

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 25, 1962

PRELIMINARY ANNOUNCEMENT EXCHANGE OFFERING

**To All Banking Institutions and Others Concerned
in the Eleventh Federal Reserve District:**

A press statement issued by the Treasury Department today in regard to current financing is quoted below:

Treasury to Refund \$11 Billion of Securities Maturing November 15 and December 15

The Treasury is offering holders of Treasury securities maturing November 15 and maturing or called December 15, 1962, aggregating \$10,980 million, the right to exchange them for any of the following securities:

- 3 $\frac{1}{8}$ percent Treasury Certificates of Indebtedness to be dated November 15, 1962, and to mature November 15, 1963, at par;
- 3 $\frac{1}{2}$ percent Treasury Notes to be dated November 15, 1962, and to mature November 15, 1965, at par; or
- 4 percent Treasury Bonds to be dated November 15, 1962, and to mature February 15, 1972, at par.

Cash subscriptions for the new securities will not be received. The maturing issues eligible for exchange are as follows:

- \$1,143 million of 3 $\frac{3}{4}$ percent Treasury Notes of Series C-1962, dated November 29, 1957, maturing November 15, 1962;
- \$6,082 million of 3 $\frac{1}{4}$ percent Treasury Notes of Series H-1962, dated August 1, 1961, maturing November 15, 1962;
- \$2,269 million of 2 $\frac{1}{4}$ percent Treasury Bonds of 1959-62, dated November 15, 1945, maturing December 15, 1962; and
- \$1,486 million of 2 $\frac{3}{4}$ percent Treasury Bonds of 1960-65, dated December 15, 1938, called for redemption December 15, 1962.

The subscription books will be open **only on October 29 through October 31** 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 October 31, will be considered as timely. The new securities will be delivered November 15, 1962. Interest adjustments on the 2 $\frac{1}{4}$ percent and 2 $\frac{3}{4}$ percent bonds which are exchanged will be made through November 15 and December 15, respectively, as indicated below. The new certificates of indebtedness will be available only in bearer form. The new notes and bonds will be made available in registered as well as bearer form.

Interest on the $3\frac{1}{8}$ percent certificates of indebtedness will be paid on May 15 and November 15, 1963. Interest on the $3\frac{1}{2}$ percent notes will be paid semiannually on May 15 and November 15. Interest on the 4 percent bonds will be paid semiannually on February 15 and August 15.

Exchanges of $3\frac{3}{4}$ percent and $3\frac{1}{4}$ percent notes

Exchanges of the $3\frac{3}{4}$ percent and $3\frac{1}{4}$ percent notes maturing November 15, 1962, may be made for a like face amount of any of the securities included in this exchange offering. Coupons dated November 15, 1962, on the maturing notes in bearer form should be detached by holders and cashed when due.

Exchanges of $2\frac{1}{4}$ percent bonds

Exchanges of the $2\frac{1}{4}$ percent bonds maturing December 15, 1962, may be made for a like face amount of any of the securities included in this exchange offering. Coupons dated December 15, 1962, must be attached to the maturing $2\frac{1}{4}$ percent bonds in bearer form when surrendered for exchange. Accrued interest from June 15 to November 15, 1962 (\$9.40574 per \$1,000) on the securities exchanged will be paid subscribers.

Exchanges of called $2\frac{3}{4}$ percent bonds

Exchanges of $2\frac{3}{4}$ percent bonds called for redemption December 15, 1962, may be made for a like face amount of any of the securities included in this exchange offering. Coupons dated December 15, 1962, on the called $2\frac{3}{4}$ percent bonds in bearer form should be detached and cashed when due. The coupons dated June 15, 1963, and all subsequent coupons must be attached to the called $2\frac{3}{4}$ percent bonds in bearer form when surrendered for exchange. Subscribers to the new securities must pay accrued interest from November 15 to December 15, 1962 — on the certificates \$2.58978 per \$1,000, on the notes \$2.90055 per \$1,000 and on the bonds \$3.26087 per \$1,000 — which should accompany the subscription.

Official circulars and subscription forms for the three new issues of Treasury securities will be mailed to reach all banking institutions by Monday, October 29, 1962.

Yours very truly,

Watrous H. Irons

President