

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 73-45

February 27, 1973

NEW OFFERING — TREASURY BILLS

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

Your attention is invited to the following statement giving details of two issues of Treasury bills:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$4,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 8, 1973, in the amount of \$4,205,515,000, as follows:

91-DAY BILLS (to maturity date) to be issued March 8, 1973, in the amount of \$2,400,000,000, or thereabouts, representing an additional amount of bills dated December 7, 1972, and to mature June 7, 1973 (CUSIP No. 912793 QW9), originally issued in the amount of \$1,896,515,000, the additional and original bills to be freely interchangeable.

182-DAY BILLS for \$1,800,000,000, or thereabouts, to be dated March 8, 1973, and to mature September 6, 1973 (CUSIP No. 912793 RT5).

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 \$10,000, \$15,000, \$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, March 5, 1973. Tenders will not be received at the Treasury Department, Washington. Each tender must be for a minimum of \$10,000. Tenders over \$10,000 must be in multiples of \$5,000. 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. Other 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. Only those submitting competitive tenders will be advised of the acceptance of 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. Subject to these reservations, noncompetitive tenders for each issue for \$200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with bids must be made or completed at the Federal Reserve Bank on March 8, 1973, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 8, 1973. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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 considered to accrue when the bills are sold, redeemed or otherwise disposed of, and the bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder must include in his income tax return, as ordinary gain or loss, the difference between the price paid for the 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.

Treasury Department Circular No. 418 (current revision) 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.

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 twelve-thirty p.m., Central Standard Time, Monday, March 5, 1973. Tenders may not be entered by telephone.

Yours very truly,

P. E. Coldwell

President

LAST PREVIOUS OFFERING OF TREASURY BILLS

Amount, Range and Approximate Yield of Accepted Tenders

3-Month Bills Due May 31, 1973		6-Month Bills Due August 30, 1973	
\$3,470,835,000		Total Applied For	\$3,086,605,000
\$2,400,225,000		Total Accepted	\$1,800,045,000
Price	Yield	Price	Yield
98.545	5.756%	High 96.970	5.993%
98.522	5.847%	Low 96.927	6.078%
98.531	5.811% (1)	Average 96.944	6.045% (1)

(1) These rates are on a bank discount basis. The equivalent coupon issue yields are 5.98% for the 3-month bills and 6.32% for the 6-month bills.

(See reverse for tender form)

