

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 28, 1964

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 Announces November Refunding Terms

The Treasury will borrow \$9¼ billion, or thereabouts, through the issuance of 18-month 4% Treasury notes, at par, dated November 15, 1964, for the purpose of borrowing new cash and of paying off in cash \$8.7 billion of the following Treasury securities maturing November 15, 1964:

\$3,267 million of 4⅞% notes of Series C-1964, dated February 15, 1960; and

\$5,441 million of 3¾% notes of Series F-1964, dated August 15, 1963.

The new notes will be dated November 15, 1964, and will mature May 15, 1966. Interest will be payable semiannually on May 15 and November 15, 1965, and on May 15, 1966.

The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Payment and delivery date for the notes will be November 16. Payment may be made in cash, or in 4⅞% notes of Series C-1964 or 3¾% notes of Series F-1964, which will be accepted at par, in payment or exchange, in whole or in part, for the notes subscribed for, to the extent such subscriptions are allotted by the Treasury. The new issue may **NOT** be paid for by credit in Treasury Tax and Loan Accounts.

The subscription books will be open **only on Monday, November 2**. Any subscriptions with the required deposits addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, November 2, 1964, will be considered timely.

Subscriptions from commercial banks, for their own account, will be restricted in each case to an amount not exceeding 50 percent of the combined capital (not including capital notes or debentures), surplus and undivided profits of the subscribing bank.

Subscriptions from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, 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, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit.

Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Notes of Series C-1964 or Series F-1964, maturing November 15, 1964, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

(OVER)

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

Subject to the reservations in the preceding paragraph, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full upon the submission of a written certification by the subscriber that the amount of the subscription does not exceed the amount of the two maturing securities owned or contracted for purchase for value, at 4 p.m., Eastern Standard Time, October 28, 1964. Should any such subscriber enter any subscription which does not carry the certification as to ownership of the eligible securities, any and all subscriptions received from such subscriber will be allotted on the basis of the allotment to be publicly announced for other classes of subscribers.

All subscribers 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 any of the new 4% notes at a specific rate or price until after midnight, November 2, 1964.

Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

The official circular and subscription forms for the Treasury notes will be mailed Thursday, October 29; however, if the forms are not received by Monday, November 2, subscriptions may be entered by letter or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

Watrous H. Irons

President