

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 7504]  
[November 15, 1974]

**Treasury Offers \$1 Billion Strip of Weekly Bills**

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

The following notice was issued yesterday by the Treasury Department:

The Treasury Department, by this public notice, invites tenders for additional amounts of five series of Treasury bills to the aggregate amount of \$1,000,000,000, or thereabouts, for cash. The additional bills will be issued December 4, 1974, 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 1974</i>	<i>Maturity Dates</i>	<i>CUSIP Nos.</i>	<i>Days from Dec. 4, 1974 to maturity</i>	<i>Amount currently outstanding (in millions)</i>
\$ 200,000,000	June 13	December 12, 1974	912793 VC7	8	\$4,514
200,000,000	June 20	December 19, 1974	912793 VD5	15	4,404
200,000,000	June 27	December 26, 1974	912793 VE3	22	4,401
200,000,000	July 5	January 2, 1975	912793 VP8	29	4,510
200,000,000	July 11	January 9, 1975	912793 VQ6	36	4,435
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\$1,000,000,000				(Average) 22	

The additional and original bills will be freely interchangeable.

*Each tender submitted must be in the minimum amount of \$50,000. Tenders over \$50,000 must be in multiples of \$25,000. 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 \$10,000, \$15,000, \$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, Thursday, November 21, 1974. 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 tender. 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.

(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. 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 \$250,000 or less (in amounts as set forth in the second paragraph) 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 in cash or other immediately available funds on December 4, 1974.

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. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills onto 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 December 4, 1974. (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, Thursday, November 21, 1974, 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 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 strip of bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds.*

ALFRED HAYES,  
*President.*