

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8147]
July 15, 1977

TREASURY TO AUCTION \$2,500 MILLION OF 2-YEAR NOTES

To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

The following statement was issued July 13 by the Treasury Department:

The Department of the Treasury will auction \$2,500 million of 2-year notes to refund \$1,451 million of notes held by the public maturing July 31, 1977, and to raise \$1,049 million new cash. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for their own account in exchange for \$65 million maturing notes held by them, and to Federal Reserve Banks as agents of foreign and international monetary authorities for new cash only.

Potential bidders for the 2-year note are cautioned that the Treasury Department has included a provision in the official offering circular which prohibits participation in the auction by anyone who has contracted to purchase or sell the security prior to the 1:30 p.m., EDST deadline for receipt of tenders.

A prohibition having this general effect was originally adopted for securities sold during World War II and was eliminated in February 1975 when the offering circular was revised to eliminate provisions then considered obsolete.

The Treasury is taking this present action after monitoring the development and expansion of trading in Treasury securities prior to the actual auctions, and in some cases, prior even to the announcement of an offering, and has concluded that this trading does not contribute to the efficient marketing of new Treasury issues, and may, in fact, facilitate undesirable speculative activity in Treasury securities.

The prohibition on pre-auction trading will be included in all subsequent offering circulars for new Treasury coupon securities. This prohibition does not apply to offerings of Treasury bills. The Treasury will continue to monitor developments in the bill market.

Printed on the reverse side is a table summarizing the highlights of the offering. Copies of the official offering circular will be furnished upon request directed to our Government Bond Division (Tel. No. 212-791-6356).

Bidders submitting noncompetitive tenders should realize that it is possible that the average price may be above par, in which case they would have to pay more than the face value for the securities.

If payment is made by check, the check should be a certified personal check or an official bank check, payable on its face to the Federal Reserve Bank of New York; checks endorsed to this Bank will not be accepted.

Enclosed is a copy of the form to be used in submitting tenders. If there is any doubt that tenders sent by mail will reach this Bank or its Branch on time, bidders should use other means of transmitting their tenders.

A recorded message (at the Head Office — Tel. No. 212-791-5823; at the Buffalo Branch — Tel. No. 716-849-5046) provides information about this and other Treasury offerings; additional inquiries regarding this offering may be made by calling, at the Head Office, Tel. No. 212-791-6619 or 212-791-5465, or, at the Buffalo Branch, Tel. No. 716-849-5016.

PAUL A. VOLCKER,
President.

(OVER)

**HIGHLIGHTS OF TREASURY
OFFERING TO THE PUBLIC
OF 2-YEAR NOTES
TO BE ISSUED AUGUST 1, 1977**

Amount Offered:

To the public \$2,500 million

Description of Security:

Term and type of security 2-year notes
 Series and CUSIP designation Series S-1979
 (CUSIP No. 912827 GV8)
 Maturity date July 31, 1979
 Call date No provision
 Interest coupon rate To be determined, based on the
 average of accepted bids
 Investment yield To be determined at auction
 Premium or discount To be determined after auction
 Interest payment dates January 31 and July 31
 Minimum denomination available \$5,000

Terms of Sale:

Method of sale Yield auction
 Accrued interest payable by investor None
 Preferred allotment Noncompetitive bid for \$1,000,000
 or less
 Deposit requirement 5% of face amount
 Deposit guarantee by designated institutions Acceptable

Key Dates:

Deadline for receipt of tenders Tuesday, July 19, 1977,
 by 1:30 p.m., EDST
 Settlement date (final payment due)
 a) Cash or Federal funds Monday, August 1, 1977
 b) Check drawn on bank within FRB district where submitted Thursday, July 28, 1977
 c) Check drawn on bank outside FRB district where submitted Tuesday, July 26, 1977
 Delivery date for coupon securities Monday, August 1, 1977

IMPORTANT—Closing time for receipt of this tender is 1:30 p.m., Tuesday, July 19, 1977

TENDER FOR TREASURY NOTES OF SERIES S-1979

Dated August 1, 1977

Due July 31, 1979

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

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

The undersigned hereby offers to purchase the above-described United States of America Treasury Notes of Series S-1979 in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price awarded on this tender.

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.

\$..... (maturity value)
*(Not to exceed \$1,000,000 for one bidder through all sources)
at the average price of accepted competitive bids.*

Yield:

(Yield must be expressed with not more than two decimal places, for example, 7.11)

Subject to allotment, please issue, deliver, and accept payment for the securities as indicated below and on the reverse side (if registered securities are desired, please also complete schedule on reverse side):

Pieces	Denomination	Maturity value		
x x x	x x x x	x x	x x	x x
	\$ 5,000			
	10,000			
	100,000			
	1,000,000			
	Totals			

1. Deliver over the counter to the undersigned

2. Ship to the undersigned

3. Hold in safekeeping (for member bank only) in—

Investment Account

General Account

Trust Account

4. Hold as collateral for Treasury Tax and Loan Account*

(No changes in delivery instructions will be accepted)

Payment will be made as follows:

By charge to our reserve account

By cash or check in *immediately available funds*

By surrender of maturing securities

5. Special instructions.

* The undersigned certifies that the allotted securities will be owned solely by the undersigned.
(If a commercial bank or dealer is subscribing for its own account or for account of customers, the following certifications are made a part of this tender.)

WE HEREBY CERTIFY that we have not made and will not make any agreements for the sale or purchase of any securities of this issue prior to 1:30 p.m., Tuesday, July 19, 1977.

WE FURTHER CERTIFY that we have received tenders from customers in the amounts set forth opposite their names on the list which is made a part of this tender, and that we have received and are holding for the Treasury, or that we guarantee payment to the Treasury, of the deposits stipulated in the official offering circular.

WE FURTHER CERTIFY that tenders received by us, if any, from other commercial banks or primary dealers for their own account, and for the account of their customers, have been entered with us under the same conditions, agreements, and certifications set forth in this form.

Insert this tender in special envelope marked "Tender for Treasury Notes or Bonds"

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

..... (Address—incl. City and State) (Tel. No.)

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

.....
(Title of authorized signer)

(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:

1. No tender for less than \$5,000 will be considered; and each tender must be for a multiple of \$5,000 (maturity value).
2. 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 yield 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.
3. Tenders will be received without deposit from commercial and other banks for their own account, federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, 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, and Government accounts. Tenders from others must be accompanied by payment of 5 percent of the face amount of the securities applied for.
4. Payment must be completed by August 1, 1977. If payment is by check drawn on a bank in this District, it must be received by July 28, 1977; checks drawn on a bank in another District must be received by July 26, 1977. 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.
5. If the language of this tender is changed in any respect that, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

PRIVACY ACT STATEMENT—The individually identifiable information required on this form is necessary to permit the subscription to be processed and the securities to be issued. If registered securities are requested, the regulations governing United States securities (Department Circular No. 300) and the offering circular require submission of social security numbers; the numbers and other information are used in inscribing the securities and establishing and servicing the ownership and interest records. The transaction will not be completed unless all required data is furnished.

SCHEDULE FOR ISSUE OF REGISTERED TREASURY NOTES OF SERIES S-1979

SUBSCRIPTION NO.

SUBSCRIBER _____
 SIGNATURE _____
 ADDRESS _____
 _____ ZIP _____

DELIVERY INSTRUCTIONS

- DELIVER OVER THE COUNTER
- SHIP TO SUBSCRIBER
- OTHER INSTRUCTIONS: _____

PAYMENT INSTRUCTIONS

- BY CHARGE TO OUR RESERVE ACCOUNT
- BY CASH OR CHECK IN IMMEDIATELY AVAILABLE FUNDS
- BY SURRENDER OF MATURING SECURITIES

FOR FRB USE ONLY	
TRANS. ACCOUNTING DATE	
ISSUE AGENT 12	LOAN CODE
August 1, 1977 INTEREST COMP. DATE	110-01

REGISTRATION INSTRUCTIONS	NO. OF PIECES	DENOM.	AMOUNT	SERIAL NOS. (LEAVE BLANK)	FOR FRB USE ONLY
NAME(S)					
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)					
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)					
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)					
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.
NAME(S)					
	32	5,000			
ID OR S.S. NO.	34	10,000			
ADDRESS	38	100,000			
	42	1,000,000			
ZIP	99	TOTAL			TR. CASE NO.