

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 5708 ]  
October 6, 1965 ]

**Results of Treasury's Offering of \$4 Billion Tax Bills**

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

The following statement was issued by the Treasury Department and released for today's morning newspapers:

The Treasury Department announced last evening that the tenders for the two series of Treasury tax anticipation bills, each series to be dated October 11, 1965, which were offered on September 22, 1965, were opened at the Federal Reserve Banks on October 5, 1965. Tenders were invited for \$3,000,000,000, or thereabouts, of 162-day bills and for \$1,000,000,000, or thereabouts, of 254-day bills. The details of the two series are as follows:

**Range of Accepted Competitive Bids**

	<i>162-Day Tax Anticipation Bills Maturing March 22, 1966</i>		<i>254-Day Tax Anticipation Bills Maturing June 22, 1966</i>	
	<i>Price</i>	<i>Approx. equiv. annual rate</i>	<i>Price</i>	<i>Approx. equiv. annual rate</i>
High .....	98.318 <sup>a</sup>	3.738%	97.260 <sup>b</sup>	3.883%
Low .....	98.273	3.838%	97.206	3.960%
Average .....	98.298	3.783% <sup>1</sup>	97.221	3.938% <sup>1</sup>

<sup>a</sup> Excepting four tenders totaling \$4,150,000.

<sup>b</sup> Excepting five tenders totaling \$3,950,000.

<sup>1</sup> On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.90 percent for the 162-day bills, and 4.08 percent for the 254-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.

(28 percent of the amount of 162-day bills  
bid for at the low price was accepted.)

(13 percent of the amount of 254-day bills  
bid for at the low price was accepted.)

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

<i>District</i>	<i>162-Day Tax Anticipation Bills Maturing March 22, 1966</i>		<i>254-Day Tax Anticipation Bills Maturing June 22, 1966</i>	
	<i>Applied for</i>	<i>Accepted</i>	<i>Applied for</i>	<i>Accepted</i>
Boston .....	\$ 127,625,000	\$ 112,625,000	\$ 128,676,000	\$ 80,855,000
New York .....	1,833,145,000	1,045,905,000	1,054,590,000	254,340,000
Philadelphia .....	121,960,000	111,240,000	22,134,000	6,134,000
Cleveland .....	285,715,000	242,835,000	157,955,000	72,955,000
Richmond .....	72,340,000	60,340,000	33,355,000	19,205,000
Atlanta .....	153,015,000	133,615,000	72,110,000	45,360,000
Chicago .....	540,045,000	486,045,000	244,700,000	193,795,000
St. Louis .....	112,155,000	108,935,000	60,090,000	30,055,000
Minneapolis .....	121,125,000	119,125,000	51,865,000	38,015,000
Kansas City .....	76,597,000	74,272,000	39,841,000	25,384,000
Dallas .....	100,035,000	71,435,000	20,065,000	8,290,000
San Francisco .....	496,780,000	433,780,000	321,730,000	225,860,000
<b>Total .....</b>	<b>\$4,040,537,000</b>	<b>\$3,000,152,000<sup>c</sup></b>	<b>\$2,207,111,000</b>	<b>\$1,000,248,000<sup>d</sup></b>

<sup>c</sup> Includes \$435,662,000 noncompetitive tenders accepted at the average price of 98.298.

<sup>d</sup> Includes \$197,011,000 noncompetitive tenders accepted at the average price of 97.221.

ALFRED HAYES,  
President.