

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 28, 1965

## PRELIMINARY ANNOUNCEMENT EXCHANGE OFFERING

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 May 15 Refunding Terms

The Treasury today offered a choice between a 4% 15-month note and a 9-year 4¼% bond to holders of \$8,436 million of Treasury Notes maturing May 15. Public holdings of the maturing securities amount to \$4.1 billion; the remaining \$4.3 billion is held by the Federal Reserve and Government Investment Accounts. The two securities offered in exchange are as follows:

An additional amount of 4% Treasury Notes of Series A-1966, dated February 15, 1962, and maturing August 15, 1966, at 99.85 (to yield about 4.12%) and accrued interest from February 15 to May 15, 1965 (\$9.83425 per \$1,000); or

An additional amount of 4¼% Treasury Bonds of 1974, dated May 15, 1964, and maturing May 15, 1974, at 100.25 (to yield about 4.22%).

There are now outstanding \$5,156 million of the 4% notes and \$1,532 million of the 4¼% bonds.

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

\$1,816 million of 4⅝% Treasury Notes of Series A-1965, dated May 15, 1960; and  
\$6,620 million of 3⅞% Treasury Notes of Series C-1965, dated November 15, 1963.

The books will be open for three days only, on May 3 through May 5, for the receipt of subscriptions. Subscriptions 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, May 5, will be considered as timely. The payment and delivery date for the new securities will be May 17, 1965. The new notes and bonds will be made available in registered as well as bearer form. All subscribers requesting registered notes and bonds will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Exchanges of the maturing notes will be made in a like face amount of the new securities as of May 15. Coupons dated May 15 on the maturing notes should be detached and cashed when due. The final interest due on registered maturing notes will be paid by issue of interest checks in regular course to holders of record on April 15, 1965, the date the transfer books closed.

The 4¼% bonds are redeemable prior to maturity at par in payment of Federal estate taxes if owned by the decedent at time of death.

Interest on the 4% notes will be payable on August 15, 1965, and February 15 and August 15, 1966. Interest on the 4¼% bonds will be payable on May 15 and November 15.

The official circulars and subscription forms for the new issues of Treasury bonds and notes will be mailed Thursday, April 29; however, if the forms are not received by Wednesday, May 5, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

Watrous H. Irons

President