OFFERING OF TWO SERIES OF TREASURY BILLS

$2,600,000,000 of 91-Day Bills, Additional Amount, Series Dated February 28, 1974, Due August 29, 1974
(To Be Issued May 30, 1974)

$1,900,000,000 of 183-Day Bills, Dated May 30, 1974, Due November 29, 1974

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 $4,500,000,000, or thereabouts, to be issued May 30, 1974, 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 February 28, 1974, and to mature August 29, 1974 (CUSIP No. 912793 UM6), originally issued in the amount of $1,801,975,000, the additional and original bills to be freely interchangeable.

183-day bills, for $1,900,000,000, or thereabouts, to be dated May 30, 1974, and to mature November 29, 1974 (CUSIP No. 912793 VA1).

The bills will be issued for cash and in exchange for Treasury bills maturing May 30, 1974, outstanding in the amount of $4,300,725,000, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold $2,448,490,000. 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. Cash adjustments will be made for differences in the time of printing this circular; those results will be announced after release by the Treasury Department.

Immediate 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 May 30, 1974, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 30, 1974. 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.

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.

The results of bidding for the previous offering of Treasury bills, to be issued May 23, 1974, were not available at the time of printing this circular; those results will be announced after release by the Treasury Department.

ALFRED HAYES,  
President.

IMPORTANT—(1) Closing date for receipt of tenders is Friday, May 24, 1974.
(2) The Treasury bills maturing November 29, 1974 will be 183-day bills.