

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8176]
September 7, 1977]

OFFERING OF TWO SERIES OF TREASURY BILLS

**\$2,500,000,000 of 91-Day Bills, Additional Amount, Series Dated June 16, 1977, Due December 15, 1977
(To Be Issued September 15, 1977)**

\$3,500,000,000 of 182-Day Bills, Dated September 15, 1977, Due March 16, 1978

*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 totaling approximately \$6,000 million, to be issued September 15, 1977. This offering will not provide new cash for the Treasury as the maturing bills are outstanding in the amount of \$6,007 million (\$901 million of which represent 9-day bills issued September 6, 1977). The two series offered are as follows:

91-day bills (to maturity date) for approximately \$2,500 million, representing an additional amount of bills dated June 16, 1977, and to mature December 15, 1977 (CUSIP No. 912793 L79), originally issued in the amount of \$3,001 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$3,500 million to be dated September 15, 1977, and to mature March 16, 1978 (CUSIP No. 912793 P34).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing September 15, 1977. Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,870 million of the maturing bills. These accounts may exchange bills they hold for the bills now being offered at the weighted average prices of accepted competitive tenders.

The bills will be issued on a discount basis under competitive and noncompetitive bidding, and at maturity their par amount will be payable without interest. Except for definitive bills in the \$100,000 denomination, which will be available only to investors who are able to show that they are required by law or regulation to hold securities in physical form, both series of bills will be issued entirely in book-entry form in a minimum amount of \$10,000 and in any higher \$5,000 multiple, on the records either of the Federal Reserve Banks and Branches, or of the Department of the Treasury.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to 1:30 p.m., Eastern Daylight Saving time, Monday, September 12, 1977. Form PD 4632-2 (for 26-week series) or Form PD 4632-3 (for 13-week series) should be used to submit tenders for bills to be maintained on the book-entry records of the Department of the Treasury.

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 who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions in and borrowings on such securities may submit tenders for account of customers, if the names of the customers and the amount for each customer are furnished. Others are only permitted to submit tenders for their own account.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Daylight Saving time, Monday, September 12, 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." Forms for submitting tenders directly to the Treasury are available from the Government Bond Division of this Bank. 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 8, 1977, representing an additional amount of bills dated June 9, 1977, maturing December 8, 1977; and 182-day bills dated September 8, 1977, maturing March 9, 1978) are shown on the reverse side of this circular.

Payment for the full par amount of the bills applied for must accompany all tenders submitted for bills to be maintained on the book-entry records of the Department of the Treasury. A cash adjustment will be made on all accepted tenders for the difference between the par payment submitted and the actual issue price as determined in the auction.

No deposit need accompany tenders from incorporated banks and trust companies and from responsible and recognized dealers in investment securities for bills to be maintained on the book-entry records of Federal Reserve Banks and Branches, or for bills issued in bearer form, where authorized. A deposit of 2 percent of the par amount of the bills applied for must accompany tenders for such bills from others, unless an express guaranty of payment by an incorporated bank or trust company accompanies the tenders.

Public announcement will be made by the Department of the Treasury of the amount and price range of accepted bids. Competitive bidders will be advised of the acceptance or rejection of their tenders. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and the Secretary's action 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 weighted average price (in three decimals) of accepted competitive bids for the respective issues.

Settlement for accepted tenders for bills to be maintained on the book-entry records of Federal Reserve Banks and Branches, and bills issued in bearer form must be made or completed at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt on September 15, 1977, in cash or other immediately available funds or in Treasury bills maturing September 15, 1977. Cash adjustments will be made for differences between the par value of the 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 these bills 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 these bills (other than life insurance companies) must include in his or her 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 Circulars, No. 418 (current revision), Public Debt Series—Nos. 26-76 and 27-76, and this notice, prescribe the terms of these Treasury bills and govern the conditions of their issue. Copies of the circulars and tender forms 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 SEPTEMBER 8, 1977)

Range of Accepted Competitive Bids

<i>91-Day Treasury Bills Maturing December 8, 1977</i>				<i>182-Day Treasury Bills Maturing March 9, 1978</i>		
	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate ¹</i>	<i>Price</i>	<i>Discount Rate</i>	<i>Investment Rate ¹</i>
High	98.604	5.523%	5.68%	97.051 ^a	5.833%	6.09%
Low	98.593	5.566%	5.72%	97.042	5.851%	6.11%
Average	98.596	5.554%	5.71%	97.045	5.845%	6.11%

¹ Equivalent coupon-issue yield.

^a Excepting one tender of \$65,000.

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

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

Total Tenders Received and Accepted

<i>F.R. District (and U.S. Treasury)</i>	<i>91-Day Treasury Bills Maturing December 8, 1977</i>		<i>182-Day Treasury Bills Maturing March 9, 1978</i>	
	<i>Received</i>	<i>Accepted</i>	<i>Received</i>	<i>Accepted</i>
Boston	\$ 25,085,000	\$ 24,135,000	\$ 14,310,000	\$ 4,310,000
New York	3,142,060,000	1,670,265,000	5,126,155,000	2,831,595,000
Philadelphia	22,835,000	22,835,000	6,880,000	6,880,000
Cleveland	37,025,000	31,950,000	71,555,000	31,555,000
Richmond	34,565,000	28,565,000	36,415,000	17,365,000
Atlanta	24,370,000	24,370,000	26,455,000	13,355,000
Chicago	328,985,000	167,915,000	687,285,000	104,260,000
St. Louis	33,720,000	18,720,000	29,775,000	13,395,000
Minneapolis	17,395,000	17,395,000	17,300,000	17,300,000
Kansas City	20,315,000	20,315,000	16,860,000	16,860,000
Dallas	23,740,000	23,740,000	27,070,000	16,070,000
San Francisco	300,890,000	152,140,000	508,580,000	127,230,000
U.S. Treasury	115,000	115,000	70,000	70,000
TOTALS	\$4,011,100,000	\$2,202,460,000 ^b	\$6,568,710,000	\$3,200,245,000 ^c

^b Includes \$303,920,000 noncompetitive tenders from the public.

^c Includes \$134,170,000 noncompetitive tenders from the public.

IMPORTANT—This is a standard form. Its terms are subject to change at any time by the Treasury. 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 BOOK-ENTRY TREASURY BILLS

(For Use in Subscribing Through a Financial Institution)

Do Not Use This Form for Direct Subscriptions to the Treasury

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 Circulars No. 26-76 and No. 27-76, Public Debt Series, 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 and accept payment for the bills as indicated below:

Safekeeping or Delivery Instructions

(No changes will be accepted)

Book-Entry—

- ☐ 1. Hold in safekeeping (for member bank only) in—
☐ Investment Account
☐ General Account
☐ Trust Account
- ☐ 2. Hold as collateral for Treasury Tax and Loan Account*
- ☐ 3. Wire to _____
 (Exact Receiving Bank Wire Address/Account)

Definitive—

- ☐ 4. Issue in definitive form† (in \$100,000 denominations only) and—
☐ Deliver over the counter to the undersigned
☐ Ship to the undersigned

Payment Instructions

Payment will be made as follows:

- ☐ By charge to our reserve account
☐ By check in *immediately available funds*
☐ By surrender of eligible maturing securities
☐ By charge to my correspondent bank

(Name of Correspondent)

(Payment cannot be made through
Treasury Tax and Loan Account)

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

† This tender is submitted by the undersigned for _____, which is required by law
 (Name of entity)
 or regulation (_____) to hold or pledge securities in definitive form. (Separate tender
 (Give citation)
 forms must be submitted for each such entity.)

*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 that such officer 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.

PRIVACY ACT STATEMENT: The individually identifiable information required on this form is necessary to permit the tender to be processed and the bills to be issued, in accordance with the General Regulations governing United States book-entry Treasury Bills (Department Circular No. 26-76, Public Debt Series). The transaction will not be completed unless all required data is furnished.

IMPORTANT—This is a standard form. Its terms are subject to change at any time by the Treasury. 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 BOOK-ENTRY TREASURY BILLS

(For Use in Subscribing Through a Financial Institution)

Do Not Use This Form for Direct Subscriptions to the Treasury

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 Circulars No. 26-76 and No. 27-76, Public Debt Series, 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 and accept payment for the bills as indicated below:

Safekeeping or Delivery Instructions

(No changes will be accepted)

Book-Entry—

- ☐ 1. Hold in safekeeping at FRBNY (for member bank only) in—
☐ Investment Account
☐ General Account
☐ Trust Account

- ☐ 2. Hold as collateral for Treasury Tax and Loan Account*

- ☐ 3. Wire to.....
(Exact Receiving Bank Wire Address/Account)

Definitive—

- ☐ 4. Issue in definitive form† (in \$100,000 denominations only) and—
☐ Deliver over the counter to the undersigned
☐ Ship to the undersigned

Payment Instructions

Payment will be made as follows:

- ☐ By charge to our reserve account
☐ By check in *immediately available funds*
☐ By surrender of eligible maturing securities
☐ By charge to my correspondent bank

.....
(Name of Correspondent)

(Payment cannot be made through Treasury Tax and Loan Account)

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

† This tender is submitted by the undersigned for which is required by law
(Name of entity)
or regulation (.....) to hold or pledge securities in definitive form. (Separate tender
(Give citation)
forms must be submitted for each such entity.)

*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:

1. No tender for less than \$10,000 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 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.
3. 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 that such officer 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."
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; and personal checks should be certified. Checks endorsed to this Bank will not be accepted.
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.

PRIVACY ACT STATEMENT: The individually identifiable information required on this form is necessary to permit the tender to be processed and the bills to be issued, in accordance with the General Regulations governing United States book-entry Treasury Bills (Department Circular No. 26-76, Public Debt Series). The transaction will not be completed unless all required data is furnished.