FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 7596] March 27, 1975

Offering of \$1,280,000,000 of 364-Day Treasury Bills Dated April 8, 1975 Due April 6, 1976

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

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

The Department of the Treasury, by this public notice, invites tenders for 364-day Treasury bills to be dated April 8, 1975, and to mature April 6, 1976 (CUSIP No. 912793 YH3). The bills will be issued for cash and in exchange for Treasury bills maturing April 8, 1975.

Tenders in the amount of \$1,280,000,000, or thereabouts, will be accepted from the public, which holds \$674,000,000 of the maturing bills.

Additional amounts of the bills may be issued at the average price of accepted tenders to Government accounts and Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities, which hold \$1,127,000,000 of the maturing bills.

The bills 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 bookentry 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, Wednesday, April 2, 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 \$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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 8, 1975, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 8, 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 up to 1:30 p.m., Eastern Daylight Saving time, Wednesday, April 2, 1975, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the form on the reverse side of this notice 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 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.

ALFRED HAYES,

President.

TENDER FOR 364-DAY TREASURY BILLS

Dated April 8, 1975

Due April 6, 1976

To Federal Reserve Bank of New York,		Dated at	
Fiscal Agent of the U	nited States.		
sions of the public notice. Treasury bills, the undersi	e issued by the Treasur igned hereby offers to put ent therefor at your Bank DER Do not fill in Noncompetitiv	ry Department inviting the control of the control o	(current revision) and to the proving tenders for the above-described bills in the amount indicated below the date at the price indicated below: NONCOMPETITIVE TENDER
or any lesser amount that i			(maturity value) 00,000 for one bidder through all sources)
decimal places, for exc	ssed with not more than three ample, 99.925)		price of accepted competitive bids.
Subject to allotment, pleas	e issue, deliver, and accep	pt payment for the bi	ills as indicated below:
Pieces Denomination Mat	undersig 2. Ship to	over the counter to the med the undersigned safekeeping (for memory) in—	Payment will be made as follows: By charge to our reserve account By cash or check in immediately available funds on delivery (Payment cannot be made through Treasury Tax and Loan Account)
100,000	Inves	stment Account	5. Special instructions:
500,000		ral Account	J. Special matricions.
1,000,000		t Account	ned)
Totals	(No changes in delivery instructions will be accepted)		
Insert this tender in special envelope	r indicated in item 3 abo	(Name of subscriber—plea	se print or type)
marked "Tender for Treasury Bills"	(Tel. No.)		ubscriber or authorized signature)
		(Title of authorized	d signer)
			es on lines below or on an attached rider)
(Name of cus INSTRUCTIONS: 1. No tender for less th (maturity value).	stomer)		(Name of customer) ust be for an even multiple of \$5,000
their positions with respect to doing so, they may consolidate	Government securities and be competitive tenders at the same of each bidder and the am	porrowings thereon, may me price and may consol	nt securities and report daily to this Bank submit tenders for customer account; in lidate noncompetitive tenders, provided a . Others will not be permitted to submit
authorized to make the tender	, and the signing of the te has been so authorized. If t d sign in the form "	nder by an officer of the tender is made by a	signed by an officer of the corporation he corporation will be construed as a partnership, it should be signed by a copartnership, by
4. Tenders will be received and recognized dealers in investigation of Treasury	ved without deposit from in estment securities. Tenders facilities applied for, unless the last company. All checks mus	ncorporated banks and rom others must be ac- tenders are accompanied	trust companies and from responsible companied by payment of 2 percent of d by an express guaranty of payment r of the Federal Reserve Bank of New
	tender is changed in any r	respect, which, in the op	inion of the Secretary of the Treasury,

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