

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

[ Circular No. 7418 ]  
July 9, 1974

OFFERING OF TWO SERIES OF TREASURY BILLS

\$2,600,000,000 of 91-Day Bills, Additional Amount, Series Dated April 18, 1974, Due October 17, 1974  
(To Be Issued July 18, 1974)

\$1,900,000,000 of 182-Day Bills, Dated July 18, 1974, Due January 16, 1975

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 at 4 p.m. today:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$4,500,000,000, or thereabouts, to be issued July 18, 1974, as follows:

91-day bills (to maturity date) in the amount of \$2,600,000,000, or thereabouts, representing an additional amount of bills dated April 18, 1974, and to mature October 17, 1974 (CUSIP No. 912793 UU8), originally issued in the amount of \$1,804,175,000 (an additional \$100,065,000 was issued on June 5, 1974), the additional and original bills to be freely interchangeable.

182-day bills, for \$1,900,000,000, or thereabouts, to be dated July 18, 1974, and to mature January 16, 1975 (CUSIP No. 912793 VR4).

The bills will be issued for cash and in exchange for Treasury bills maturing July 18, 1974, outstanding in the amount of \$4,314,475,000, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,373,975,000. These accounts may exchange bills they hold for the bills now being offered at the average prices of accepted tenders.

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 Daylight Saving time, Monday, July 15, 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 and dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon may submit tenders for account

of customers provided the names of the customers are set forth in such tenders. Others 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 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 July 18, 1974, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 18, 1974. 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.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Daylight Saving time, Monday, July 15, 1974, 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 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 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.*

Results of the last weekly offering of Treasury bills (91-day bills to be issued July 11, 1974, representing an additional amount of bills dated April 11, 1974, maturing October 10, 1974; and 182-day bills dated July 11, 1974, maturing January 9, 1975) are shown on the reverse side of this circular.

ALFRED HAYES,  
President.

**RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS  
(TWO SERIES TO BE ISSUED JULY 11, 1974)**

**Range of Accepted Competitive Bids**

	<i>91-Day Treasury Bills Maturing October 10, 1974</i>		<i>182-Day Treasury Bills Maturing January 9, 1975</i>	
	<i>Price</i>	<i>Approx. equiv. annual rate</i>	<i>Price</i>	<i>Approx. equiv. annual rate</i>
High .....	98.032 <sup>a</sup>	7.785%	95.753 <sup>b</sup>	8.401%
Low .....	97.990	7.952%	95.689	8.527%
Average .....	98.005	7.892% <sup>1</sup>	95.713	8.480% <sup>1</sup>

<sup>a</sup> Excepting one tender of \$20,000.

<sup>b</sup> Excepting two tenders totaling \$20,000.

<sup>1</sup> These rates are on a bank discount basis. The equivalent coupon issue yields are 8.16% for the 91-day bills, and 8.98% for the 182-day bills.

(45 percent of the amount of 91-day bills bid for at the low price was accepted.)

(4 percent of the amount of 182-day bills bid for at the low price was accepted.)

**Total Tenders Applied for and Accepted (By Federal Reserve District)**

<i>District</i>	<i>91-Day Treasury Bills Maturing October 10, 1974</i>		<i>182-Day Treasury Bills Maturing January 9, 1975</i>	
	<i>Applied for</i>	<i>Accepted</i>	<i>Applied for</i>	<i>Accepted</i>
Boston .....	\$ 54,305,000	\$ 41,545,000	\$ 27,645,000	\$ 15,645,000
New York .....	3,278,815,000	2,149,925,000	2,745,820,000	1,578,640,000
Philadelphia .....	31,985,000	31,985,000	14,490,000	14,440,000
Cleveland .....	65,490,000	64,770,000	48,265,000	37,945,000
Richmond .....	50,695,000	30,695,000	46,610,000	28,010,000
Atlanta .....	50,045,000	43,025,000	41,030,000	34,175,000
Chicago .....	183,025,000	85,800,000	257,030,000	45,630,000
St. Louis .....	37,495,000	29,045,000	34,735,000	24,735,000
Minneapolis .....	19,295,000	6,110,000	9,370,000	5,370,000
Kansas City .....	31,930,000	30,975,000	39,075,000	37,825,000
Dallas .....	38,890,000	23,540,000	39,540,000	22,955,000
San Francisco .....	171,010,000	62,680,000	122,885,000	54,885,000
<b>TOTAL .....</b>	<b>\$4,012,980,000</b>	<b>\$2,600,095,000<sup>c</sup></b>	<b>\$3,426,495,000</b>	<b>\$1,900,255,000<sup>d</sup></b>

<sup>c</sup> Includes \$440,395,000 noncompetitive tenders accepted at average price.

<sup>d</sup> Includes \$360,830,000 noncompetitive tenders accepted at average price.