FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 7658] June 19, 1975

Offering of \$1,430,000,000 of 364-Day Treasury Bills Dated July 1, 1975 Due June 29, 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 June 18 by the Treasury Department:

The Department of the Treasury, by this public notice, invites tenders for 364-day Treasury bills to be dated July 1, 1975, and to mature June 29, 1976 (CUSIP No. 912793 ZP4). The bills will be issued for cash and in exchange for Treasury bills maturing July 1, 1975.

Tenders in the amount of \$1,430 million, or thereabouts, will be accepted from the public, which holds \$828 million 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 \$974 million 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, Tuesday, June 24, 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 \$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 on July 1, 1975, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 1, 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, Tuesday, June 24, 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 July 1, 1975

Due June 29, 1976

To Federal Reserve Bank of New York,		Dated at	
Fiscal Agent of the Un	ited States.	********	
sions of the public notice Treasury bills, the undersig	issued by the Treasury gned hereby offers to pur	y Department inviting chase such Treasury	(current revision) and to the proving tenders for the above-described bills in the amount indicated below e date at the price indicated below
COMPETITIVE TENE		ooth Competitive and tenders on one form	NONCOMPETITIVE TENDER
\$or any lesser amount that m	nay be awarded.	(Not to exceed \$50	(maturity value) 70,000 for one bidder through all sources) rice of accepted competitive bids.
(Price must be expressed decimal places, for exam	ed with not more than three nble. 99.925)	at the average p	siec of accepted competitive bids.
Subject to allotment, please		t payment for the bi	lls as indicated below:
	rity value 1. Deliver of undersign	over the counter to the	Payment will be made as follows:
\$ 10,000	2. Ship to t	he undersigned	By cash or check in immediately available funds on delivery
50,000		safekeeping (for memonly) in—	(Payment cannot be made through Treasury Tax and Loan Account)
100,000		tment Account	5. Special instructions:
500,000	☐ Trust	Account	
1,000,000		t transfer (see list attacl	ned)
Totals	(No changes in delivery instructions will be accepted)		
The undersigned (mem to dispose of in the manner linear this tender in special envelope	ber bank) hereby certifie indicated in item 3 abov	s that the Treasury by are owned solely (Name of subscriber—plea (Address—incl. City	se print or type)
marked "Tender for Treasury Bills"	(Tel. No.)	No.) (Signature of subscriber or authorized signature)	
			I signer)
(Banking institutions submitting	tenders for customer account		es on lines below or on an attached rider)
(Name of custo			(Name of customer)
(maturity value). 2. Only banking institutions	, and dealers who make prima	ry markets in Governmen	ust be for an even multiple of \$5,000 nt securities and report daily to this Bank
doing so, they may consolidate of list is attached showing the nam- tenders except for their own according	competitive tenders at the same e of each bidder and the amo ount.	ne price and may consolount bid for his account	submit tenders for customer account; in idate noncompetitive tenders, provided a. Others will not be permitted to submit
authorized to make the tender, representation by him that he h	and the signing of the ter has been so authorized. If the sign in the form "	nder by an officer of the tender is made by a	signed by an officer of the corporation the corporation will be construed as a partnership, it should be signed by a a copartnership, by
4. Tenders will be received and recognized dealers in invest the face amount of Treasury by an incorporated bank or true York; checks endorsed to this B	ed without deposit from in stment securities. Tenders for stills applied for, unless the st company. All checks must Bank will not be accepted.	ncorporated banks and rom others must be ac tenders are accompanied t be drawn to the orde	trust companies and from responsible companied by payment of 2 percent of d by an express guaranty of payment of the Federal Reserve Bank of New
5. If the language of this is material, the tender may be di		espect, which, in the op	inion of the Secretary of the Treasury,