

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3847]  
May 1, 1952]

**TREASURY FINANCING**

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

Secretary of the Treasury Snyder has announced an additional step in the Treasury's program to raise funds required in financing the defense program from nonbank sources. On May 19, 1952, there will be offered for subscription for a limited period additional amounts of the  $2\frac{3}{4}$  percent Treasury Bonds, Investment Series B-1975-80. These bonds were originally issued April 1, 1951; they are nontransferable, but may at the owner's option be exchanged for  $1\frac{1}{2}$  percent five-year marketable Treasury notes to be dated April 1 and October 1 of each year during the life of the bond.

Subscriptions to the new  $2\frac{3}{4}$  percent Treasury bonds may be paid for in full in cash, or not less than one-quarter of the amount subscribed for may be paid for in cash and the remainder by exchange, par for par, of bonds of any of the four outstanding restricted Treasury bonds with the longest maturities. The issues eligible for exchange under this offering are the  $2\frac{1}{2}$  percent bonds of 1965-70, the  $2\frac{1}{2}$  percent bonds of 1966-71, and the two issues of  $2\frac{1}{2}$  percent bonds of June 15 and December 15, 1967-72. The two latter issues are the issues which were exchangeable for the  $2\frac{3}{4}$  percent Treasury bonds originally issued April 1, 1951, which are now outstanding in the amount of about \$11,500,000,000.

Payment for the new bonds may be made in full on June 4, 1952, or may be made in four equal installments on June 4, August 1, October 1, and December 1, 1952, with provision for acceleration of payments if desired by subscribers.

Commercial banks are excluded from this offering, except to the extent that they turn in restricted bonds acquired prior to December 31, 1945, for the partial investment of their savings accounts.

Further details with respect to this offering will be made available somewhat in advance of the opening of the subscription books on May 19, 1952.

ALLAN SPROUL,  
*President.*