

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 6296]
[February 20, 1969]

OFFERING OF \$1,000,000,000 STRIP OF MONTHLY BILLS

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 and released for publication on February 19:

The Treasury Department, by this public notice, invites tenders for additional amounts of five series of Treasury bills to an aggregate amount of \$1,000,000,000, or thereabouts, for cash. The additional bills will be issued March 3, 1969, will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

<i>Amount of additional issue</i>	<i>Original issue dates 1968</i>	<i>Maturity Dates 1969</i>	<i>Days from March 3, 1969 to maturity</i>	<i>Amount currently outstanding (in millions)</i>
\$ 200,000,000	April 30	April 30	58	\$1,501
200,000,000	May 31	May 31	89	1,503
200,000,000	June 30	June 30	119	1,502
200,000,000	July 31	July 31	150	2,606
200,000,000	August 31	August 31	181	1,506
<u>\$1,000,000,000</u>			(Average) 119.4	

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of \$5,000, or an even multiple thereof, and one-fifth of the amount tendered will be applied to each of the above series of bills.

The bills offered hereunder 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 \$1,000, \$5,000, \$10,000, \$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 Standard time, Tuesday, February 25, 1969. Tenders will not be received at the Treasury Department, Washington. 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. A single price must be submitted for each unit of \$5,000, or even multiple thereof. A unit represents \$1,000 face amount of each issue of bills offered hereunder, as previously described. 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 and Branches on application therefor.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions 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.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of these additional issues at a specific rate or price until after one-thirty p.m., Eastern Standard time, Tuesday, February 25, 1969.

(OVER)

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. Those submitting 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. Noncompetitive tenders for \$100,000 or less (in even multiples of \$5,000) 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 or Branch in cash or other immediately available funds on March 3, 1969; provided, however, any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest.

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 not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such 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, as ordinary gain or loss. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the five outstanding issues, using as a basis for proration the closing market prices for each of the issues on March 3, 1969. (Federal Reserve Banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

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 Standard time, Tuesday, February 25, 1969, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the enclosed tender form to submit a tender, and return it in the enclosed envelope marked "Tender for Strip of Outstanding Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. Settlement for accepted tenders must be made on March 3, 1969, in cash or other immediately available funds, except that any qualified depository will be permitted to make payment by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

ALFRED HAYES,
President.

**NOTICE OF ALLOTMENT
OF UNITED STATES OF AMERICA TREASURY BILLS**

February 25, 1969

Your competitive noncompetitive tender for—

**A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969**

has been accepted at the price of _____ (per 100), in the amount of—

\$

(maturity value)

Settlement therefor must be made in cash or other immediately available funds at the Federal Reserve Bank of New York on or before March 3, 1969. However, a qualified depository may make settlement by credit to its Treasury Tax and Loan Account, provided the advice of deposit attached to the enclosed letter-of-instructions form is executed and returned immediately. If settlement is to be made by check on a bank other than the Federal Reserve Bank of New York, such checks should be received by us in time for collection on March 3, 1969; otherwise forfeiture of the prescribed deposit may be declared by the Secretary of the Treasury.

On the enclosed letter-of-instructions form, please fill in instructions as to payment and disposition for the *total amount* of this strip of Treasury bills awarded to you, and return the letter immediately to our Government Bond Division.

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

Checked by

Your competitive noncompetitive tender for—

A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969

price of

\$

PURCHASE PRICE					
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MASTER

MATURITY VALUE					
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PURCHASE PRICE					
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DISPOSITION	AMOUNT			
<input type="checkbox"/> Over the Counter				
<input type="checkbox"/> Safekeeping				
<input type="checkbox"/> Treasury Tax & Loan				
<input type="checkbox"/> Ship				
<input type="checkbox"/> Allotment Transfer				

METHOD OF PAYMENT
<input type="checkbox"/> Check or Cash
<input type="checkbox"/> Reserve Account
<input type="checkbox"/> Treas. T. & L. Acc.
<input type="checkbox"/> Delivery Teller
<input type="checkbox"/> Foreign Oper. Div.
<input type="checkbox"/> Form 12

competitive noncompetitive

A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969

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ALLOTMENT NOTICE FOR SECURITY FILES

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competitive noncompetitive

**A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969**

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(This letter of instructions, accompanied by attached duplicate and triplicate copies, should be filled in for the total amount of this strip of Treasury bills awarded, and returned to Federal Reserve Bank of New York)

LETTER OF INSTRUCTIONS

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Federal Reserve P. O. Station,
New York, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at
..... 1969

On our competitive and noncompetitive tenders for—

A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969

accepted in the aggregate amount of—

\$ (maturity value)

Please issue and make delivery of the bills as instructed below:

Issue Maturing	\$1,000	\$5,000	\$10,000	\$50,000	\$100,000	\$500,000	\$1,000,000
April 30, 1969							
May 31, 1969							
June 30, 1969							
July 31, 1969							
August 31, 1969							

- 1. Deliver over the counter to the undersigned
- 2. Ship to the undersigned
- 3. Hold in safekeeping (for account of member bank only)*
- 4. Hold as collateral for Treasury Tax and Loan Account*
- 5. Special instructions:

Payment will be made as follows:

\$..... By cash or other immediately available funds

\$..... By charge to our reserve account

\$..... By credit in Treasury Tax and Loan Account for which Advice of Deposit is submitted herewith

(No changes in delivery instructions will be accepted)

* If this item is checked, the undersigned certifies that the allotted bills will be owned solely by the undersigned.

This letter of instructions must be signed officially in the space provided and returned immediately to

Federal Reserve Bank of New York,
Fiscal Agent of the United States.

.....
(Name of subscriber—please print or type)

.....
(Address—please print or type)

.....
(Signature of subscriber or authorized signature)

.....
(Title of authorized signer)

(Spaces below are for the use of Federal Reserve Bank of New York)

Government Bond Division	Safekeeping Division
Payment received	Checked
Deliver against payment of \$.....	Delivered

DELIVERY RECEIPT

Received from Federal Reserve Bank of New York, Fiscal Agent of the United States, the above-described securities allotted in the amount indicated above.

Date..... Subscriber..... By.....

If payment is to be made by credit to Treasury Tax and Loan Account, an advice of the deposit should be furnished this Bank on the form below.

Advice of Deposit in Treasury Tax and Loan Account

To FEDERAL RESERVE BANK OF NEW YORK,
Government Bond Division.

We will deposit on March 3, 1969 \$ (purchase price) to the credit of the Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand in payment for \$ (maturity value) of a strip of Treasury bills maturing April 30, May 31, June 30, July 31, and August 31, 1969.

.....
(Name of Depository)

Address
(City and State)

DELIVERY TICKET—SAFEKEEPING DIVISION

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Federal Reserve P. O. Station,
New York, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at
..... 1969

On our competitive and noncompetitive tenders for—

A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969

accepted in the aggregate amount of—

\$ (maturity value)

Please issue and make delivery of the bills as instructed below:

Issue Maturing	\$1,000	\$5,000	\$10,000	\$50,000	\$100,000	\$500,000	\$1,000,000
April 30, 1969							
May 31, 1969							
June 30, 1969							
July 31, 1969							
August 31, 1969							

- 1. Deliver over the counter to the undersigned
- 2. Ship to the undersigned
- 3. Hold in safekeeping (for account of member bank only)*
- 4. Hold as collateral for Treasury Tax and Loan Account*
- 5. Special instructions:

Payment will be made as follows:

- \$..... By cash or other *immediately available funds*
- \$..... By charge to our reserve account
- \$..... By credit in Treasury Tax and Loan Account for which Advice of Deposit is submitted herewith

(No changes in delivery instructions will be accepted)

* If this item is checked, the undersigned certifies that the allotted bills will be owned solely by the undersigned.

This letter of instructions must be signed officially in the space provided and returned immediately to

Federal Reserve Bank of New York,
Fiscal Agent of the United States.

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(Name of subscriber—please print or type)

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(Address—please print or type)

.....
(Signature of subscriber or authorized signature)

.....
(Title of authorized signer)

(Spaces below are for the use of Federal Reserve Bank of New York)

Government Bond Division	Safekeeping Division
Payment received	Checked
Deliver against payment of \$.....	Delivered

DELIVERY RECEIPT

Received from Federal Reserve Bank of New York, Fiscal Agent of the United States, the above-described securities allotted in the amount indicated above.

Date..... Subscriber..... By.....

RELOCATION OFFICE—OUT

To FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Federal Reserve P. O. Station,
New York, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at
..... 1969

On our competitive and noncompetitive tenders for—

A STRIP OF UNITED STATES OF AMERICA TREASURY BILLS TO BE ISSUED MARCH 3, 1969
MATURING APRIL 30, MAY 31, JUNE 30, JULY 31, AND AUGUST 31, 1969

accepted in the aggregate amount of—

\$ (maturity value)

Please issue and make delivery of the bills as instructed below:

Issue Maturing	\$1,000	\$5,000	\$10,000	\$50,000	\$100,000	\$500,000	\$1,000,000
April 30, 1969							
May 31, 1969							
June 30, 1969							
July 31, 1969							
August 31, 1969							

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Fiscal Agent of the United States.

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(Name of subscriber—please print or type)

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(Address—please print or type)

.....
(Signature of subscriber or authorized signature)

.....
(Title of authorized signer)

(Spaces below are for the use of Federal Reserve Bank of New York)

Government Bond Division	Safekeeping Division
Payment received	Checked
Deliver against payment of \$.....	Delivered

DELIVERY RECEIPT

Received from Federal Reserve Bank of New York, Fiscal Agent of the United States, the above-described securities allotted in the amount indicated above.

Date..... Subscriber..... By.....