FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 7959 September 22, 1976

OFFERING OF TWO SERIES OF TREASURY BILLS

\$2,300,000,000 of 91-Day Bills, Additional Amount, Series Dated July 1, 1976, Due December 30, 1976
(To Be Issued September 30, 1976)

\$3,400,000,000 of 182-Day Bills, Dated September 30, 1976, Due March 31, 1977

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 yesterday:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$5,700 million, or thereabouts, to be issued September 30, 1976, as follows:

91-day bills (to maturity date) in the amount of \$2,300 million, or thereabouts, representing an additional amount of bills dated July 1, 1976, and to mature December 30, 1976 (CUSIP No. 912793 D78), originally issued in the amount of \$3,402 million, the additional and original bills to be freely interchangeable.

182-day bills for \$3,400 million, or thereabouts, to be dated September 30, 1976, and to mature March 31, 1977 (CUSIP No. 912793 F43).

The bills will be issued for cash and in exchange for Treasury bills maturing September 30, 1976, outstanding in the amount of \$5,703 million, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,778 million. 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. 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 book-entry 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, Monday, September 27, 1976. 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 each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on September 30, 1976, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 30, 1976. 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 for both series up to 1:30 p.m., Eastern Daylight Saving time, Monday, September 27, 1976, at the Securities Department of its Head Office and at its Buffalo Branch. 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 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.

Results of the last weekly offering of Treasury bills (91-day bills to be issued September 23, 1976, representing an additional amount of bills dated June 24, 1976, maturing December 23, 1976; and 182-day bills dated September 23, 1976, maturing March 24, 1977) are shown on the reverse side of this circular.

PAUL A. VOLCKER, President.

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS (TWO SERIES TO BE ISSUED SEPTEMBER 23, 1976)

Range of Accepted Competitive Bids

91-Day Treasury	Bill	s	
Maturing December	23,	1976	

182-Day Treasury Bills Maturing March 24, 1977

	Price	Discount Rate	Investment Rate1	Price	Discount Rate	Investment Rate ¹
High	98.736	5.000%	5.13%	97.364a	5.214%	5.43%
Low	98.728	5.032%	5.17%	97.348	5.246%	5.46%
Average	98.729	5.028%	5.16%	97.353	5.236%	5.45%

¹ Equivalent coupon-issue yield.

(94 percent of the amount of 91-day bills bid for at the low price was accepted.)

(38 percent of the amount of 182-day bills bid for at the low price was accepted.)

Total Tenders Received and Accepted (By Federal Reserve District)

	91-Day Treasury Bills Maturing December 23, 1976		182-Day Treasury Bills Maturing March 24, 1977		
District	Received	Accepted	Received	Accepted	
Boston	\$ 31,530,000	\$ 16,530,000	\$ 26,450,000	\$ 11,450,000	
New York	3,700,235,000	1,870,950,000	4,453,050,000	2,802,050,000	
Philadelphia	21,315,000	20,765,000	8,800,000	8,800,000	
Cleveland	31,435,000	30,310,000	63,940,000	13,940,000	
Richmond	20,995,000	15,845,000	17,975,000	7,475,000	
Atlanta	23,090,000	19,320,000	15,215,000	15,030,000	
Chicago	256,420,000	31,475,000	298,915,000	103,855,000	
St. Louis	54,135,000	27,720,000	42,545,000	20,545,000	
Minneapolis	24,855,000	6,855,000	37,310,000	21,810,000	
Kansas City	26,575,000	23,050,000	18,145,000	18,145,000	
Dallas	29,045,000	16,045,000	25,150,000	14,910,000	
San Francisco	183,215,000	22,190,000	222,265,000	64,165,000	
TOTALS	\$4,402,845,000	\$2,101,055,000b	\$5,229,760,000	\$3,102,175,000°	

b Includes \$325,175,000 noncompetitive tenders from the public. c Includes \$162,675,000 noncompetitive tenders from the public.

a Excepting one tender of \$3,500,000.

TENDER FOR 91-DAY TREASURY BILLS

Additional Amount, Series Dated July 1, 1976, Maturing December 30, 1976

(To Be Issued September 30, 1976)

To Federal Reserve Ba Fiscal Agent of the	NK OF NEW YORK,		d at		
sions of the public not Treasury bills, the under	ice issued by the Tresigned hereby offers	partment Circular No. 418 reasury Department inviting to purchase such Treasury	(current revision) and to the proving tenders for the above-described bills in the amount indicated below, the date at the price indicated below:		
COMPETITIVE TE	NDER Do not Noncom	fill in both Competitive and petitive tenders on one form	NONCOMPETITIVE TENDER		
\$or any lesser amount tha	t may be awarded.		(maturity value) 00,000 for one bidder through all sources)		
Price:(Price must be expidecimal places, for e	ressed with not more than	at the average p	orice of accepted competitive bids.		
		accept payment for the bi	lls as indicated below:		
\$ 10,000 15,000 50,000 100,000 500,000 1,000,000 Totals	2. S 3. H 5 5 6 6 6 6 6 6 6 6	Deliver over the counter to the indersigned hip to the undersigned Hold in safekeeping (for member bank only) in— Investment Account General Account Trust Account Illotment transfer (see list attackinges in delivery instructions will be accepted) certifies that the Treasury of a showe are owned solely	bills which you are hereby instructed		
Insert this tender		(Name of subscriber—plea	ase print or type)		
in special envelope marked "Tender for Treasury Bills"	(Tel. No.)				
		(Title of authorize	d signer)		
(Banking institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider)					
2. Only banking institut their positions with respect doing so, they may consolidalist is attached showing the stenders except for their own 3. If the person making authorized to make the tenders except for their own tenders except for their own sections.	nan \$10,000 will be considions, and dealers who make to Government securities te competitive tenders at name of each bidder and account. In the tender is a competer, and the signing of	e primary markets in Governme and borrowings thereon, may the same price and may conso the amount bid for his account poration, the tender should be the tender by an officer of	(Name of customer) for a multiple of \$5,000 (maturity value). ent securities and report daily to this Bank submit tenders for customer account; in olidate noncompetitive tenders, provided a t. Others will not be permitted to submit signed by an officer of the corporation the corporation will be construed as a		
authorized to make the tender, and the signing of the tender by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a perhaps of the firm, who should sign in the form "					

4. 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 checks must be drawn to the order of the Federal Reserve Bank of New York; checks endorsed to this Bank will not be accepted.

, a member of the firm."

5. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

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governing reasury Bills

not be completed unless all required data is furnished.

(Closing date for receipt of this tender is Monday, September 27, 1976)

TENDER FOR 182-DAY TREASURY BILLS

Dated September 30, 1976

Lac ancemiations governing treasury Bills

AND THE TRANSACTION WILL not be completed unless all required data is furnished.

Maturing March 31, 1977

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To Federal Reserve Bank of Nev Fiscal Agent of the United Sta			d at, 19 <u>'</u>		
Pursuant to the provisions of Treasury Department Circular No. 418 (current revision) and to the provisions of the public notice issued by the Treasury Department inviting tenders for the above-described Treasury bills, the undersigned hereby offers to purchase such Treasury bills in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price indicated below:					
COMPETITIVE TENDER	Do not fill in both Comp Noncompetitive tenders of	etitive and n one form	NONCOMPETITIVE TENDER		
\$		\$ (maturity value) (Not to exceed \$500,000 for one bidder through all sources)			
Price: (Price must be expressed with n decimal places, for example, 99.92	ot more than three at 1		orice of accepted competitive bids.		
Subject to allotment, please issue, d	eliver, and accept payme	nt for the bi	ills as indicated below:		
Pieces Denomination Maturity value \$ 10,000 15,000 50,000	□ 1. Deliver over the undersigned □ 2. Ship to the unders □ 3. Hold in safekeeping ber bank only) in-	igned	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	☐ Investment Acc	count			
500,000	General Accou	nt	☐ 5. Special instructions:		
	Trust Account				
1,000,000	- 4. Allotment transfer (No changes in delivery	instructions	hed)		
Totals	will be accepted	will be accepted)			
to dispose of in the manner indicate	ed in item 3 above are o	e Treasury 1 wned solely subscriber—plea			
Insert this tender in special envelope		(Address—incl. City and State)			
marked "Tender for	(AC				
Treasury Bills"	Tel. No.)				
		Title of authorized			
(Banking institutions submitting tenders fo					
. (Name of customer) INSTRUCTIONS:			(Name of customer)		
2. Only banking institutions, and deale their positions with respect to Government doing so, they may consolidate competitive list is attached showing the name of each tenders except for their own account. 3. If the person making the tender authorized to make the tender, and the representation by him that he has been smember of the firm, who should sign in the	ers who make primary market it securities and borrowings tenders at the same price a bidder and the amount bid f is a corporation, the tender signing of the tender by a to authorized. If the tender the form "	s in Governme thereon, may nd may conso or his account er should be n officer of is made by a	lidate noncompetitive tenders, provided a . Others will not be permitted to submit signed by an officer of the corporation the corporation will be construed as a partnership it should be signed by a		
4. Tenders will be received withou and recognized dealers in investment sec the face amount of Treasury bills applied by an incorporated bank or trust company York; checks endorsed to this Bank will recognized.	at deposit from incorporate deposit from incorporate durities. Tenders from other d for, unless the tenders a y. All checks must be draw not be accepted.	rm." d banks and s must be ac re accompanie n to the orde	trust companies and from responsible companied by payment of 2 percent of		

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