

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5087]
[September 21, 1961]

RESULTS OF CURRENT TREASURY OFFERINGS

**—Advance Refunding of 2½ Percent Treasury Bonds
—268-Day Tax Anticipation Bills**

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

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

TREASURY'S LATEST REFUNDING A SUCCESS

Acting Secretary of the Treasury Henry H. Fowler today announced that holders of one-half of the outstanding publicly held 2½ percent bonds included in the Department's latest advance refunding operation have exchanged their holdings for 3½ percent bonds. Subscription books for the offering were open from September 11 to 15, but subscriptions from individuals were also accepted through September 20.

"The Treasury is very pleased with the success of the advance refunding," Acting Secretary Fowler said. "It represents the accomplishment of a significant amount of debt extension, without disturbance in the market for outstanding issues, and thus achieves substantial improvement in the maturity structure of the public debt."

Preliminary reports from the Federal Reserve Banks last night show that subscriptions of about \$3,691 million have been received to the three issues of outstanding 3½ percent long-term Treasury bonds included in the current offering to holders of the two issues of 2½ percent Treasury Bonds of March 15, 1965-70, and March 15, 1966-71. These subscriptions, which include \$2,761 million from public holders and \$930 million from Government Investment Accounts, will be allotted in full.

Delivery of the new bonds will be made on September 29, 1961.

Subscriptions are as follows (in millions of dollars):

<u>2½% bonds exchanged</u>	<u>3½% bonds maturing in</u>			<u>Total</u>
	<u>1980</u>	<u>1990</u>	<u>1998</u>	
<u>1965-70</u>				
Public holders	\$ 567	\$ 604	\$ 448	\$1,619
Government Investment Accounts..	445	100	25	570
TOTAL 1965-70	\$1,012	\$ 704	\$ 473	\$2,189
<u>1966-71</u>				
Public holders	\$ 213	\$ 503	\$ 426	\$1,142
Government Investment Accounts..	35	61	264	360
TOTAL 1966-71	\$ 248	\$ 564	\$ 690	\$1,502
TOTAL	\$1,260	\$1,268	\$1,163	\$3,691

Details by Federal Reserve Banks as to subscriptions will be announced when final reports are received.

(OVER)

268-DAY TAX ANTICIPATION BILLS

The Treasury Department announced last evening that the tenders for \$2,500,000,000, or thereabouts, of Tax Anticipation Series 268-day Treasury bills to be dated September 27, 1961, and to mature June 22, 1962, which were offered on September 12, were opened at the Federal Reserve Banks on September 20.

The details of this issue are as follows:

Total applied for.. \$5,120,887,000
 Total accepted \$2,500,550,000 (includes \$510,598,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids (excepting nine tenders totaling \$1,600,000):

High	98.042	Equivalent rate of discount approx. 2.630% per annum
Low	97.975	Equivalent rate of discount approx. 2.720% per annum
Average	97.986	Equivalent rate of discount approx. 2.705% per annum ¹

(9 percent of the amount bid for at the low price was accepted)

<u>Federal Reserve District</u>	<u>Total applied for</u>	<u>Total accepted</u>
Boston	\$ 258,105,000	\$ 138,385,000
New York	2,065,126,000	737,395,000
Philadelphia	216,000,000	131,124,000
Cleveland	459,895,000	205,875,000
Richmond	118,500,000	70,574,000
Atlanta	218,658,000	135,238,000
Chicago	591,779,000	411,350,000
St. Louis	134,854,000	70,579,000
Minneapolis	181,265,000	118,155,000
Kansas City	119,200,000	93,954,000
Dallas	364,070,000	265,541,000
San Francisco	393,435,000	122,380,000
TOTAL	\$5,120,887,000	\$2,500,550,000

¹ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 2.79 percent. Interest rates on bills are quoted in terms of bank discount, with the return related to the face amount of the bills payable at maturity rather than the amount invested, and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK OF NEW YORK

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(b⁵)

September 25, 1961

DECEPTIVE COUNTERFEIT FEDERAL RESERVE NOTES

To All Banks in the
Second Federal Reserve District:

We have been requested by the United States Secret Service to alert all banks in this District that counterfeit \$10 notes on the Federal Reserve Bank of New York of the 1950 series are now appearing in this District. Your tellers and customers should be warned to be on the alert for the appearance of similar counterfeits.

The Secret Service has supplied the following description of these counterfeits:

\$10 Denomination

<u>Series</u>	<u>Check Letter</u>	<u>Face Plate</u>	<u>Back Plate</u>
1950	E or I	3, 28, 32 or 328	16 or 1639

The serial number varies.

The note is fairly deceptive. However, the picture of Hamilton is smudgy and a white spot appears on the forehead. No attempt has been made to simulate the red and blue fibers. The reverse of the note is printed in a green darker than the authentic note and the picture of the Treasury building is also smudgy.

All counterfeit currency received from any source should be marked for identification and forwarded to the nearest office of the United States Secret Service, rather than to Washington, D. C. In this District, the Secret Service has offices in Room 801, Federal Office Building, 90 Church Street, New York 7, N. Y.; in the United States Court House, Buffalo 1, N. Y.; in the Post Office Building, Syracuse, N. Y.; and in the Post Office Building, Federal Square, Newark 2, N. J.

Additional copies of this letter will be furnished upon request.

ALFRED HAYES,
President.