

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4623]
July 25, 1958]

TREASURY FINANCING

Statements on Current Exchange and New Cash Offering

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

The following two statements were made public today by the Treasury Department:

Preliminary figures show that about \$13,500 million of the certificates maturing August 1 and the bonds called for redemption on September 15 have been exchanged for the new 1½ percent one-year certificates.

The unexchanged portion of the outstanding issues totaled about \$2,770 million. Of this, about \$890 million are the certificates maturing August 1 and \$1,880 million are the called bonds.

Final figures regarding the exchange will be announced after final reports are received from the Federal Reserve Banks.

* * *

The Treasury announced today that holders of \$2,770 million of the Treasury certificates maturing on August 1st and Treasury bonds called for payment on September 15th, had not presented them for exchange.

The Treasury had anticipated that the amount of securities not turned in for exchange would be more than usual due, first, to the international situation and, second, to the fact that it had included the two bond issues called for September 15, many of which were held by corporations which had acquired them in recent months with the intention of using the proceeds for payment of income taxes due on September 15.

Knowing this, the Treasury still chose to bring in these September bonds so that, except for the cash offering being announced today, the Treasury, barring unforeseen circumstances, could be out of the market for a two months' period until early October.

The timing of the cash offering is designed to take advantage of about \$2.3 billion of investment funds that will be made available to the market on August 1st. This figure represents the total of the attrition payable August 1 of \$890 million; the proceeds of Federal Reserve open market purchases of the when issued August 1st certificates of \$1,090 million, and proceeds of about \$350 million of Commodity Credit Corporation bank loans being paid off at this time.

ALFRED HAYES,
President.