

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 67-216
October 25, 1967

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 \$12.2 billion, or thereabouts, through the issuance of 15-month and 7-year Treasury notes for the purpose of paying off in cash \$10.2 billion of Treasury securities maturing November 15, 1967, and borrowing new cash. The amount of the maturing issues held by the public is \$2.6 billion.

The notes to be issued are:

\$10.7 billion of 5-5/8% Treasury Notes of Series A-1969, to be dated November 15, 1967, and to mature February 15, 1969, at par; and
\$1.5 billion of 5-3/4% Treasury Notes of Series A-1974, to be dated November 15, 1967, and to mature November 15, 1974, at par.

The maturing securities are:

\$8,135 million of 4-7/8% Treasury Notes of Series F-1967, dated May 15, 1966; and
\$2,019 million of 3-5/8% Treasury Bonds of 1967, dated March 15, 1961.

Interest will be payable on the 15-month notes on February 15 and August 15, 1968, and February 15, 1969, and on the 7-year notes semi-annually on May 15 and November 15.

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 15. Payment may be made in cash, or in 4-7/8% notes of Series F-1967, or 3-5/8% bonds of 1967, 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 notes may not be paid for by credit in Treasury Tax and Loan accounts.

The subscription books will be open only on Monday, October 30. 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 October 30, 1967, 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 securities maturing November 15, 1967, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

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 bases of the allotments 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 if a statement is submitted certifying 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 Daylight Saving Time, October 25, 1967. Any such subscriber may enter an additional subscription subject to a percentage allotment.

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 notes subscribed for under this offering at a specific rate or price, until after midnight October 30, 1967.

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 not beneficial interest in the banks' subscriptions for their own account.

The official circular and subscription forms for the two new issues of Treasury notes will be mailed Thursday, October 26; however, if the forms do not reach you by Monday, October 30, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

Watrous H. Irons

President