-1961, maturing May 15, 1961, which will be accepted at par, in payment or in exchange, in whole or in part, for the new Treasury certificates of indebtedness and Treasury notes subscribed for, to the extent such subscriptions are allotted by the Treasury.

“The subscription books for the new issues will be open only on **Monday, May 1.**

“Any subscriptions for the new 3 percent certificates of indebtedness or 3¼ percent Treasury notes with the required deposits addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before **midnight May 1, 1961,** will be considered timely.

“The new issues may **not** be paid for by credit in Treasury Tax and Loan accounts.

“Other details concerning the new certificates of indebtedness and Treasury notes are as follows:

“Subscriptions from commercial banks, for their own account, will be restricted in the case of each new issue to an amount not exceeding 50 percent of the combined capital, surplus, and undivided profits of the subscribing bank.

“Subscriptions from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds

membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit.

"Subscriptions from all others must be accompanied by payment of 2 percent (in cash, or Treasury Certificates of Indebtedness of Series B-1961, or Treasury Notes of Series B-1961, maturing May 15, 1961, at par) of the amount of new certificates of indebtedness or Treasury notes applied for which will not be subject to withdrawal until after allotment.

"The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of 3 percent certificates of indebtedness or 3¼ percent Treasury notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and Federal Reserve Banks, will be allotted in full. The bases of the allotment of all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

"All subscribers 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 any of the new 3 percent certificates of indebtedness or 3¼ percent Treasury notes until after midnight May 1, 1961.

"Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account."

Official circulars and subscription forms for the offering will be mailed Friday, April 28, 1961. However, if the circulars and forms are not received by Monday, May 1, subscriptions may be entered by mail, telegraph or telephone, subject to confirmation with official subscription blanks.

Yours very truly,

Watrous H. Irons,

President