

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5755]  
January 5, 1966]

**Treasury Announces \$1.5 Billion New Cash Borrowing**

*To All Incorporated Banks and Trust Companies, and Others  
Concerned, in the Second Federal Reserve District:*

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

The Treasury Department announced today that it is offering for cash subscription \$1.5 billion, or thereabouts, of 10-month  $4\frac{3}{4}$  percent Treasury Certificates of Indebtedness of Series A-1966 at a price of 99.92 (to yield 4.85 percent). This financing is part of the Treasury's estimated \$5 billion cash need during the second half of the current fiscal year as was stated in its financing announcement of December 22, 1965, at which time it was indicated that there would be a \$1.5 billion cash offering in the short term area in January.

The certificates will be dated January 19, 1966, will mature November 15, 1966, and will be issued in bearer form only. Interest will be payable on May 15 and November 15, 1966.

Subscriptions will be received for *one day only, on Monday, January 10*. Any subscription, with required deposit, addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, Washington, D. C. 20220, and placed in the mail before midnight January 10, 1966, will be considered timely.

Subscriptions from banking institutions for their own account, federally insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, and Government Investment Accounts will be received without deposit. Subscriptions from all others must be accompanied by payment of 2 percent of the amount of certificates applied for, not subject to withdrawal until after allotment.

Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 50 percent of the combined capital (not including capital notes or debentures), surplus, and undivided profits of the subscribing bank.

The payment and delivery date for the certificates will be January 19, 1966. Payment may be made through credit to Treasury Tax and Loan Accounts.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of certificates applied for, and to make different percentage allotments to various classes of subscribers. Allotment notices will be sent out promptly upon allotment.

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

All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of the certificates subscribed for under this offering at a specific rate or price, until after midnight January 10, 1966.

The official offering circular and subscription form for the certificates will be mailed to reach you by Monday, January 10.

ALFRED HAYES,  
*President.*