

# FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8305]  
March 29, 1978

## OFFERING OF TWO SERIES OF TREASURY BILLS

**\$2,300,000,000 of 91-Day Bills, Additional Amount, Series Dated January 5, 1978, Due July 6, 1978  
(To Be Issued April 6, 1978)**

**\$3,400,000,000 of 182-Day Bills, Dated April 6, 1978, Due October 5, 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 \$5,700 million, to be issued April 6, 1978. This offering will not provide new cash for the Treasury as the maturing bills are outstanding in the amount of \$5,712 million. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$2,300 million, representing an additional amount of bills dated January 5, 1978, and to mature July 6, 1978 (CUSIP No. 912793 R99), originally issued in the amount of \$3,404 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$3,400 million to be dated April 6, 1978, and to mature October 5, 1978 (CUSIP No. 912793 T63).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing April 6, 1978. Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$3,341 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 Standard time, Monday, April 3, 1978. 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 Standard time, Monday, April 3, 1978, 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 the 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 March 30, 1978, representing an additional amount of bills dated December 29, 1977, maturing June 29, 1978; and 182-day bills dated March 30, 1978, maturing September 28, 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 April 6, 1978, in cash or other immediately available funds or in Treasury bills maturing April 6, 1978. 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) and 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 MARCH 30, 1978)

**Range of Accepted Competitive Bids**

	<i>91-Day Treasury Bills</i> <i>Maturing June 29, 1978</i>			<i>182-Day Treasury Bills</i> <i>Maturing September 28, 1978</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 .....	98.409	6.294%	6.48%	96.639 <sup>a</sup>	6.648%	6.97%
Low .....	98.403	6.318%	6.51%	96.628	6.670%	7.00%
Average .....	98.405	6.310%	6.50%	96.630	6.666%	6.99%

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

<sup>a</sup> Excepting one tender of \$50,000.

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

(45 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 29, 1978</i>		<i>182-Day Treasury Bills</i> <i>Maturing September 28, 1978</i>	
<i>F.R. District (and U.S. Treasury)</i>	<i>Received</i>	<i>Accepted</i>	<i>Received</i>	<i>Accepted</i>
Boston .....	\$ 30,820,000	\$ 23,670,000	\$ 26,885,000	\$ 9,135,000
New York .....	3,577,705,000	1,988,000,000	4,769,545,000	3,184,995,000
Philadelphia .....	30,815,000	29,715,000	9,750,000	9,750,000
Cleveland .....	26,260,000	26,020,000	17,885,000	17,885,000
Richmond .....	27,950,000	18,840,000	22,365,000	10,365,000
Atlanta .....	30,830,000	30,190,000	27,300,000	25,790,000
Chicago .....	304,965,000	68,830,000	455,225,000	53,225,000
St. Louis .....	47,215,000	22,930,000	37,920,000	14,920,000
Minneapolis .....	20,455,000	16,455,000	17,865,000	17,865,000
Kansas City .....	26,665,000	26,025,000	20,440,000	15,440,000
Dallas .....	20,145,000	15,035,000	4,730,000	3,730,000
San Francisco .....	271,130,000	31,075,000	296,150,000	31,495,000
U.S. Treasury .....	4,205,000	4,205,000	6,850,000	6,850,000
TOTALS .....	\$4,419,160,000	\$2,300,990,000 <sup>b</sup>	\$5,712,910,000	\$3,401,445,000 <sup>c</sup>

<sup>b</sup> Includes \$347,265,000 noncompetitive tenders from the public.

<sup>c</sup> Includes \$162,865,000 noncompetitive tenders from the public.