

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 69-240
September 17, 1969

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 \$8.9 BILLION REFUNDING
OF OCTOBER 1 AND DECEMBER 15 MATURITIES

The Treasury today announced that it is offering holders of the notes and bonds maturing October 1, 1969, and the bonds maturing December 15, 1969, the right to exchange their holdings for a 19 $\frac{1}{2}$ -month note, a 3-year 7 $\frac{1}{2}$ -month note or a 6-year 10 $\frac{1}{2}$ -month note. The public holds about \$7.6 billion of the securities eligible for exchange, and about \$1.3 billion is held by Federal Reserve and Government accounts.

The securities eligible for exchange are:

\$159 million of 1 $\frac{1}{2}$ % Treasury Notes of Series E0-1969,

\$6,240 million of 4% Treasury Bonds of 1969 (dated October 1, 1957), and

\$2,484 million of 2 $\frac{1}{2}$ % Treasury Bonds of 1964-69 (dated September 15, 1943).

The notes being offered are:

8% Treasury Notes of Series E-1971, dated October 1, 1969, due May 15, 1971, at par,

7-3/4% Treasury Notes of Series A-1973, dated October 1, 1969, due May 15, 1973, at par, and

7 $\frac{1}{2}$ % Treasury Notes of Series C-1976, dated October 1, 1969, due August 15, 1976, at 99.50 to yield about 7.59%.

In the case of exchanges of the notes and bonds maturing October 1 for the $7\frac{1}{2}\%$ notes subscribers will receive a cash payment on account of the difference between the par value of the maturing securities and the issue price of the new notes.

In the case of exchanges of the $2\frac{1}{2}\%$ bonds net interest adjustments will be announced later.

Cash subscriptions for the new notes will not be received.

The books will be open for three days only, on September 22 through September 24, 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 September 24, will be considered as timely. The payment and delivery date for the notes will be October 1, 1969. 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.

Coupons dated October 1, 1969, on the securities maturing on that date should be detached and cashed when due. The October 1, 1969, interest due on registered bonds maturing on that date will be paid by issue of interest checks in regular course to holders of record on August 29, 1969, the date the transfer books closed. Coupons dated December 15, 1969, on the bonds due on that date must be attached.

Interest on the 8% notes will be payable on May 15 and November 15, 1970, and May 15, 1971. Interest on the $7\text{-}3/4\%$ notes will be payable on May 15 and November 15, 1970, and thereafter on May 15 and November 15 until maturity. Interest on the $7\frac{1}{2}\%$ notes will be payable on February 15 and August 15 until maturity.

The official circulars and subscription forms for the new issues of Treasury notes will be mailed Thursday, September 18; however, if the forms do not reach you by Wednesday, September 24, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

P. E. Coldwell

President