

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 3666 ]  
March 5, 1951

**ANNOUNCEMENT REGARDING NEW TREASURY OFFERING**

*To all Banking Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following statement was made public on March 4, 1951:

The Secretary of the Treasury announced today that there will be offered for a limited period a new investment series of long-term non-marketable Treasury bonds in exchange for outstanding  $2\frac{1}{2}\%$  Treasury bonds of June 15 and December 15, 1967-72, the details of which will be announced on March 19.

The new bonds will be issued in registered form only, with appropriate maturity, and will bear interest at the rate of  $2\frac{3}{4}\%$  per annum payable semi-annually. They will not be transferable or redeemable prior to maturity; however, owners of such non-marketable bonds will be given an option of exchanging them prior to maturity for marketable Treasury notes bearing terms to be announced in the official offering.

The new non-marketable  $2\frac{3}{4}\%$  Treasury bonds will be acceptable at par and accrued interest in payment of Federal estate and inheritance taxes due following the death of the owner. They will not be acceptable in payment of Federal income taxes.

The offering of this new security is for the purpose of encouraging long-term investors to retain their holdings of Government securities, in order to minimize the monetization of the public debt through liquidation of present holdings of the Treasury bonds of 1967-72.

The Secretary stated that he planned to open the subscription books on Monday, March 26, and that the full terms of the offering and the official circular would be made available on March 19. The subscription books will remain open for a period of about two weeks, although the Secretary will reserve the right to close the books at any time without notice.

The Secretary indicated that a special offering of Series F and G bonds, or an offering similar to the  $2\frac{1}{2}\%$  Treasury bonds, Investment Series A-1965, will probably be made available for cash subscription at a later date when it appears that a need therefor may exist.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,  
*President.*