

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 6700 ]  
March 17, 1971

## Treasury Offers \$2.2 Billion Strip of Weekly Bills

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 and released for publication yesterday:

The Treasury Department, by this public notice, invites tenders for additional amounts of eleven series of Treasury bills to the aggregate amount of \$2,200,000,000, or thereabouts, for cash. The additional bills will be issued April 6, 1971, 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 1971	Maturity Dates 1971	CUSIP No.	Days from April 6, 1971 to maturity	Amount currently outstanding (in millions)
\$ 200,000,000	January 7	July 8	912793 KX3	93	\$1,402
200,000,000	January 14	July 15	912793 KY1	100	1,408
200,000,000	January 21	July 22	912793 KZ8	107	1,401
200,000,000	January 28	July 29	912793 LA2	114	1,400
200,000,000	February 4	August 5	912793 LC8	121	1,405
200,000,000	February 11	August 12	912793 LD6	128	1,400
200,000,000	February 18	August 19	912793 LE4	135	1,402
200,000,000	February 25	August 26	912793 LF1	142	1,402
200,000,000	March 4	September 2	912793 LG9	149	1,401
200,000,000	March 11	September 9	912793 LH7	156	1,401
200,000,000	March 18	September 16	912793 LJ3	163	1,400
<hr/>				(Average)	128
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\$2,200,000,000					

The additional and original bills will be freely interchangeable.

*Each tender submitted must be in the minimum amount of \$110,000. Tenders over \$110,000 must be in multiples of \$55,000. One-eleventh of the amount tendered will be applied to each of the above series of bills.*

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 \$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, Wednesday, March 31, 1971. 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 tender. 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.

(OVER)

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of, any bills of these additional issues at a specific rate or price, until after one-thirty p.m., Eastern Standard time, Wednesday, March 31, 1971.

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 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 \$330,000 or less (in amounts as set forth in the second paragraph) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on April 6, 1971.

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. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills onto their books on the basis of their purchase price prorated to each of the eleven outstanding issues using as a basis for proration the closing market prices for each of the issues on April 6, 1971. (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 (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 up to 1:30 p.m., Eastern Standard time, Wednesday, March 31, 1971, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the enclosed tender form to submit a tender, and return it in the enclosed envelope marked "Tender for Strip of Outstanding Treasury Bills." Tenders not requiring a deposit may be submitted by telegraph, subject to written confirmation; no tenders may be submitted by telephone. Settlement for accepted tenders must be made on April 6, 1971, in cash or other immediately available funds; *settlement cannot be made by credit through the Treasury Tax and Loan Account.*

ALFRED HAYES,  
*President.*