

FEDERAL RESERVE BANK  
OF NEW YORK

Fiscal Agent of the United States

Circular No. 6234  
October 23, 1968

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

The following statement was made public today by the Treasury Department:

TREASURY ANNOUNCES \$11.9 BILLION REFUNDING  
OF NOVEMBER 15 AND DECEMBER 15 MATURITIES

The Treasury today announced that it is offering holders of the notes and bonds maturing November 15, 1968, and the bonds maturing December 15, 1968, the right to exchange their holdings for an 18-month note or a 6-year note.

The securities eligible for exchange are as follows:

- 5-1/4% Treasury Notes of Series D-1968, maturing November 15, 1968,
- 3-7/8% Treasury Bonds of 1968, maturing November 15, 1968, and
- 2-1/2% Treasury Bonds of 1963-68, maturing December 15, 1968.

The notes being offered are as follows:

- 5-5/8% Treasury Notes of Series B-1970, dated November 15, 1968, due May 15, 1970, at 99.85 to yield about 5.73%, and
- an additional amount of 5-3/4% Treasury Notes of Series A-1974, dated November 15, 1967, due November 15, 1974, at par. About \$1,652 million of such notes are outstanding.

In the case of exchanges for the 5-5/8% notes subscribers will receive a cash payment of \$1.50 per \$1,000.

In the case of exchanges of the 2-1/2% bonds interest will be adjusted as of December 15, 1968: (1) subscribers submitting subscriptions for the 5-5/8% notes will be charged (\$4.66160 per \$1,000) interest from November 15 to December 15, 1968, on such notes and credited with (\$12.50 per \$1,000) interest from June 15 to December 15, 1968, on the 2-1/2% bonds plus the cash payment (\$1.50 per \$1,000) on account of the issue price of the notes, for a net payment to them of \$9.33840 per \$1,000; and (2) subscribers submitting subscriptions for the 5-3/4% notes will be charged (\$4.76519 per \$1,000) interest from November 15 to December 15, 1968, on such notes and credited with (\$12.50 per \$1,000) interest from June 15 to December 15, 1968, on the 2-1/2% bonds for a net payment to them of \$7.73481 per \$1,000.

The public holds about \$5.6 billion of the securities eligible for exchange, and about \$6.3 billion is held by Federal Reserve and Government accounts.

Cash subscriptions for the new notes will not be received.

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The books will be open for three days only, on October 28 through October 30, for the receipt of subscriptions. Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, and placed in the mail before midnight October 30, will be considered as timely. The payment and delivery date for the notes will be November 15, 1968. The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Coupons dated November 15, 1968, on the securities maturing on that date should be detached and cashed when due. The November 15, 1968 interest due on registered securities will be paid by issue of interest checks in regular course to holders of record on October 15, 1968, the date the transfer books closed. Coupons dated December 15, 1968, on the bonds due on that date must be attached.

Interest on the 5-5/8% notes will be payable on May 15 and November 15, 1969, and May 15, 1970. Interest on the 5-3/4% notes will be payable on May 15 and November 15 until maturity.

The official offering circulars and subscription forms for this offering will be mailed to reach you by Monday, October 28; however, if they do not reach you by that date, subscriptions may be entered by telegram or letter, subject to confirmation on the forms provided.

Alfred Hayes,  
President.

The notes being offered are as follows:  
5-5/8% Treasury Notes of Series B-1970, dated November 15, 1967, due May 15, 1970, at 99.85 to yield about 5.73%, and an additional amount of 5-3/4% Treasury Notes of Series A-1974, dated November 15, 1967, due November 15, 1974, at par. About \$1,682 million of such notes are outstanding.  
In the case of exchanges for the 5-5/8% notes subscribers will receive a cash payment of \$1.50 per \$1,000.  
In the case of exchanges of the 2-1/2% bonds interest will be adjusted as of December 15, 1968. (1) subscribers submitting subscriptions for the 5-5/8% notes will be charged \$4.00 per \$1,000 interest from November 15 to December 15, 1968, on each note and credited with \$12.50 per \$1,000 interest from June 15 to December 15, 1968, on the 2-1/2% bonds plus the cash payment (\$1.50 per \$1,000) on account of the issue price of the notes, for a net payment to them of \$9.3840 per \$1,000; and (2) subscribers submitting subscriptions for the 5-3/4% notes will be charged \$4.7513 per \$1,000 interest from November 15 to December 15, 1968, on such notes and credited with \$13.50 per \$1,000 interest from June 15 to December 15, 1968, on the 2-1/2% bonds for a net payment to them of \$7.73481 per \$1,000.  
The public holds about \$5.6 billion of the securities eligible for exchange, and about \$2.3 billion is held by Federal Reserve and Government accounts.  
Cash subscriptions for the new notes will not be received.

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