

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

[Circular No. 7361]
March 21, 1974]

Offering of \$2,500,000,000 of 84-Day Tax Anticipation Treasury Bills, Additional Amount
Dated November 30, 1973, Due June 21, 1974, To Be Issued March 29, 1974

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

Following is the text of a notice issued March 20 by the Treasury Department:

The Treasury Department, by this public notice, invites tenders for \$2,500,000,000, or thereabouts, of 84-day Treasury bills, (to maturity date), to be issued on March 29, 1974, on a discount basis under competitive and noncompetitive bidding as hereinafter provided. These bills will represent an additional amount of bills dated November 30, 1973, to mature June 21, 1974 (CUSIP No. 912793 VN3) originally issued in the amount of \$1,999,750,000. The additional and original bills will be freely interchangeable. They will be accepted at face value in payment of income taxes due on June 15, 1974, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June 15, 1974 income taxes may submit the bills to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before that date. In the case of bills submitted in payment of income taxes of a corporation they shall be accompanied by a duly completed Form 503 and the office receiving these items will effect the deposit on June 15, 1974. In the case of bills submitted in payment of income taxes of all other taxpayers, the office receiving the bills will issue receipts therefor, the original of which the taxpayer shall submit on or before June 15, 1974, to the District Director of Internal Revenue for the District in which such taxes are payable. The bills 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 Daylight Saving time, Tuesday, March 26, 1974. 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. 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

This Bank will receive tenders up to 1:30 p.m., Eastern Daylight Saving time, Tuesday, March 26, 1974, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the form on the reverse side of this circular 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; they may not be submitted by telephone. Settlement for accepted tenders must be made on or before March 29, 1974, in cash or other immediately available funds, except that any qualified depository may make settlement by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers.

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 bid for under this offering at a specific rate or price, until after one-thirty p.m., Eastern Daylight Saving time, Tuesday, March 26, 1974.

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 \$500,000 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. 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 March 29, 1974. Any qualified depository will be permitted to make settlement by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers.

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.

ALFRED HAYES,
President.

(OVER)

IMPORTANT — Please make certain that all requested data is supplied on this form, including the number and denomination of pieces desired and the delivery and payment instructions.

**TENDER FOR 84-DAY TAX ANTICIPATION TREASURY BILLS,
ADDITIONAL AMOUNT**

Dated November 30, 1973, Due June 21, 1974, To Be Issued March 29, 1974

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

Dated at
....., 1974

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
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\$..... (maturity value),
or any lesser amount that may be awarded.

\$..... (maturity value).
(Not to exceed \$500,000 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.

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 bid for under this offering at a specific rate or price, until after one-thirty p.m., Eastern Daylight Saving time, Tuesday, March 26, 1974.

Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:

Pieces	Denomination	Maturity value	Delivery Instructions	Payment
	\$ 10,000		<input type="checkbox"/> 1. Deliver over the counter to the undersigned <input type="checkbox"/> 2. Ship to the undersigned <input type="checkbox"/> 3. Hold in safekeeping (for account of member bank only)* <input type="checkbox"/> 4. Hold as collateral for Treasury Tax and Loan Account* <input type="checkbox"/> 5. Special instructions: (No changes in delivery instructions will be accepted)	Payment will be made as follows: <input type="checkbox"/> By charge to our account on your books <input type="checkbox"/> By cash or check in <i>immediately available funds</i> on delivery <input type="checkbox"/> By credit in Treasury Tax and Loan Account, for which Advice of Deposit (below) is submitted herewith
	15,000			
	50,000			
	100,000			
	500,000			
	1,000,000			
	Totals			

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

Insert this tender in special 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 signer)
.....
(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 \$10,000 will be considered and each tender must be for an even multiple of \$5,000 (maturity value).
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.

Advice of Deposit in Treasury Tax and Loan Account

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

We will deposit on March 29, 1974 to your credit in the Treasury Tax and Loan Account on our books, to be held subject to withdrawal on demand, an amount equal to the purchase price of the bills allotted to us on our tender for 84-day tax anticipation Treasury bills, additional amount, dated November 30, 1973, due June 21, 1974, to be issued March 29, 1974.

.....
(Name of Depository)
By
(Authorized signature(s) required)
Address
(City and State)