FEDERAL RESERVE BANK OF NEW YORK
Fiscal Agent of the United States

[Circular No. 8762
February 27, 1980]

OFFERING OF TWO SERIES OF TREASURY BILLS

$3,300,000,000 of 91-Day Bills, Additional Amount, Series Dated December 6, 1979, Due June 5, 1980 (To Be Issued March 6, 1980)

$3,300,000,000 of 182-Day Bills, Dated March 6, 1980, Due September 4, 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 $6,600 million, to be issued March 6, 1980. This offering will provide $400 million new cash for the Treasury as the maturing bills are outstanding in the amount of $6,231 million, including $893 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities and $1,748 million currently held by Federal Reserve Banks for their own account. The two series offered are as follows:

91-day bills (to maturity date) for approximately $3,300 million, representing an additional amount of bills dated December 6, 1979, and to mature June 5, 1980 (CUSIP No. 912793 4H6), originally issued in the amount of $3,224 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately $3,300 million to be dated March 6, 1980, and to mature September 4, 1980 (CUSIP No. 912793 5D4).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing March 6, 1980. Tenders from Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities will be accepted at the weighted average prices of accepted competitive tenders. Additional amounts of the bills may be issued to Federal Reserve Banks, as agents of foreign and international monetary authorities, to the extent that the aggregate amount of tenders for such accounts exceeds the aggregate amount of maturing bills held by them.

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 Standard time, Monday, March 3, 1980. 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 same maturity date as the new offering, e.g., bills with three 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 customers, 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 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 March 6, 1980, in cash or other immediately available funds or in Treasury bills maturing March 6, 1980. 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, 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 Standard time, Monday, March 3, 1980, 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 are shown on the reverse side of this circular.

Thomas M. Timlen,
First Vice President.

(OVER)

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS

(TWO SERIES TO BE ISSUED FEBRUARY 28, 1980)

Range of Accepted Competitive Bids

	91-Day Treasury Bills Maturing May 29, 1980			*182-Day Treasury Bills Maturing August 28, 1980*		
	Price	Discount Rate	Investment Rate [1]	Price	Discount Rate	Investment Rate [1]
High	96.577[a]	13.542%	14.26%	93.195	13.460%	14.68%
Low	96.511	13.803%	14.54%	93.064	13.720%	14.99%
Average	96.537	13.700%	14.43%	93.110	13.629%	14.88%

[1] Equivalent coupon-issue yield.

[a] Excepting three tenders totaling $3,335,000.

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

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

Total Tenders Received and Accepted

	91-Day Treasury Bills Maturing May 29, 1980		*182-Day Treasury Bills Maturing August 28, 1980*	
By F.R. District (and U.S. Treasury)	*Received*	*Accepted*	*Received*	*Accepted*
Boston	$ 58,020,000	$ 38,020,000	$ 49,940,000	$ 29,940,000
New York	3,945,920,000	2,521,120,000	3,719,550,000	2,719,050,000
Philadelphia	29,870,000	29,870,000	17,940,000	17,940,000
Cleveland	70,295,000	70,295,000	25,010,000	25,010,000
Richmond	35,650,000	35,650,000	37,510,000	37,500,000
Atlanta	56,560,000	56,560,000	34,415,000	34,415,000
Chicago	283,675,000	158,675,000	276,490,000	176,490,000
St. Louis	50,505,000	29,505,000	42,575,000	25,575,000
Minneapolis	8,815,000	8,815,000	5,915,000	5,915,000
Kansas City	51,700,000	51,700,000	25,445,000	25,445,000
Dallas	23,520,000	23,520,000	12,875,000	12,875,000
San Francisco	271,985,000	220,985,000	226,365,000	131,365,000
U.S. Treasury	55,585,000	55,585,000	58,605,000	58,605,000
TOTALS	$4,942,100,000	$3,300,300,000	$4,532,635,000	$3,300,125,000
By class of bidder				
Public				
Competitive	$3,134,325,000	$1,492,525,000	$2,427,400,000	$1,194,890,000
Noncompetitive	698,145,000	698,145,000	469,935,000	469,935,000
SUBTOTALS	$3,832,470,000	$2,190,670,000	$2,897,335,000	$1,664,825,000
Federal Reserve	829,880,000	829,880,000	825,000,000	825,000,000
Foreign Official Institutions	279,750,000	279,750,000	810,300,000	810,300,000
TOTALS	$4,942,100,000	$3,300,300,000	$4,532,635,000	$3,300,125,000