FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 7578
March 4, 1975]

OFFERING OF TWO SERIES OF TREASURY BILLS

$2,600,000,000 of 91-Day Bills, Additional Amount, Series Dated December 12, 1974, Due June 12, 1975

(To Be Issued March 13, 1975)

$2,500,000,000 of 182-Day Bills, Dated March 13, 1975, Due September 11, 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 $5,100,000,000, or thereabouts, to be issued March 13, 1975, 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 December 12, 1974, and to mature June 12, 1975 (CUSIP No. 912793 WN2), originally issued in the amount of $2,102,320,000, the additional and original bills to be freely interchangeable.

182-day bills, for $2,500,000,000, or thereabouts, to be dated March 13, 1975, and to mature September 11, 1975 (CUSIP No. 912793 XN1).

The bills will be issued for cash and in exchange for Treasury bills maturing March 13, 1975, outstanding in the amount of $4,607,810,000, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold $2,459,575,000. 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 in denominations of $10,000, $15,000, $50,000, $100,000, $500,000 and $1,000,000 (maturity value) and in book-entry form to designated bidders.

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Daylight Saving time, Monday, March 10, 1975. 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 March 13, 1975, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 13, 1975. 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, March 10, 1975, 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 March 6, 1975, representing an additional amount of bills dated December 5, 1974, maturing June 5, 1975; and 182-day bills dated March 6, 1975, maturing September 4, 1975) are shown on the reverse side of this circular.

Alfred Hayes,
President.

(OVER)

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Federal Reserve Bank of St. Louis

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS
(TWO SERIES TO BE ISSUED MARCH 6, 1975)

Range of Accepted Competitive Bids

	91-Day Treasury Bills Maturing June 5, 1975			182-Day Treasury Bills Maturing September 4, 1975		
	Price	Discount Rate	Investment Rate[1]	Price	Discount Rate	Investment Rate[1]
High	98.595[a]	5.558%	5.73%	97.128[b]	5.681%	5.95%
Low	98.567	5.669%	5.85%	97.091	5.754%	6.03%
Average	98.575	5.637%	5.81%	97.097	5.742%	6.01%

[a] Excepting two tenders totaling $620,000.
[1] Equivalent coupon issue yield.

[b] Excepting two tenders totaling $45,000.

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

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

Total Tenders Received and Accepted (By Federal Reserve District)

	91-Day Treasury Bills Maturing June 5, 1975		182-Day Treasury Bills Maturing September 4, 1975	
District	Received	Accepted	Received	Accepted
Boston	$ 57,965,000	$ 32,545,000	$ 28,875,000	$ 7,445,000
New York	2,982,175,000	2,147,375,000	3,549,115,000	1,870,545,000
Philadelphia	97,625,000	76,915,000	119,175,000	15,175,000
Cleveland	49,205,000	47,110,000	132,200,000	12,690,000
Richmond	34,810,000	31,795,000	28,210,000	11,700,000
Atlanta	30,430,000	29,690,000	35,890,000	16,390,000
Chicago	180,325,000	132,325,000	191,825,000	79,825,000
St. Louis	36,285,000	26,265,000	25,825,000	8,600,000
Minneapolis	52,860,000	47,860,000	29,435,000	5,465,000
Kansas City	54,230,000	41,420,000	17,400,000	12,105,000
Dallas	22,650,000	22,650,000	15,900,000	8,900,000
San Francisco	197,790,000	64,635,000	593,820,000	451,770,000
TOTAL	$3,796,350,000	$2,700,585,000[c]	$4,767,670,000	$2,500,610,000[d]

[c] Includes $394,835,000 noncompetitive tenders from the public.
[d] Includes $112,140,000 noncompetitive tenders from the public.

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