

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5601]
[January 12, 1965]

Preliminary Results of Treasury's Advance Refunding

*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 Treasury Department today announced its satisfaction with the response to its advance refunding offer. About \$8,996 million of public holdings were exchanged for the three offered issues, 40.7 percent of the total of \$22,124 million of the eligible issues held by the public. In addition, official accounts, which held \$10,952 million of the eligible securities, subscribed for \$702 million.

The large public subscription for the new issues, and particularly for the 4¼ percent bonds of 1987-92, gives impressive evidence of investors' willingness to extend the maturity of their holdings into longer-term securities. Their action reflects the basic confidence in the stability of the long-term market that arises from the continuing large flow of funds seeking investment opportunities. The large public subscription also will reduce and accordingly facilitate the Treasury's refunding tasks in the next three years. The Treasury will have sufficient flexibility in its cash needs and refinancing opportunities, however, to supply whatever volume of Treasury bills may be needed to maintain a reasonable international relationship among short-term interest rates.

Subscriptions from the public include \$4,028 million for the 4 percent bonds of 1970, \$2,787 million for the 4⅛ percent bonds of 1974, and \$2,181 million for the 4¼ percent bonds of 1987-92. Subscriptions from official accounts include \$322 million for the 4 percent bonds of 1970, \$325 million for the 4⅛ percent bonds of 1974, and \$55 million for the 4¼ percent bonds of 1987-92.

Following is a breakdown of securities to be exchanged for the securities to be issued (in millions):

<i>Eligible for exchange</i>		<i>Securities to be issued</i>			<i>Total</i>	<i>Total unexchanged</i>
<i>Securities</i>	<i>Amounts</i>	<i>4% Bonds 1970</i>	<i>4⅛% Bonds 1974</i>	<i>4¼% Bonds 1987-92</i>		
2⅝% Bonds, 1965...	\$ 3,976	\$ 672	\$ 508	\$ 628	\$1,808	\$ 2,168
3½% Notes, B-1965..	2,954	637	415	282	1,334	1,620
4% Notes, E-1965...	8,560	175	154	145	474	8,086
3⅝% Notes, B-1966..	3,260	583	320	144	1,047	2,213
3⅞% Notes, C-1966..	4,040	367	403	660	1,430	2,610
3¾% Bonds, 1966...	2,250	306	117	120	543	1,707
3¾% Notes, A-1967..	4,433	895	457	137	1,489	2,944
3⅝% Bonds, 1967...	3,604	715	738	120	1,573	2,031
TOTAL.....	\$33,077	\$4,350	\$3,112	\$2,236	\$9,698	\$23,379

Details by Federal Reserve Districts as to subscriptions will be announced later.

ALFRED HAYES,
President.

TREASURY DEPARTMENT
Washington, D.C.

STATEMENT FOR THE PRESS

January 13, 1965

FOR RELEASE TODAY, 4 P.M.

Treasury Announces Increase in Weekly
Bill Offering

The Treasury announced today that in the coming weeks it expects to increase the amount of regular weekly Treasury bills to be auctioned by \$100 million over the \$2.1 billion maturing amounts. The first such increase will be in the bills to be auctioned on Monday, January 18th.

The Treasury will be offering \$1.2 billion of three-month bills and \$1.0 billion of six-month bills. The larger offerings will be helpful in counteracting a technical shortage of shorter-term bills in the market, in maintaining international short-term interest rate relationships, and in covering some of the Treasury's remaining first-quarter cash needs.