

# FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8072]  
March 16, 1977

## OFFERING OF TWO SERIES OF TREASURY BILLS

\$2,100,000,000 of 91-Day Bills, Additional Amount, Series Dated December 23, 1976, Due June 23, 1977  
(To Be Issued March 24, 1977)

\$3,100,000,000 of 182-Day Bills, Dated March 24, 1977, Due September 22, 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 \$5,200 million, or thereabouts, to be issued March 24, 1977, as follows:

91-day bills (to maturity date) in the amount of \$2,100 million, or thereabouts, representing an additional amount of bills dated December 23, 1976, and to mature June 23, 1977 (CUSIP No. 912793 G83), originally issued in the amount of \$3,103 million, the additional and original bills to be freely interchangeable.

182-day bills, for \$3,100 million, or thereabouts, to be dated March 24, 1977, and to mature September 22, 1977 (CUSIP No. 912793 K39).

The bills will be issued for cash and in exchange for Treasury bills maturing March 24, 1977, outstanding in the amount of \$5,215 million, of which Government accounts and Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,763 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, March 21, 1977. 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, March 21, 1977, 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 March 17, 1977, representing an additional amount of bills dated December 16, 1976, maturing June 16, 1977; and 182-day bills dated March 17, 1977, maturing September 15, 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 March 24, 1977, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 24, 1977. 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.

(OVER)



**RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS**  
(TWO SERIES TO BE ISSUED MARCH 17, 1977)

**Range of Accepted Competitive Bids**

<i>91-Day Treasury Bills</i> <i>Maturing June 16, 1977</i>				<i>182-Day Treasury Bills</i> <i>Maturing September 15, 1977</i>		
	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate<sup>1</sup></i>	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate<sup>1</sup></i>
High .....	98.857	4.522%	4.64%	97.574	4.799%	4.99%
Low .....	98.848	4.557%	4.67%	97.561	4.824%	5.01%
Average .....	98.851	4.545%	4.66%	97.567	4.813%	5.00%

<sup>1</sup> Equivalent coupon-issue yield.

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

(22 percent 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 June 16, 1977</i>			<i>182-Day Treasury Bills</i> <i>Maturing September 15, 1977</i>	
<i>F.R. District (and U.S. Treasury)</i>	<i>Received</i>	<i>Accepted</i>	<i>Received</i>	<i>Accepted</i>
Boston .....	\$ 20,760,000	\$ 17,460,000	\$ 10,575,000	\$ 3,575,000
New York .....	3,229,675,000	1,791,470,000	4,652,170,000	2,831,270,000
Philadelphia .....	18,185,000	16,685,000	56,210,000	6,210,000
Cleveland .....	34,195,000	33,205,000	62,150,000	11,380,000
Richmond .....	26,805,000	18,805,000	17,895,000	8,895,000
Atlanta .....	37,715,000	31,665,000	17,430,000	12,980,000
Chicago .....	224,785,000	82,915,000	373,780,000	123,100,000
St. Louis .....	39,260,000	28,035,000	32,505,000	14,505,000
Minneapolis .....	33,785,000	10,785,000	58,420,000	4,420,000
Kansas City .....	36,015,000	33,695,000	23,515,000	17,375,000
Dallas .....	21,670,000	18,670,000	19,065,000	11,785,000
San Francisco .....	248,740,000	23,740,000	434,715,000	54,715,000
U.S. Treasury .....	20,000	20,000	95,000	95,000
TOTALS .....	\$3,971,610,000	\$2,107,150,000 <sup>a</sup>	\$5,758,525,000	\$3,100,305,000 <sup>b</sup>

<sup>a</sup> Includes \$331,040,000 noncompetitive tenders from the public.

<sup>b</sup> Includes \$146,250,000 noncompetitive tenders from the public.