

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4642]
September 25, 1958]

TREASURY FINANCING

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

The following statement was made public today:

The Treasury Department announced today that on Monday, September 29, it will offer for cash subscription \$1 billion, or thereabouts, of 3½ percent 13-month Treasury notes at par, and \$2½ billion, or thereabouts, of 219-day special Treasury bills (to be issued on a fixed-price basis) at 98.023, at which price the yield to the purchaser is approximately 3.25 percent per annum. In addition, up to \$100 million of the notes may be allotted to Government Investment Accounts. The notes will be dated October 10, 1958, and will mature November 15, 1959. Interest will be payable on a semiannual basis on May 15 and November 15, 1959. The Treasury bills will be dated October 8, 1958, and will mature May 15, 1959.

Subscriptions for either issue from commercial banks, which for this purpose are defined as banks accepting demand deposits, for their own account, will be received without deposit but will be restricted in the case of the notes to an amount not exceeding 25 percent, and in the case of the bills not exceeding 50 percent, of the combined capital, surplus and undivided profits of the subscribing bank. Payment of 2 percent of the amount of notes or bills subscribed for must be made on all other subscriptions. The new securities may be paid for by credit in Treasury Tax and Loan Accounts.

Commercial banks and other lenders are requested to refrain from making unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the deposits required to be paid when subscriptions are entered.

Any subscription for either issue addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, September 29, will be considered as timely.

Circulars and subscription forms will be mailed to reach you by Monday, September 29.

ALFRED HAYES,
President.