

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 7427]
July 26, 1974]

**BOOK-ENTRY PROCEDURE
— Application to Federal Financing Bank Securities
— Progress Report on Book-Entry Program**

*To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

As stated in our Circular No. 7419, dated July 12, 1974, the Federal Financing Bank, an instrumentality of the United States created by the Federal Financing Bank Act of 1973, has announced its first offering of securities to the public — \$1.5 billion of 244-day Federal Financing Bank bills, dated July 30, 1974 and maturing March 31, 1975.

Under the terms of this offering the new bills will be issued either in definitive (bearer) form or in book-entry form. Any such bills that are deposited with this Bank for safekeeping on or after the issue date, July 30, 1974, will be converted into book-entry form.

Copies of revised Appendices B and C to this Bank's Operating Circular No. 21, reflecting the addition of the obligations of the Federal Financing Bank to the list of Federal Agency securities that are now eligible for the book-entry procedure, will be forwarded to you in due course.

In this connection, you may be interested in the table printed below, which shows the progress achieved to date in the application of the joint Federal Reserve-Treasury Department book-entry program to marketable Treasury securities, both throughout the Federal Reserve System and in this District, since the initiation of that program in January 1968. Currently, 70 percent (\$187.2 billion) of marketable Treasury securities are in book-entry form. In addition, about \$10 billion, or 16 percent, of the \$62 billion of Federal Agency securities that are eligible for the book-entry procedure, have also been converted into book-entry form.

Alfred Hayes,
President.

**Marketable United States Treasury Securities in Book-Entry Form
December 1968 to June 1974**

(Dollar amounts in billions)

<u>End of period</u>	<u>Marketable Treasury Securities Outstanding</u>	<u>Book-Entry Holdings</u>		
		<u>Federal Reserve System</u>		<u>Federal Reserve Bank of N.Y.</u>
		<u>Amount</u>	<u>% of Securities Outstanding</u>	
1968	\$ 236.8	\$ 36.5	15.4	\$ 21.0
1969	235.9	38.2	16.2	21.2
1970	247.7	121.3	48.9	96.6
1971	262.0	152.6	58.2	124.6
1972	269.5	160.2	59.4	129.2
1973	270.2	176.6	65.4	135.6
June 1974	266.6	187.2	70.2	142.0