

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 7265 ]  
November 5, 1973 ]

## Treasury Offers \$1.1 Billion Strip of Weekly Bills

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

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

The Treasury plans to raise \$1.2 billion of new cash by selling a short strip of bills totalling \$1.1 billion and by raising \$100 million through an addition to the amount of bills auctioned on Monday, November 12, 1973. The strip of bills will be auctioned on Friday, November 9, 1973, for payment on November 14, 1973. It will consist of \$100 million additions to bills maturing each week from November 23, 1973, through January 31, 1974. This auction, combined with the addition of \$100 million to the regular auction on Monday, November 12, will bring all weekly bill maturities to \$4.3 billion. None of the bills may be paid for by credit to Treasury Tax and Loan Accounts.

This limited short-term financing is a by-product of the recent welcome improvement in the international payments position of the United States. This improved payments position has been reflected in reduced holdings of Treasury debt by some foreign monetary authorities. A portion of this reduction, which is in itself desirable, may give rise to some redemptions of special U. S. Treasury securities held by those monetary authorities. In the absence of an ability to borrow directly from the Federal Reserve Banks (the authority for which expired on October 31 and has not yet been extended by the Congress), a limited addition to Treasury cash balances is now required to prudently prepare for this eventuality.

Following is the text of the public notice offering the strip of bills referred to in the above statement:

The Treasury Department, by this public notice, invites tenders for additional amounts of eleven series of Treasury bills to the aggregate amount of \$1,100,000,000, or thereabouts, for cash. The additional bills will be issued November 14, 1973, will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

<i>Amount of additional issue</i>	<i>Original issue dates</i>		<i>Maturity Dates</i>	<i>CUSIP Nos.</i>	<i>Days from Nov. 14, 1973 to maturity</i>	<i>Amount currently outstanding (in millions)</i>
\$ 100,000,000	May	24, 1973	November 23, 1973	912793 SE7	9	\$4,202
100,000,000	May	31, 1973	November 29, 1973	912793 SF4	15	4,205
100,000,000	June	7, 1973	December 6, 1973	912793 SG2	22	4,210
100,000,000	June	14, 1973	December 13, 1973	912793 SH0	29	4,192
100,000,000	June	21, 1973	December 20, 1973	912793 SJ6	36	4,203
100,000,000	June	28, 1973	December 27, 1973	912793 SK3	43	4,204
100,000,000	July	5, 1973	January 3, 1974	912793 SS6	50	4,202
100,000,000	July	12, 1973	January 10, 1974	912793 ST4	57	4,204
100,000,000	July	19, 1973	January 17, 1974	912793 SU1	64	4,203
100,000,000	July	26, 1973	January 24, 1974	912793 SV9	71	4,201
100,000,000	August	2, 1973	January 31, 1974	912793 SW7	78	4,212
<hr/>					(Average)	43.1
\$1,100,000,000						

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 inter-

(OVER)

est. 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, Friday, November 9, 1973. 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.

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, Friday, November 9, 1973.

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 \$220,000 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 November 14, 1973.

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 November 14, 1973. (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, Friday, November 9, 1973, 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 Treasury Bills." Tenders not requiring a deposit may be submitted by telegraph, subject to written confirmation; no tenders may be submitted by telephone. *Payment for the strip of bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds.*

ALFRED HAYES,  
President.



**IMPORTANT** — All requested data on the front *and reverse side* of this form should be supplied, including the number and denomination of bills desired and the delivery and payment instructions.

No. ....

## TENDER FOR STRIP OF 11 SERIES OF TREASURY BILLS

(TO BE ISSUED NOVEMBER 14, 1973)

(Additional Amounts of Outstanding Weekly Series

Maturing November 23, 1973 to January 31, 1974, Inclusive)

TO FEDERAL RESERVE BANK OF NEW YORK,  
Fiscal Agent of the United States.

Dated at .....  
....., 1973

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 strip of Treasury bills, the undersigned hereby offers to purchase such strip of 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.

Price: .....per 100.  
(Price must be expressed with not more than three  
decimal places, for example, 99.925)

\$..... (maturity value)  
(Not to exceed \$220,000 for one bidder through all sources)

at the average price of accepted competitive bids.

Subject to allotment please issue, deliver, and accept payment for the bills as indicated *on the reverse side hereof*.

*We hereby agree not to buy 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, Friday, November 9, 1973.*

**Insert this tender  
in envelope marked  
"Tender for  
Treasury Bills"**

.....  
(Name of subscriber—please print or type)

.....  
(Address—please print or type)

.....  
(Tel. No.)

.....  
(Signature of subscriber or authorized signature)

.....  
(Title of authorized signer)

(Banks submitting tenders for customer account must indicate name on line below or attach a list)

.....  
Name of Customer

.....  
Name of Customer

### INSTRUCTIONS:

1. Each tender submitted must be in the minimum amount of \$110,000. Tenders over \$110,000 must be in multiples of \$55,000. Subject to allotment, one-eleventh of the amount tendered will be applied to each of the eleven separate series of bills included in the offering.

2. Others than banking institutions will not be permitted to submit tenders except for their own account. Banks submitting tenders for customer account may consolidate competitive tenders *at the same price* and may consolidate non-competitive 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 on 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 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.

(OVER)

Subject to allotment, please issue, deliver, and accept payment for the bills as instructed below (payment will be made at your Bank not later than November 14, 1973):

Issue Maturing	\$10,000	\$15,000	\$50,000	\$100,000	\$500,000	\$1,000,000
November 23, 1973						
November 29, 1973						
December 6, 1973						
December 13, 1973						
December 20, 1973						
December 27, 1973						
January 3, 1974						
January 10, 1974						
January 17, 1974						
January 24, 1974						
January 31, 1974						

- ☐ 1. Deliver over the counter to the undersigned  
☐ 2. Ship to the undersigned  
☐ 3. Hold in safekeeping (for account of member bank only)\*  
☐ 4. Hold as collateral for Treasury Tax and Loan Account\*  
☐ 5. Special instructions:

Payment will be made as follows:

- ☐ By check herewith  
☐ By cash or check in *immediately available funds* or delivery  
☐ By charge to our reserve account

(No changes in delivery instructions will be accepted)

\* The subscriber certifies that the allotted bills will be owned solely by the subscriber.