# FEDERAL RESERVE BANK OF DALLAS 

Dallas, Texas, July 13, 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:

## Treasury to refund $\$ 12.5$ billion of securities maturing August 1 to Ocfober 1, and to raise $\$ 3.5$ billion in cash

"The Treasury is offering holders of Treasury securities maturing from August 1, 1961, through October 1, 1961, aggregating $\$ 12,536$ million, the right to exchange them for any of the following securities:
$31 / 4$ percent $151 / 2$ month Treasury notes to be dated August 1, 1961, and to mature November 15, 1962, at par: or

33/4 percent 3-year Treasury notes to be dated August 1, 1961, and to mature August 15, 1964, at par: or
$37 / 8$ percent Treasury Bonds of 1968, dated June 23, 1960, maturing May 15, 1968, of which $\$ 1,390$ million are outstanding, at 99.375 .
"The additional amounts of $37 / 8$ percent Treasury bonds maturing May 15, 1968, included in this exchange offering, will be issued at a price of 99.375 , to yield 3.98 percent to maturity.
"Cash subscriptions for the securities listed above will not be received.
"The maturing issues eligible for exchange are as follows:
$\$ 7,829$ million of $31 / 8$ percent Treasury Certificates of Indebtedness of Series C-1961, dated August 15, 1960, maturing August 1, 1961: and
$\$ 2,136$ million of 4 percent Treasury Notes of Series A-1961, dated August 1, 1957, maturing August 1, 1961: and
$\$ 2,239$ million of $23 / 4$ percent Treasury Bonds of 1961 , dated November 9, 1953, and maturing September 15, 1961: and
\$332 million of $11 / 2$ percent Treasury Notes of Series EO-1961, dated October 1, 1956, due October 1, 1961
"The subscription books will be open only on July 17 through July 19 for the receipt of subscriptions. Subscriptions for any issue addressed to a Federal Reserve Bank or Branch, or to
the office of the Treasurer of the United States, and placed in the mail before midnight July 19, will be considered as timely. The securities will be delivered August 1, 1961, and will be made available in registered form, as well as bearer form.

## taX ANTICIPATION BILLS

"In addition to the exchange privileges open to the holders of the maturing Treasury securities, the Treasury will also receive tenders on Thursday, July 20, 1961, for approximately $\$ 3.5$ billion of 240 -day Tax Anticipation Treasury Bills to be dated July 26, 1961, and to mature March 23, 1962. Qualified depositaries may make payment for the bills by credit in their Treasury Tax and Loan accounts.

## interest payment dates

"Interest on the new $31 / 4$ percent $151 / 2$-month Treasury note will be paid on November 15, 1961, and semiannually on May 15 and November 15, 1962. Interest on the $33 / 4$ percent 3 -year Treasury note will be payable semiannually on February 15 and August 15. Interest on the $37 / 8$ percent bonds of 1968 is payable semiannually May 15 and November 15.
"Exchanges of the $31 / 8$ percent Certificates of Indebtedness and 4 percent Treasury Notes maturing August 1, 1961, may be made for a like face amount of either the $31 / 4$ percent Treasury notes maturing November 15, 1962, or the $33 / 4$ percent Treasury notes maturing August 15, 1964. Coupons dated August 1, 1961, on the maturing $31 / 8$ percent certificates and 4 percent Treasury notes exchanged for the new Treasury notes should be detached by holders and cashed when due.
"Exchanges of the securities maturing August 1, 1961, for additional amounts of the $37 / 8$ percent Treasury bonds maturing May 15, 1968, will be made with interest adjustments as of August 1, 1961. Coupons dated August 1, 1961, on the maturing certificates and notes exchanged, must be attached to the certificates and notes when surrendered. Adjustments will be made with the subscribers to the $37 / 8$ percent Treasury Bonds of 1968 , as follows:

| Maturing Issue Exchanged for 3 $/ 8$ Percent Bond | CREDITS <br> Amount <br> Due on <br> Maturing Issue | \$1,000 Discount on 3 $1 / 8$ Percent Bond | CHARGES PER $\$ 1,000$ <br> Accrued Interest to 8/1/61 <br> on 3 $7 / 8$ Percent Bond | Difference to Be Paid to Subscriber |
| :---: | :---: | :---: | :---: | :---: |
| $31 / 8$ percent certificate | \$15.625 | \$6.25 | \$8.21332 | \$13.66168 |
| 4 percent note | 20.00 | 6.25 | 8.21332 | 18.03668 |

## EXCHANGES OF $\mathbf{2 3} / 4$ PERCENT TREASURY BONDS

"The maturing $23 / 4$ percent Treasury bonds due September 15, 1961, may be exchanged for a like face amount of the new $31 / 4$ percent Treasury notes due November 15, 1962, or the $33 / 4$ percent Treasury notes due August 15, 1964, with interest adjustments as of August 1, 1961. Exchanges of the maturing $23 / 4$ percent Treasury bonds due September 15, 1961, also may be made for a like face amount of the additional $37 / 8$ percent Treasury bonds due May 15, 1968, which will be issued at 99.375, with interest adjustments as of August 1, 1961.
"Coupons dated September 15, 1961, must be attached to the $23 / 4$ percent Treasury Bonds of 1961 in coupon form when surrendered. Adjustments with the holders who exchange their $23 / 4$ percent bonds will be made as follows:

| 23/4 Percent Bonds Exchanged for | CREDITS P <br> Accrued Interest <br> on $23 / 4$ Percent Bonds to 8/1/61 | $\$ 1,000$ <br> Discount on 37/8 Percent Bond | $\begin{gathered} \text { CHARGES PER } \\ \$ 1,000 \\ \text { Accrued Interest } \\ \text { to } 8 / 1 / 61 \text { on } \\ 31 / 8 \text { Percent } \\ \text { Bond } \end{gathered}$ | Amount to Be Paid to Subscriber |
| :---: | :---: | :---: | :---: | :---: |
| $31 / 4$ percent note $11 / 15 / 62$ | \$10.38723 | - | - | \$10.38723 |
| $33 / 4$ percent note $8 / 15 / 64$ | 10.38723 |  | - | 10.38723 |
| $37 / 8$ percent bonds of 1968 | 10.38723 | \$6.25 | \$8.21332 | 8.42391 |

## exchanges of $11 / 2$ PERCENT tREASURY NOTES

"Holders of the $11 / 2$ percent Treasury Notes, Series EO-1961, maturing October 1, 1961, may exchange them for a like face amount of the new $31 / 4$ percent Treasury notes maturing November 15, 1962, the $33 / 4$ percent Treasury notes maturing August 15, 1964, or additional $37 / 8$ percent Treasury bonds due May 15, 1968, which will be offered at 99.375 . Exchanges of the $11 / 2$ percent Treasury Notes Series EO-1961, will be made with interest adjustments as of September 1, 1961.
"Coupons dated October 1, 1961, must be attached to the $11 / 2$ percent Treasury notes when surrendered. Adjustments with the holders who exchange their $11 / 2$ percent Treasury notes will be made as follows:

"An announcement concerning the issuance of $\$ 3.5$ billion of 240-day Treasury Tax Anticipation Bills is also being released at this time."

Tenders for the offering of Tax Anticipation Treasury Bills will be mailed today. Official circulars and subscription forms for the offerings of Treasury notes and Treasury bonds will be mailed to reach all banking institutions by Monday, July 17.

Yours very truly,
Watrous H. Irons

