

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, November 2, 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 2½ percent Treasury bonds maturing November 15, 1961,
and to raise \$800 million in cash**

"The Treasury is offering holders of \$6,963 million of 2½ percent Treasury Bonds of 1961, which mature November 15, 1961, and which were originally issued on February 15, 1954, the right to exchange them for any of the following securities:

A 3¼ percent note dated November 15, 1961, due February 15, 1963, at par: or

An additional amount of 3¾ percent Treasury Bonds of 1966, originally issued November 15, 1960, maturing May 15, 1966, in the amount of \$1,213 million, at 99.75, with interest from November 15, 1961, to yield about 3.81 percent: or

An additional amount of 3⅞ percent bonds of 1974, originally issued on December 2, 1957, maturing November 15, 1974, in the amount of \$654 million, at 99.00, with interest from November 15, 1961, to yield about 3.97 percent.

"Cash subscriptions for the securities listed above will not be received.

"The subscription books will be open only on November 6 through November 9 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 November 9, will be considered as timely. The securities will be delivered November 15, 1961, and will be made available in registered form, as well as bearer form.

"Interest on the new 3¼ percent 15-month Treasury note will be paid on February 15 and August 15, 1962, and February 15, 1963. Interest on the 3¾ percent Treasury Bonds of 1966, and the 3⅞ percent Treasury Bonds of 1974 is payable semiannually on May 15 and November 15.

"Exchanges of the 2½ percent Treasury bonds maturing November 15, 1961, may be made for a like face amount of the securities included in this exchange offering. Coupons dated November 15, 1961 on the maturing 2½ percent Treasury bonds exchanged for the new issues should be detached by holders and cashed when due. Interest on the securities issued in exchange will be payable from November 15, 1961.

"Holders of the 2½ percent Treasury bonds maturing November 15, 1961, who exchange them for the 3¾ percent Treasury Bonds of 1966 will be paid the amount of \$2.50 per \$1,000, representing the discount on the new securities and holders of the 2½ percent bonds who exchange them for the 3⅞ percent bonds of 1974 will be paid \$10 per \$1,000, representing the discount on such bonds.

TREASURY BILLS

"In addition to the exchange privilege open to the holders of the maturing 2½ percent Treasury Bonds of 1961, the Treasury will also receive tenders on Thursday, November 9, for approximately \$800 million of a "strip" of additional amounts of eight series of outstanding Treasury bills maturing weekly from December 7, 1961 to January 25, 1962, inclusive.

"The additional amount of each weekly series will be \$100 million. These additional Treasury bills will be issued on November 15, 1961 and payment for them must be made in cash or other immediately available funds on that date. Payment for such bills by credit in Treasury Tax and Loan accounts will not be permitted.

"Full details concerning these Treasury bills are contained in the Treasury's announcement inviting tenders for such bills which is being released today."

Tender forms for the offering of Treasury bills are being mailed today. Official circulars and subscription forms for the offerings of Treasury notes and bonds will be mailed to reach all banking institutions by Monday, November 6.

Yours very truly,

Watrous H. Irons

President