FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 6322]

OFFERING OF TWO SERIES OF TREASURY BILLS

\$500,000,000 of 276-Day Bills, Additional Amount, Series Dated Jan. 31, 1969, Due Jan. 31, 1970 (To Be Issued April 30, 1969)

\$1,000,000,000 of 365-Day Bills, Dated April 30, 1969, Due April 30, 1970

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

Following is the text of a notice issued by the Treasury Department, released for publication today at 4 p.m.:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$1,500,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing April 30, 1969, in the amount of \$1,701,601,000, as follows:

276-day bills (to maturity date) to be issued April 30, 1969, in the amount of \$500,000,000, or thereabouts, representing an additional amount of bills dated January 31, 1969, and to mature January 31, 1970, originally issued in the amount of \$1,000,177,000, the additional and original bills to be freely interchangeable.

365-day bills, for \$1,000,000,000, or thereabouts, to be dated April 30, 1969, and to mature April 30, 1970.

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 \$1,000, \$5,000, \$10,000, \$50,000 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, Thursday, April 24, 1969. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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. (Notwithstanding the fact that the one-year bills will run for 365 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) 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. 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. 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 the bids must be made or completed at the Federal Reserve Bank on April 30, 1969, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 30, 1969. 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.

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.

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.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Standard time, Thursday, April 24, 1969, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for the respective series are enclosed. Please use the appropriate forms to submit tenders and return them in the enclosed envelope marked "Tender for Special Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. Payment for the Treasury bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds or in maturing Treasury bills.

ALFRED HAYES,

President.

No							
TENDER FOR 276-DAY TREASURY BILLS							
Additional Amount, Series Dated January 31, 1969, Due January 31, 1970 (To Be Issued April 30, 1969)							
To Federal Reserve Bank of New York, Fiscal Agent of the United States. Dated at							
Pursuant to the provisions of Treasury Department Circular No. 418 (current revision) and to the provisions of the public notice issued by the Treasury Department inviting tenders for the above described Treasury bills, the undersigned hereby offers to purchase such Treasury bills in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price indicated below:							
COMPETITIVE TENDER [Do not fill in both Competitive and NonCompetitive tenders on one form] NONCOMPETITIVE TENDER							
\$ (maturity value), or any lesser amount that may be awarded. \$ (Not to exceed \$200,000 for one bidder through all sources)							
Price: per 100. (Price must be expressed with not more than three decimal places, for example, 99.925) At the average price of accepted competitive bids.							
Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:							
Pieces Denomination Maturity value \$ 1,000 5,000 10,000 100,000 500,000 1,000,000	 □ 1. Deliver over the counter to the undersigned □ 2. Ship to the undersigned □ 3. Hold in safekeeping (for account of member bank only) □ 4. Allotment transfer (see list attached) □ 5. Special instructions: 	Payment will be made as follows: By check herewith By cash or check in immediately available funds on delivery By charge to our reserve account By surrender of \$					
Totals	(No changes in delivery instructions (Payment cannot be made thround the made through the m						
The undersigned (if a bank or trust company) hereby certifies that the Treasury bills which you are hereby instructed to dispose of in the manner indicated in item 3 above are owned solely by the undersigned.							
Insert this tender in special envelope marked "Tender for Special Treasury Bills" (Name of subscriber—please print or type) (Address—please print or type) (Signature of subscriber or authorized signature)							
(Title of authorized signer) (Banking institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider)							
(Name of customer) (Name of customer)							

INSTRUCTIONS:

- 1. No tender for less than \$1,000 will be considered, and each tender must be for an even multiple of \$1,000 (maturity value).
- 2. Others than banking institutions will not be permitted to submit tenders except for their own account. Banking institutions submitting tenders for customer account may consolidate competitive tenders at the same price and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder, the amount bid for his account, and method of payment. Forms for this purpose will be furnished upon request.
- 3. If the person making the tender is a corporation, the tender should be signed by an officer of the corporation authorized to make the tender, and the signing of the tender 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."
- 4. 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. All checks must be drawn to the order of the Federal Reserve Bank of New York; checks endorsed to this Bank will not be accepted.
- 5. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

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TENDER FOR 365-DAY TREASURY BILLS

Dated April 30, 1969

Due April 30, 1970

To Federal Reserve Bank of N Fiscal Agent of the United S	totas	ed at
Pursuant to the provisions of provisions of the public notice iss Treasury bills, the undersigned he	of Treasury Department Circular No. ued by the Treasury Department invitoreby offers to purchase such Treasury efor at your Bank on or before the issues.	418 (current revision) and to the ting tenders for the above described bills in the amount indicated below
COMPETITIVE TENDER	Do not fill in both Competitive and Noncompetitive tenders on one form	NONCOMPETITIVE TENDER
\$ or any lesser amount that may be:	(maturity value), \$	(maturity value)
Price: per 10 (Price must be expressed with decimal places, for example, 99	not more than three At the average	price of accepted competitive bids.
Subject to allotment, please issue,	deliver, and accept payment for the b	ills as indicated below:
Pieces Denomination Maturity value \$ 1,000	1. Deliver over the counter to the undersigned 2. Ship to the undersigned 3. Hold in safekeeping (for account of member bank only) 4. Allotment transfer (see list attached) 5. Special instructions:	Payment will be made as follows: By check herewith By cash or check in immediately available funds on delivery By charge to our reserve account By surrender of \$
Totals		Treasury Tax and Loan Account)
The undersigned (if a bank hereby instructed to dispose of in Insert this tender in special envelope marked "Tender for Special Treasury Bills"	or trust company) hereby certifies the the manner indicated in item 3 above a (Name of subscriber—please processes) (Address—please processes) (Signature of subscriber or an indicated in item 3 above a	are owned solely by the undersigned use print or type) int or type) uthorized signature)
(Banking institutions submitting tenders	for customer account must list customers' nar	
1. No tender for less than \$1 (maturity value). 2. Others than banking institt Banking institutions submitting tender and may consolidate noncompetitive the bid for his account, and method of parameters of the person making the tender, and the tender, and the tender, and the tender, and the tender of the firm, who should sign in the tender of the firm, who should sign is the tender of the firm, who should sign is the tender of the firm, who should sign in the tender of the firm, who should sign is the tender of the firm of the firm of the tender of the firm of th	ations will not be permitted to submit the error of customer account may consolidate enders, provided a list is attached showing ayment. Forms for this purpose will be funder is a corporation, the tender should be the signing of the tender by an officer of ender so authorized. If the tender is made by an the form ", a member of the firm, without deposit from incorporated banks asstment securities. Tenders from others are gury bills applied for, unless the tenders are	tenders except for their own account. It is competitive tenders at the same price of the name of each bidder, the amount irnished upon request. I signed by an officer of the corporation the corporation will be construed as a reapartnership, it should be signed by a mand trust companies and from responsible to accompanied by payment of the accompanied by an express guaranty
of payment by an incorporated bank of New York; checks endorsed	or trust company. All checks must be dra-	wn to the order of the Federal Reserve

5. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.