

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5282]
January 8, 1963]

**Treasury Announces Results of Competitive Bidding
for \$250 Million Treasury Bonds**

*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 Secretary of the Treasury announced today that a syndicate headed by:

C. J. Devine and Company, Salomon Bros. and Hutzler, Bankers Trust Company, The Chase Manhattan Bank, First National City Bank, Chemical Bank New York Trust Company, and the First National Bank of Chicago, and 68 others, was the successful bidder for the \$250 million Treasury bonds of 1988-93 offered today at competitive bidding. The winning bid was \$99.85111 per \$100 of face amount for a 4 per cent coupon, which results in a net basis cost of money to the Treasury of 4.008210 per cent, calculated to maturity.

It is understood that the winning syndicate is reoffering the bonds at par.

Other bids submitted were:

A syndicate headed by Morgan Guaranty Trust Company of New York; Bank of America, N.T. and S.A., San Francisco; Blyth & Co., Inc.; Halsey Stuart & Co., Inc.; and Aubrey G. Lanston & Co., Inc.; and 47 others: \$99.85100 for a 4 per cent coupon, resulting in a net basis cost of money of 4.008216 per cent.

. . . a syndicate headed by First Boston Corporation, Continental Illinois National Bank and Trust Co. of Chicago, and Discount Corporation of New York, and 80 others: \$99.71014 for a 4 per cent coupon, resulting in a net basis cost of money of 4.016334 per cent.

. . . and by C. F. Childs & Co., Inc.: \$100.00000 for a 4½ per cent coupon, resulting in a net basis cost of money of 4.124621 per cent.

Secretary Dillon said:

“The bidding by the four syndicates indicates that the market has responded with keen interest to this first offering of bonds at competitive bidding and has provided the base for the potential development of an important new instrument for debt management. The winning bid is highly satisfactory to the Treasury from the standpoint of interest cost; the second bid was within \$275 of the winning bid.

“The experience in the distribution of these securities, of course, will be of great interest to the Treasury in demonstrating the efficacy of this approach to the wider distribution of Treasury offerings for cash in the long-term area.

“The bidding of the various syndicates indicates their combined judgment that borrowing of this amount can be readily fitted into the existing rate structure. It clearly indicates that it is possible for the Treasury to tap the long-term market in this amount with a minimum impact on the supply of funds related to the needs of the economy.”

ALFRED HAYES,
President.