FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8598]

OFFERING OF TWO SERIES OF TREASURY BILLS

\$2,900,000,000 of 91-Day Bills, Additional Amount, Series Dated April 12, 1979, Due October 11, 1979 (To Be Issued July 12, 1979)

\$3,000,000,000 of 182-Day Bills, Dated July 12, 1979, Due January 10, 1980

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:

The Department of the Treasury, by this public notice, invites tenders for two series of Treasury bills totaling approximately \$5,900 million, to be issued July 12, 1979. This offering will not provide new cash for the Treasury as the maturing bills are outstanding in the amount of \$5,926 million. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$2,900 million, representing an additional amount of bills dated April 12, 1979, and to mature October 11, 1979 (CUSIP No. 912793 2Q8), originally issued in the amount of \$3,018 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$3,000 million to be dated July 12, 1979, and to mature January 10, 1980 (CUSIP No. 912793 3L8).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing July 12, 1979. Federal Reserve Banks, for themselves and as agents of foreign and international monetary authorities, presently hold \$2,384 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. 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, July 9, 1979. 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. Each tender must state the amount of any net long position in the bills being offered if such position is in excess of \$200 million. This information should reflect positions held at the close of business on the day prior to the auction. Such positions would include bills acquired through "when issued" trading, and futures and forward transactions as well as holdings of outstanding bills with the

months to maturity previously offered as six month bills. 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, when submitting tenders for cus-

tomers, must submit a separate tender for each customer whose net long position in the bill being offered exceeds \$200 million.

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

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. 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 must be made or completed at the Federal Reserve Bank or Branch on July 12, 1979, in cash or other immediately available funds or in Treasury bills maturing July 12, 1979. 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.

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, 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.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Daylight Saving time, Monday, July 9, 1979, at the Securities Department of its Head Office and 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 Treasury and Agency Issues 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 are shown on the reverse side of this circular.

PAUL A. VOLCKER, President.

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS (TWO SERIES TO BE ISSUED JULY 5, 1979)

Range of Accepted Competitive Bids

	91-Day Treasury Bills Maturing October 4, 1979			182-Day Treasury Bills Maturing January 3, 1980		
TT*.1.	<i>Price</i> 97.751a	Discount Rate	Investment Rate 1	<i>Price</i> 95.526	Discount Rate 8.850%	Investment Rate 1 9.42%
High	97.731	8.897% 8.992%	9.25% 9.35%	95.511	8.879%	9.42%
Average	97.733	8.968%	9.33%	95.517	8.867%	9.44%

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

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

Total Tenders Received and Accepted

	91-Day T Maturing Oct	reasury Bills tober 4, 1979	182-Day Treasury Bills Maturing January 3, 1980		
By F.R. District (and U.S. Treasury) Boston	Received \$ 38,845,000	Accepted \$ 38,845,000	Received \$ 77,305,000	Accepted \$ 27,305,000	
New York	3,698,340,000	2,306,890,000	4,506,945,000	2,650,345,000	
Philadelphia	20,445,000	20,445,000	16,510,000	16,510,000	
Cleveland	29,045,000	29,045,000	26,365,000	14,365,000	
Richmond	22,660,000	22,660,000	33,790,000	33,790,000	
Atlanta	33,295,000	33,295,000	28,540,000	27,030,000	
Chicago	243,125,000	133,125,000	218,110,000	42,110,000	
St. Louis	40,240,000	19,240,000	36,485,000	12,485,000	
Minneapolis	16,185,000	16,185,000	18,255,000	16,415,000	
Kansas City	26,295,000	26,295,000	26,440,000	25,440,000	
Dallas	11,455,000	11,455,000	12,045,000	10,045,000	
San Francisco	245,120,000	220,120,000	277,075,000	99,875,000	
U.S. Treasury	22,900,000	22,900,000	24,380,000	24,380,000	
Totals	\$4,447,950,000	\$2,900,500,000	\$5,302,245,000	\$3,000,095,000	
By class of bidder Public					
Competitive	\$2,792,915,000	\$1,245,465,000	\$3,811,470,000	\$1,509,320,000	
Noncompetitive	435,500,000	435,500,000	350,375,000	350,375,000	
SubtotalsFederal Reserve, and Foreign	\$3,228,415,000	\$1,680,965,000	\$4,161,845,000	\$1,859,695,000	
Official Institutions	1,219,535,000	1,219,535,000	1,140,400,000	1,140,400,000	
TOTALS	\$4,447,950,000	\$2,900,500,000	\$5,302,245,000	\$3,000,095,000	

Equivalent coupon-issue yield.
 Excepting two tenders totaling \$50,000.