

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **4760**]
July 16, 1959

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 an optional exchange offering of $4\frac{3}{4}$ percent $12\frac{1}{2}$ -month Treasury notes to be dated August 1, 1959, and to mature August 15, 1960, and $4\frac{3}{4}$ percent $4\frac{3}{4}$ -year Treasury notes to be dated July 20, 1959, and to mature May 15, 1964, open to holders of \$13,500 million $1\frac{5}{8}$ percent certificates of indebtedness, maturing August 1, and \$473 million 4 percent notes of Series A-1961, dated August 1, 1957, on which the option to redeem on August 1, 1959, was exercised by the holders. Cash subscriptions will not be received.

Interest on the new $12\frac{1}{2}$ -month note will be payable on February 15 and August 15, 1960. Interest on the longer note will be payable on November 15, 1959, and thereafter on May 15 and November 15 in each year until the principal amount is payable.

In the case of the $12\frac{1}{2}$ -month notes, exchanges will be made at par as of August 1 and the coupons due on that date on both of the exchange issues should be detached and cashed when due. In the case of the notes of Series A-1961, interest coupons Nos. 5 through 8 should be attached to the notes when they are surrendered. In the case of the $4\frac{3}{4}$ -year note, exchanges will be made at par as of July 20 with interest adjustments on the exchange issues as of that date, and both of the exchange issues should be presented with the August 1, 1959, coupons attached. In the case of the notes of Series A-1961, interest coupons Nos. 5 through 8 should also be attached.

The delivery date for both new issues will be August 3.

The subscription books will be open July 20 through July 22 for this exchange offering. 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 Wednesday, July 22, will be considered as timely.

Circulars and subscription forms for the exchange offering will be mailed to reach you by Monday, July 20.

ALFRED HAYES,
President.