

FEDERAL RESERVE BANK OF NEW YORK
Fiscal Agent of the United States

[Circular No. 5586]
December 9, 1964]

OFFERING OF TWO SERIES OF TREASURY BILLS

**\$1,300,000,000 of 91-Day Bills, Additional Amount, Series Dated Sept. 17, 1964, Due March 18, 1965
(To Be Issued December 17, 1964)**

\$1,000,000,000 of 182-Day Bills, Dated December 17, 1964, Due June 17, 1965

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

Following is the text of a notice issued by the Treasury Department, released for publication today at 4 p.m., Eastern Standard time:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$2,300,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing December 17, 1964, in the amount of \$2,302,756,000, as follows:

91-day bills (to maturity date) to be issued December 17, 1964, in the amount of \$1,300,000,000, or thereabouts, representing an additional amount of bills dated September 17, 1964, and to mature March 18, 1965, originally issued in the amount of \$900,020,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated December 17, 1964, and to mature June 17, 1965.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Monday, December 14, 1964. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Banking institutions generally may submit tenders for account of customers, provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Standard time, Monday, December 14, 1964, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for the respective series are enclosed. Please use the appropriate forms to submit tenders and return them in an envelope marked "Tender for Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. *Payment for the Treasury bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds or in maturing Treasury bills.*

Results of the last weekly offering of Treasury bills (91-day bills to be issued December 10, 1964, representing an additional amount of bills dated September 10, 1964, and maturing March 11, 1965; and 182-day bills dated December 10, 1964, maturing June 10, 1965) are shown on the reverse side of this circular.

ALFRED HAYES,
President.

IMPORTANT — Please note that the maximum amount of 182-day bills that may be bid for on a non-competitive basis by any one bidder has been increased from \$100,000 to \$200,000.

(OVER)

**RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS
(TWO SERIES TO BE ISSUED DECEMBER 10, 1964)**

Range of Accepted Competitive Bids

	<i>91-Day Treasury Bills Maturing March 11, 1965</i>		<i>182-Day Treasury Bills Maturing June 10, 1965</i>	
	<u>Price</u>	<u>Approx. equiv. annual rate</u>	<u>Price</u>	<u>Approx. equiv. annual rate</u>
High	99.052	3.750%	98.020	3.916%
Low	99.021	3.873%	97.992	3.972%
Average	99.036	3.815% ¹	98.006	3.944% ¹

¹ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.91 percent for the 91-day bills, and 4.08 percent for the 182-day bills. 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.

(75 percent of the amount of 91-day bills
bid for at the low price was accepted.)

(40 percent of the amount of 182-day bills
bid for at the low price was accepted.)

Total Tenders Applied for and Accepted (By Federal Reserve Districts)

<u>District</u>	<i>91-Day Treasury Bills Maturing March 11, 1965</i>		<i>182-Day Treasury Bills Maturing June 10, 1965</i>	
	<u>Applied for</u>	<u>Accepted</u>	<u>Applied for</u>	<u>Accepted</u>
Boston	\$ 15,455,000	\$ 15,455,000	\$ 23,110,000	\$ 23,110,000
New York	1,306,357,000	818,507,000	1,319,105,000	715,105,000
Philadelphia	29,713,000	22,713,000	10,957,000	5,957,000
Cleveland	38,166,000	37,966,000	38,225,000	36,425,000
Richmond	21,456,000	21,456,000	11,649,000	11,649,000
Atlanta	45,861,000	45,861,000	19,856,000	17,856,000
Chicago	175,999,000	150,999,000	128,160,000	83,960,000
St. Louis	32,887,000	29,887,000	14,732,000	13,632,000
Minneapolis	22,340,000	22,340,000	8,745,000	8,745,000
Kansas City	29,318,000	29,318,000	13,929,000	13,929,000
Dallas	30,989,000	30,989,000	11,215,000	11,215,000
San Francisco	79,786,000	74,786,000	72,917,000	58,717,000
TOTAL	\$1,828,327,000	\$1,300,277,000^a	\$1,672,600,000	\$1,000,300,000^b

^a Includes \$257,735,000 noncompetitive tenders accepted at the average price of 99.036.

^b Includes \$91,211,000 noncompetitive tenders accepted at the average price of 98.006.

TREASURY DEPARTMENT
Washington, D.C.

STATEMENT FOR THE PRESS

December 14, 1964

FOR RELEASE TODAY, 4 P.M.

Treasury Announces Schedule for Next
Regular Weekly Bill Auction

The Treasury announced today that its next regular weekly bill auction will be held on Friday, December 18, instead of the following Monday. Delivery of the \$1.2 billion of 3-month bills and \$1.0 billion of 6-month bills will be made on the normal day, Thursday, December 24. The Treasury said the auction was advanced to assure ample time between the auction and delivery during the pre-holiday season.