

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8002]
December 1, 1976

OFFERING OF TWO SERIES OF TREASURY BILLS

**\$2,300,000,000 of 91-Day Bills, Additional Amount, Series Dated September 9, 1976, Due March 10, 1977
(To Be Issued December 9, 1976)**

\$3,400,000,000 of 182-Day Bills, Dated December 9, 1976, Due June 9, 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 \$5,700 million, or thereabouts, to be issued December 9, 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 September 9, 1976, and to mature March 10, 1977 (CUSIP No. 912793 E93), originally issued in the amount of \$3,405 million, the additional and original bills to be freely interchangeable.

182-day bills, for \$3,400 million, or thereabouts, to be dated December 9, 1976, and to mature June 9, 1977 (CUSIP No. 912793 G67).

The bills will be issued for cash and in exchange for Treasury bills maturing December 9, 1976, outstanding in the amount of \$5,706 million, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,598 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 bidders.

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, December 6, 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, December 6, 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 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 maturing Treasury bills.*

Results of the last weekly offering of Treasury bills (91-day bills to be issued December 2, 1976, representing an additional amount of bills dated September 2, 1976, maturing March 3, 1977; and 182-day bills dated December 2, 1976, maturing June 2, 1977) are shown on the reverse side of this circular.

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 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 December 9, 1976, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 9, 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 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.

PAUL A. VOLCKER,
President.

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS

(TWO SERIES TO BE ISSUED DECEMBER 2, 1976)

Range of Accepted Competitive Bids

	<i>91-Day Treasury Bills</i> <i>Maturing March 3, 1977</i>			<i>182-Day Treasury Bills</i> <i>Maturing June 2, 1977</i>		
	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate¹</i>	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate¹</i>
High	98.875	4.451%	4.56%	97.699	4.551%	4.72%
Low	98.871	4.466%	4.58%	97.687	4.575%	4.75%
Average	98.871	4.466%	4.58%	97.691	4.567%	4.74%

¹ Equivalent coupon-issue yield.

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

(45 per cent of the amount of 182-day bills bid for at the low price was accepted.)

Total Tenders Received and Accepted

	<i>91-Day Treasury Bills</i> <i>Maturing March 3, 1977</i>		<i>182-Day Treasury Bills</i> <i>Maturing June 2, 1977</i>	
<i>F.R. District (and U.S. Treasury)</i>	<i>Received</i>	<i>Accepted</i>	<i>Received</i>	<i>Accepted</i>
Boston	\$ 31,740,000	\$ 18,155,000	\$ 58,900,000	\$ 20,900,000
New York	4,277,300,000	1,982,655,000	5,373,405,000	3,231,855,000
Philadelphia	17,950,000	17,350,000	27,100,000	7,100,000
Cleveland	31,945,000	26,095,000	59,400,000	7,400,000
Richmond	37,840,000	15,440,000	21,515,000	7,620,000
Atlanta	27,860,000	25,560,000	21,525,000	18,725,000
Chicago	261,010,000	47,750,000	330,825,000	63,325,000
St. Louis	52,915,000	23,915,000	43,025,000	13,695,000
Minneapolis	37,190,000	6,190,000	46,405,000	11,205,000
Kansas City	41,655,000	31,200,000	13,735,000	12,935,000
Dallas	45,140,000	15,140,000	32,315,000	18,215,000
San Francisco	635,725,000	296,880,000	377,535,000	91,820,000
U.S. Treasury	210,000	210,000	—	—
TOTALS	\$5,498,480,000	\$2,506,540,000 ^a	\$6,405,685,000	\$3,504,795,000 ^b

^a Includes \$322,995,000 noncompetitive tenders from the public.

^b Includes \$124,555,000 noncompetitive tenders from the public.

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

November 23, 1976

New Method of Notifying Individuals of Treasury Bill Offerings

*To All Individuals Requesting Treasury Bill
Information in the Second Federal Reserve District:*

The Federal Reserve Bank of New York and its Buffalo Branch have initiated a new telephone information service to announce offerings of United States Treasury securities.

The telephone service replaces the previous practice of mailing announcements of Treasury *bill* offerings to the many thousands of individuals whose names are on our mailing lists. At a later date, we plan to discontinue mailing announcements of offerings of Treasury *notes and bonds* to individuals.

The new telephone service is available in New York City 24 hours a day, seven days a week, and in Buffalo from 9 a.m. to 4:30 p.m. on regular business days (to be expanded soon to 24 hours a day). It will provide callers with the latest information on current Treasury offerings sooner than the information would have been available through the mail. As a result, subscribers will have more time to submit their tenders, and will thus have greater assurance that they will not miss the deadline set by the Treasury. This change also will benefit taxpayers by lowering the overall cost of issuing Treasury securities.

To use the new telephone service, call Telephone No. 212-791-5823 at any time for current information on offerings of Treasury bills, notes, and bonds (but *not* savings bonds). A recorded announcement will give the bidding results for the most recent offerings of Treasury bills, and the information you need to purchase new offerings of Treasury bills, notes, and bonds from this Bank. If you live closer to the Buffalo Branch, you may call Telephone No. 716-849-5046 for similar information.

We will continue to maintain the second floor information desk at this Bank (33 Liberty Street, New York City) for interested individuals who have questions and want to discuss them in person. In addition, other sources of this information include financial institutions and the news media, which will continue to receive detailed announcements of all Treasury offerings. Thus, you may wish to inquire at your local bank, or to refer to the financial pages of one of the major newspapers, instead of calling this Bank.

The Federal Reserve Bank of New York will continue to receive your tenders by mail and in person, as before. For your convenience, enclosed are copies of standardized tender forms that you may use in subscribing to future weekly offerings of 3-month and 6-month Treasury bills. When you purchase bills through this Bank, we will send you another tender form for your use in purchasing subsequent issues. Auctions for weekly issues of Treasury bills will continue to be held at 1:30 p.m. each Monday (or 1:30 p.m. on the previous Friday if Monday is a holiday). Your tender form, when received by us through the mail or in person, will be applied to the first available auction, unless you submit different written instructions to us with the form.

We are *not* at this time enclosing tender forms for the monthly offerings of 12-month Treasury bills. The Treasury Department recently announced that it will begin issuing such bills in book-entry

form only, beginning in December. Further information and instructions concerning these book-entry bills will be mailed to you shortly.

You do not have to use a tender form to buy new issues of Treasury bills. Instead, you may send a letter, stating the face amount, denominations, and maturity you want to buy, and your delivery instructions. If you send a letter, please include all of the information requested on the tender forms. Your tender form or letter must be accompanied by payment in the required form and amount.

For your information, we are also enclosing a fact sheet explaining the basic procedures for purchasing Treasury bills. (The fact sheet indicates that 12-month bills are available in bearer form; as indicated above, however, they will be issued in book-entry form only, beginning in December.) Since Treasury bills are offered routinely, you may not need any additional information to submit a tender. However, if the Treasury should change any offering terms or should offer bills for which the standard forms cannot be used, appropriate instructions will be given through the telephone information service and in the material sent to financial institutions and the news media.

Our new telephone service will enable you to obtain information about bill, note, and bond offerings much faster than by mail. Use it to supplement other sources of information whenever you are considering an investment in marketable Treasury securities.

PAUL A. VOLCKER,
President.

December 1, 1976

NOTE TO FINANCIAL INSTITUTIONS:

The above notice was mailed to individuals in this District who have requested information regarding Treasury bills.

The notice explains the new method for informing individuals of current Treasury offerings. It also announces the adoption of standard, in place of pre-dated, tender forms for subscribing to 3-month and 6-month bills.

Enclosed are copies of the standard forms for 3-month and 6-month bills. These standard forms should be used hereafter in place of the pre-dated forms. When you purchase bills through this Bank, another standard tender form will be mailed to you for use in purchasing subsequent issues. Additional forms will be furnished by our Government Bond Division upon request.

Circulars Division

IMPORTANT—(a) This is a standard form. Its terms are subject to change at any time by the Treasury. You may call Tel. No. 212-791-5823 (or 716-849-5046 in the Buffalo area) for current information on Treasury securities offerings. (b) This tender will be construed as a bid to purchase the securities for which the Treasury has outstanding an invitation for tenders on the date received by the Federal Reserve Bank of New York or its Buffalo Branch.

TENDER FOR 3-MONTH TREASURY BILLS

TO FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States
New York, N.Y. 10045

Dated at.....
....., 19____

Pursuant and subject 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 current offering of 3-month Treasury bills, the undersigned hereby offers to purchase such currently offered 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 Competitive and Noncompetitive tenders on one form

NONCOMPETITIVE TENDER

\$..... (maturity value)
or any lesser amount that may be awarded.

Price: per 100.
(Price must be expressed with not more than three decimal places, for example, 99.925)

\$..... (maturity value)
(Not to exceed \$500,000 for one bidder through all sources)

at the average price of accepted competitive bids.

Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:

Pieces	Denomination	Maturity value			<div><div><input type="checkbox"/> 1. Deliver over the counter to the undersigned</div><div><input type="checkbox"/> 2. Ship to the undersigned</div><div><input type="checkbox"/> 3. Hold in safekeeping (for member bank only) in—<div><input type="checkbox"/> Investment Account</div><div><input type="checkbox"/> General Account</div><div><input type="checkbox"/> Trust Account</div></div><div><input type="checkbox"/> 4. Hold as collateral for Treasury Tax and Loan Account *</div><div>(No changes in delivery instructions will be accepted)</div></div> <div><div>Payment will be made as follows:</div><div><input type="checkbox"/> By charge to our reserve account</div><div><input type="checkbox"/> By cash or check in <i>immediately available funds</i></div><div><input type="checkbox"/> By surrender of eligible maturing securities</div><div>(Payment cannot be made through Treasury Tax and Loan Account)</div><div><input type="checkbox"/> 5. Special instructions:</div></div>
	\$ 10,000				
	15,000				
	50,000				
	100,000				
	500,000				
	1,000,000				
	Totals				

* The undersigned certifies that the allotted securities will be owned solely by the undersigned.

Insert this tender
in envelope
marked "Tender for
Treasury Bills"

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

.....
(Address—incl. City and State)

.....
(Tel. No.)

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

.....
(Title of authorized signer)

(Banking institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider)

.....
(Name of customer)

.....
(Name of customer)

INSTRUCTIONS:

- No tender for less than \$10,000 will be considered, and each tender must be for a multiple of \$5,000 (maturity value).
- Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders *at the same price* and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his account. Others will not be permitted to submit tenders except for their own account.
- If the person making the tender is a corporation, the tender should be signed by an officer of the corporation 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 member of the firm, who should sign in the form "....., a copartnership, by, a member of the firm."
- 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; and personal checks should be certified. Checks endorsed to this Bank will not be accepted.
- 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.

IMPORTANT—(a) This is a standard form. Its terms are subject to change at any time by the Treasury. You may call Tel. No. 212-791-5823 (or 716-849-5046 in the Buffalo area) for current information on Treasury securities offerings. (b) This tender will be construed as a bid to purchase the securities for which the Treasury has outstanding an invitation for tenders on the date received by the Federal Reserve Bank of New York or its Buffalo Branch.

TENDER FOR 6-MONTH TREASURY BILLS

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

Dated at.....
....., 19____

Pursuant and subject 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 current offering of 6-month Treasury bills, the undersigned hereby offers to purchase such currently offered 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 Competitive and Noncompetitive tenders on one form

NONCOMPETITIVE TENDER

\$..... (maturity value)
or any lesser amount that may be awarded.

Price: per 100.
(Price must be expressed with not more than three decimal places, for example, 99.925)

\$..... (maturity value)
(Not to exceed \$500,000 for one bidder through all sources)

at the average price of accepted competitive bids.

Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:

Pieces	Denomination	Maturity value		
	\$ 10,000		<input type="checkbox"/> 1. Deliver over the counter to the undersigned	Payment will be made as follows: <input type="checkbox"/> By charge to our reserve account <input type="checkbox"/> By cash or check in <i>immediately</i> available funds <input type="checkbox"/> By surrender of eligible maturing securities (Payment cannot be made through Treasury Tax and Loan Account)
	15,000		<input type="checkbox"/> 2. Ship to the undersigned	
	50,000		<input type="checkbox"/> 3. Hold in safekeeping (for member bank only) in— <input type="checkbox"/> Investment Account <input type="checkbox"/> General Account <input type="checkbox"/> Trust Account	
	100,000		<input type="checkbox"/> 4. Hold as collateral for Treasury Tax and Loan Account*	
	500,000			
	1,000,000			<input type="checkbox"/> 5. Special instructions:
	Totals		(No changes in delivery instructions will be accepted)	

* The undersigned certifies that the allotted securities will be owned solely by the undersigned.

Insert this tender
in envelope
marked "Tender for
Treasury Bills"

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

.....
(Address—incl. City and State)

.....
(Tel. No.)

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

.....
(Title of authorized signer)

(Banking institutions submitting tenders for customer account must list customers' names on lines below or on an attached rider)

.....
(Name of customer)

.....
(Name of customer)

INSTRUCTIONS:

- No tender for less than \$10,000 will be considered, and each tender must be for a multiple of \$5,000 (maturity value).
- Only banking institutions, and dealers who make primary markets in Government securities and report daily to this Bank their positions with respect to Government securities and borrowings thereon, may submit tenders for customer account; in doing so, they may consolidate competitive tenders at the same price and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder and the amount bid for his account. Others will not be permitted to submit tenders except for their own account.
- If the person making the tender is a corporation, the tender should be signed by an officer of the corporation 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 member of the firm, who should sign in the form "....., a copartnership, by, a member of the firm."
- 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; and personal checks should be certified. Checks endorsed to this Bank will not be accepted.
- 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.