

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 5, 1962

## PRELIMINARY ANNOUNCEMENT CASH 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 Will Borrow \$1 Billion By Offering 3¾ Percent Bonds of 1968**

"The Treasury announced today that on Monday, April 9, it will offer for cash subscription \$1 billion, or thereabouts, of 3¾ percent Treasury bonds to be dated April 18, 1962, and to mature August 15, 1968. The bonds are to be offered at par. Payment may be made through credit to Treasury Tax and Loan accounts, and will be due on April 18.

"In addition to the amount of bonds to be offered for public subscription, the Secretary of the Treasury reserves the right to allot up to \$100 million of the bonds to Government investment accounts.

"Subscriptions will be received for one day only, on Monday, April 9. All subscriptions for the bonds addressed to a Federal Reserve Bank, or to the Treasurer of the United States, Washington 25, D. C., and placed in the mail before midnight, April 9, will be considered as timely.

"Subscriptions to the 3¾ percent Treasury Bonds of 1968 from banking institutions generally for their own account and from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, and 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, will be received without deposit. Subscriptions from all others must be accompanied by payment of 25 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 and savings deposits, including time certificates of deposit, or 25 percent of the combined capital, surplus and undivided profits, of the subscribing bank, whichever is greater.

"The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds 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 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 the bonds 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, April 9."

Official circulars and subscription forms for the Treasury bonds will be mailed Friday, April 6; however, if the circulars and forms are not received by Monday, April 9, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription forms.

Yours very truly,

Watrous H. Irons

President