

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, January 30, 1963

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 Announces \$9.5 Billion Exchange and Outlines Future Financing Plans

In announcing today its plans for the refunding of \$9.5 billion of securities maturing February 15, 1963, the Treasury said that this operation is to be viewed as the first step in a probable three-phase program.

Subject to future market developments, the Treasury plans, upon completion of the February 15 financing, to announce a "junior" advance refunding adapted to the requirements of the market at that time. The Treasury is also considering the employment for the second time of the newly developed technique for offering long-term bonds at competitive bidding. Subject to market developments, it is likely that the bidding for this offering of long-term bonds will occur during the first half of April.

The holders of Treasury securities maturing February 15, aggregating \$9,465 million, will have the right to exchange them for any of the following securities:

A 3¼% Treasury Certificate of Indebtedness to be dated February 15, 1963, and to mature February 15, 1964, at par; or

An additional amount of 3¾% Treasury Bonds of 1968 originally issued April 18, 1962, maturing August 15, 1968, at par, of which \$1,258 million are now outstanding.

Cash subscriptions for the new securities will not be received.

The maturing issues eligible for exchange are as follows:

\$5,719 million of 3½% Treasury Certificates of Indebtedness of Series A-1963, dated February 15, 1962,

\$1,487 million of 2½% Treasury Notes of Series A-1963, dated April 15, 1958, and

\$2,259 million of 3¼% Treasury Notes of Series E-1963, dated November 15, 1961.

Exchanges of the maturing 3½% certificates and the 2½% and 3¼% notes will be made in a like face amount of the new securities as of February 15. Coupons dated February 15 on the maturing certificates and notes should be **detached** and cashed when due.

The subscription books will be open **only on February 4 through February 6** 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 February 6, will be considered as timely. The new securities will be delivered February 15, 1963. The new certificates of indebtedness will be available only in bearer form. The new bonds will be made available in registered as well as bearer form. All subscribers requesting registered bonds will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Interest on the 3¼% certificates of indebtedness will be paid on August 15, 1963, and February 15, 1964. Interest on the 3¾% Treasury Bonds of 1968 is payable semiannually on February 15 and August 15.

Official circulars and subscription forms for the new Treasury certificates and the additional issue of Treasury bonds will be mailed to all banking institutions.

Yours very truly,

Watrous H. Irons

President