

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **4848**]
January 28, 1960]

TREASURY FINANCING

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

The following statement was made public today by the Treasury Department:

The Treasury Department will offer on February 1:

4 $\frac{7}{8}$ percent one-year certificates of indebtedness to be dated February 15, 1960, and to mature February 15, 1961, at par; and

4 $\frac{7}{8}$ percent 4-year 9-month Treasury notes to be dated February 15, 1960, and to mature November 15, 1964, at 99.75 percent of face value, to yield about 4.93 percent,

to holders of:

\$11,363 million of 3 $\frac{3}{4}$ percent Treasury Certificates of Indebtedness of Series A-1960, maturing February 15, 1960; and

\$198 million of 1 $\frac{1}{2}$ percent Treasury Notes of Series EA-1960, maturing April 1, 1960.

Cash subscriptions will not be received.

Interest on the new certificates will be payable on August 15, 1960, and February 15, 1961. Interest on the new notes will be payable May 15 and November 15 in each year until the principal amount is payable.

Exchanges of the maturing 3 $\frac{3}{4}$ percent Treasury certificates will be made for a like face amount of the eligible securities as of February 15. Coupons dated February 15 on the maturing certificates should be detached by holders and cashed when due. A cash payment of \$2.50 per \$1,000 face value of the new 4 $\frac{7}{8}$ percent notes, representing the discount from the face value, will be paid upon issuance of the notes to holders electing to exchange for such notes.

Exchanges of the 1 $\frac{1}{2}$ percent Treasury Notes of Series EA-1960 will be made for a like face amount of the eligible securities as of February 15. Interest on the 1 $\frac{1}{2}$ percent Series EA-1960 notes will be adjusted as of March 15, 1960. Coupons dated April 1 on the Series EA notes should be attached to the notes when surrendered, and interest from October 1 to March 15 will be credited, interest from February 15 to March 15 on the new certificates or notes will be charged, and the difference will be paid to subscribers following acceptance of the notes. In addition to the interest adjustments where the Series EA-1960 notes are exchanged for the new 4 $\frac{7}{8}$ percent Notes of Series C-1964, a cash payment of \$2.50 per \$1,000 face value, representing the discount from the face value, will be paid to the holders.

The subscription books will be open only on February 1 through February 3 for the receipt of subscriptions for these issues. Any subscription for either issue 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, February 3, will be considered as timely.

The 4 $\frac{7}{8}$ percent 4-year 9-month notes will be made available in registered form, as well as bearer form.

Circulars and subscription forms for the above offering will be mailed to reach you by Monday, February 1. The subscription books will remain open for *three days, February 1 through February 3.*

ALFRED HAYES,
President.