

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 20, 1964

## TREASURY FINANCING

**To All Banking Institutions and Others Concerned  
in the Eleventh Federal Reserve District:**

There is quoted below a press statement issued today by the Treasury Department in regard to current financing:

### TREASURY OFFERS ADDITIONAL BILLS

The Treasury this morning announced several additional steps in its financing program for the summer. A total of \$1 billion Treasury bills will be added to the outstanding weekly issues maturing from October 15 through December 17, inclusive. The offering will be divided into equal amounts of \$100 million for each of those weekly maturities. Tenders for the \$1 billion strip of bills will be received on Friday, July 24, at the Federal Reserve Banks and Branches, and payment will be required in immediately available funds on Wednesday, July 29, at those same locations. Payments by credit to Treasury Tax and Loan Accounts will not be permitted.

In inviting tenders next Wednesday, July 22, for the regular weekly Treasury bill auction on Monday, July 27, the Treasury will offer \$2.1 billion, \$100 million more than the amount maturing. In addition, an announcement will be made on Thursday, July 23, of the Treasury's plans for completing the cycle of one-year bills maturing at monthly intervals.

The Treasury also presently expects to announce on Wednesday, July 29, plans for further short-term financing to replace the securities maturing on August 15 that were not exchanged in the advance refunding for which the subscription books closed last week. The full results of that refunding are not yet available. Reports in hand, however, indicate that public holders of the eligible issues subscribed for almost \$9 billion, including over \$3½ billion of the reopened 4% bonds of 1969, about \$4¼ billion of the new 4½% bonds of 1973, and over \$1.1 billion of the reopened 4¼% bonds of 1987-92. A full report of the preliminary results of that refunding will be made available tomorrow.

The official announcement and tender forms for the \$1 billion strip of Treasury bills to be issued on July 29, 1964, are enclosed. Tenders for the additional bills will be received at this bank and its branches at El Paso, Houston and San Antonio, up to eleven-thirty a.m., Central Standard time, Friday, July 24, 1964. Tenders may not be entered by telephone.

Yours very truly,

Watrous H. Irons

President

**FEDERAL RESERVE BANK OF DALLAS**

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 20, 1964

**TREASURY OFFERS \$1,000,000,000 STRIP OF WEEKLY BILLS****Ten series maturing weekly from October 15, 1964 to December 17, 1964****To All Banking Institutions and Others Concerned  
in the Eleventh Federal Reserve District:****Your attention is invited to the following statement giving details of a strip of weekly Treasury bills:**

The Treasury Department, by this public notice, invites tenders for additional amounts of ten series of Treasury bills to an aggregate amount of \$1,000,000,000, or thereabouts, for cash. The additional bills will be issued July 29, 1964, will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

Amount of Additional Issue	Original Issue Dates 1964	Maturity Dates 1964	Days from July 29, 1964 to Maturity	Amount Outstanding (in millions)
\$100,000,000	April 16	October 15	78	\$2,102
100,000,000	April 23	October 22	85	901
100,000,000	April 30	October 29	92	900
100,000,000	May 7	November 5	99	900
100,000,000	May 14	November 12	106	900
100,000,000	May 21	November 19	113	900
100,000,000	May 28	November 27	121	900
100,000,000	June 4	December 3	127	905
100,000,000	June 11	December 10	134	901
100,000,000	June 18	December 17	141	901
<b>\$1,000,000,000</b>				

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of \$10,000, or an even multiple thereof, and the amount tendered will be applied to each of the above series of bills on the basis of the ratio of each series to the total of all series. (For example, an accepted tender for \$50,000 will be applied \$5,000 to the issue with original date of April 16, 1964, and \$5,000 to each of the additional weekly issues through the issue with original date of June 18, 1964.)

The bills offered hereunder 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 Daylight Savings time, Friday, July 24, 1964. Tenders will not be received at the Treasury Department, Washington. 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. A single price must be submitted for each unit of \$10,000, or even multiple thereof. A unit represents \$1,000 face amount of each issue of bills offered hereunder, as previously described. 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 and 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 of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Noncompetitive tenders for \$100,000 or less (in even multiples of \$10,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds \$200,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of \$10,000. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank or Branch in cash or other immediately available funds on July 29, 1964.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest.

Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the ten outstanding issues using as a basis for proration the closing market prices for each of the issues on July 29, 1964. (Federal Reserve Banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

**Payment for these Treasury bills must be made or completed at this bank or appropriate branch in cash or other immediately available funds on July 29, 1964.**

**In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to eleven-thirty a.m., Central Standard time, Friday, July 24, 1964. Tenders may not be entered by telephone.**

Yours very truly,

Watrous H. Irons

President

## TENDER FOR TREASURY BILLS

Addition of \$100,000,000 to each series of outstanding Treasury bills maturing weekly from  
October 15, 1964 to December 17, 1964

To: Federal Reserve Bank, Station K, Dallas, Texas 75222

or —

The \_\_\_\_\_ Branch  
El Paso 79999    Houston 77001    San Antonio 78206

.....  
(Date)

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public announcement, as shown on reverse side, as issued by the Treasury Department, the undersigned offers to purchase Treasury bills in the amount shown below, and agrees to pay for the amount allotted, on or before the issue date, by the method and at the rate indicated.

**NONCOMPETITIVE TENDER \$ \_\_\_\_\_ NOT TO EXCEED \$100,000**  
(In multiples of \$10,000 for each subscriber)

Noncompetitive tenders for \$100,000 or less (in even multiples of \$10,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds \$200,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of \$10,000.

**COMPETITIVE TENDERS** { \$ \_\_\_\_\_ @ \_\_\_\_\_ \$ \_\_\_\_\_  
  \$ \_\_\_\_\_ @ \_\_\_\_\_ \$ \_\_\_\_\_  
(in multiples of \$10,000 for each subscriber)    \$ \_\_\_\_\_ @ \_\_\_\_\_ \$ \_\_\_\_\_

Prices should be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions must not be used.

A single price must be submitted for each unit of \$10,000 or even multiple thereof.

TENDERS MAY NOT BE ENTERED BY TELEPHONE. TENDERS BY WIRE, IF RECEIVED BEFORE THE CLOSING HOUR, ARE ACCEPTABLE.

### METHOD OF PAYMENT

These bills cannot be paid for by credit in Treasury Tax and Loan Accounts.

Payment to be made by.....  
.....  
.....  
(Name of Bank)

By charge to our reserve account on payment date.  
 By draft enclosed (effectual delivery of enclosed draft shall be on latest day which will permit presentment in order to obtain irrevocably collected funds on payment date).

### Delivery Instructions:

Treasury Bills allotted will be delivered in convenient denominations.

Describe by issue, if more than one of the following methods of delivery is desired.

- Hold in Custody Account—Member banks for own account only
- Pledge to Secure Treasury Tax and Loan Account
- Ship to \_\_\_\_\_  
.....

.....  
(Subscriber's full name or corporate title)

.....  
(Address)

By .....  
(Authorized official signature and title)

.....  
(For the account of, if tender is for another subscriber)

.....  
(Address)

### IMPORTANT

1. No tender for less than \$10,000 will be considered and each tender must be for an amount in multiples of \$10,000 (maturity value).
2. Tenders should be forwarded in an envelope clearly addressed to this bank or appropriate branch as Fiscal Agent of the United States, with notation on the envelope reading "TENDER FOR TREASURY BILLS". Since envelopes received with this legend will not be opened until after the closing time specified in the public announcement, communications relating to other matters should not be enclosed. Envelopes for submitting tenders may be requested from this bank or appropriate branch.
3. Any qualified or conditional tender will be rejected.
4. If a corporation makes the tender the form should be signed by an officer of the corporation authorized to make the tender and the signing of the form by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by....., a member of the firm".
5. Tenders from those other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 per cent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guaranty of full payment by an incorporated bank or trust company.
6. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to eleven-thirty a.m., Central Standard time, Friday, July 24, 1964.