FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 7981 November 3, 1976

OFFERING OF TWO SERIES OF TREASURY BILLS

\$2,600,000,000 of 90-Day Bills, Additional Amount, Series Dated August 12, 1976, Due February 10, 1977 (To Be Issued November 12, 1976)

\$3,700,000,000 of 181-Day Bills, Dated November 12, 1976, Due May 12, 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 Department of the Treasury, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$6,300 million, or thereabouts, to be issued November 12, 1976, as follows:

> 90-day bills (to maturity date) in the amount of \$2,600 million, or thereabouts, representing an additional amount of bills dated August 12, 1976, and to mature February 10, 1977 (CUSIP No. 912793 E51), originally issued in the amount of \$3,803 million, the additional and original bills to be freely interchangeable.

> 181-day bills, for \$3,700 million, or thereabouts, to be dated November 12, 1976, and to mature May 12, 1977 (CUSIP No. 912793 G26).

The bills will be issued for cash and in exchange for Treasury bills maturing November 12, 1976, outstanding in the amount of \$6,304 million, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$3,507 million. These accounts may exchange bills they hold for the bills now being offered at the average prices of accepted tenders.

The bills will be issued on a discount basis under competitive and noncompetitive bidding, 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

Tenders will be received at Federal Reserve Banks and Branches and, from individuals, at the Bureau of the Public Debt, Washington, D.C. 20226, up to 1:30 p.m., Eastern Standard time, Monday, November 8, 1976. 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.

Banking institutions and dealers which 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

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Standard time, Monday, November 8, 1976, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for the respective series maturing Treasury bills.

Results of the last weekly offering of Treasury bills (91-day bills to be issued November 4, 1976, representing an additional amount of bills dated August 5, 1976, maturing February 3, 1977; and 182-day bills dated November 4, 1976, naturing May 5, 1977) are shown on the reverse side of this circular. 46

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 bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Public announcement will be made by the Department of the Treasury of the amount and price range of accepted bids. 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 in the second of accepted competitive bids for the respective in the second of accepted competitive bids for the respective in the second of accepted competitive bids for the respective in the second of accepted in the sec tive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt on November 12, 1976, in cash or other immediately available funds or in a like face amount of Treasury bills maturing November 12, 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 here-under 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 bills (other than life insurance companies) issued hereunder must include in his Federal 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.

Department of the Treasury 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, or from the Bureau of the Public Debt.

are enclosed. Please use the appropriate forms to submit tenders and return them in the enclosed enveloped 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

> PAUL A. VOLCKER, President.

> > (OVER)

Please note that the current offering is for 90-day and 181-day Treasury bills.

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS (TWO SERIES TO BE ISSUED NOVEMBER 4, 1976)

Range of Accepted Competitive Bids

91-Day Treasury Bills Maturing February 3, 1977

182-Day Treasury Bills Maturing May 5, 1977

	Price	Discount Rate	Investment Rate ¹	Price	Discount Rate	Investment Rate1
High	98.776	4.842%	4.97%	97.461a	5.022%	5.22%
Low	98.770	4.866%	4.99%	97.453	5.038%	5.24%
Average	98.771	4.862%	4.99%	97.457	5.030%	5.23%

¹ Equivalent coupon-issue yield.

182-Day Treasury Bills

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

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

Total Tenders Received and Accepted

OI-Day Treasury Bills

		bruary 3, 1977	Maturing May 5, 1977		
F.R. District (and U.S. Treasury)	Received	Accepted	Received	Accepted	
Boston	\$ 49,805,000	\$ 15,390,000	\$ 54,540,000	\$ 4,540,000	
New York	3,849,320,000	2,236,025,000	7,763,025,000	3,498,470,000	
Philadelphia	31,875,000	27,420,000	15,620,000	5,620,000	
Cleveland	36,045,000	30,175,000	213,080,000	25,180,000	
Richmond	17,140,000	15,640,000	53,100,000	6,100,000	
Atlanta	28,605,000	24,855,000	24,415,000	12,415,000	
Chicago	277,960,000	70,600,000	573,260,000	16,260,000	
St. Louis	64,045,000	20,155,000	69,130,000	46,130,000	
Minneapolis	34,175,000	13,175,000	25,290,000	2,290,000	
Kansas City	32,705,000	27,985,000	13,380,000	12,530,000	
Dallas	103,035,000	93,035,000	23,145,000	15,145,000	
San Francisco	184,080,000	27,880,000	404,330,000	63,990,000	
U.S. Treasury	205,000	205,000	15,000	15,000	
TOTALS	\$4,708,995,000	\$2,602,540,000b	\$9,232,330,000	\$3,708,685,000°	

b Includes \$331,165,000 noncompetitive tenders from the public. c Includes \$134,160,000 noncompetitive tenders from the public.

a Excepting one tender of \$1,000,000.