

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 68-168

July 31, 1968

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 AUGUST FINANCING

The Treasury will borrow \$5.1 billion, or thereabouts, from the public through the issuance of 6-year 5-5/8% Treasury Notes of Series B-1974, at 99.62 to yield about 5.70% for the purpose of paying off in cash Treasury securities maturing August 15, 1968, and borrowing new cash. In addition to the amount offered to the public, an additional amount will be allotted to Government Investment Accounts and Federal Reserve Banks. The amount of the maturing issues is \$8.6 billion of which \$3.6 billion is held by the public.

The maturing securities are:

\$5,936 million of 4-1/4% Treasury Notes of Series C-1968, dated May 15, 1967; and

\$2,640 million of 3-3/4% Treasury Bonds of 1968, dated April 18, 1962.

The new notes will be dated August 15, 1968, and will mature August 15, 1974. Interest will be payable on February 15 and August 15.

Payment and delivery date for the notes will be August 15. Payment may be made in cash, or in 4-1/4% notes of Series C-1968, or 3-3/4% bonds of 1968, 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. Payment by credit in Treasury Tax and Loan Accounts may be made for 50% of the amount of notes allotted.

The subscription books will be open only on Monday, August 5. 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 August 5, 1968, will be considered timely.

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

Subscriptions for 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, and 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 will be received without deposit.

Subscriptions from all others must be accompanied by payment of 10% (in cash, or eligible Treasury securities maturing August 15, 1968, 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 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, (1) all subscriptions in amounts up to and including \$250,000 will be allotted in full and subscriptions over \$250,000 will be allotted on a percentage basis but not less than \$250,000; and (2) 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, and foreign central banks and foreign States 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, July 31, 1968. Any such subscriber may enter an additional subscription subject to a percentage allotment.

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.

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 August 5, 1968.

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 form for the new issue of Treasury notes will be mailed Thursday, August 1; however, if the forms do not reach you by Monday, August 5, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

P. E. Coldwell

President