FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 9014] February 4, 1981

OFFERING OF TWO SERIES OF TREASURY BILLS

\$4,300,000,000 of 91-Day Bills, To Be Issued February 12, 1981, Due May 14, 1981 \$4,300,000,000 of 182-Day Bills, To Be Issued February 12, 1981, Due August 13, 1981

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 \$8,600 million, to be issued February 12, 1981. This offering will provide \$650 million of new cash for the Treasury as the macuring bills are outstanding in the amount of \$7,950 million, including \$1,873 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities, and \$1,855 million currently held by Federal Reserve Banks for their own account. In the event that Congressional action on the debt ceiling legislature is delayed, the amount of these bill offerings may have to be reduced. is delayed, the amount of these bill offerings may have to be reduced.

The two series offered are as follows:

91-day bills (to maturity date) for approximately \$4,300 million, representing an additional amount of bills dated November 13, 1980, and to mature May 14, 1981 (CUSIP No. 912793 6R2), currently outstanding in the amount of \$4,038 million, the additional and original bills to be feedly interchargeable. freely interchangeable.

182-day bills (to maturity date) for approximately \$4,300 million, representing an additional amount of bills dated August 19, 1980, and to mature August 13, 1981 (CUSIP No. 912793 6X9), currently outstanding in the amount of \$4,009 million, the additional and original bills to be freely interchangeable.

freely interchangeable.

Both series of bills will be issued for cash and in exchange for Treasury bills maturing February 12, 1981. Tenders from Federal Reserve Banks for themselves and as agents for 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 for 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

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, February 9, 1981. 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 as of 12:30 p.m., Eastern time on the day of 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 borrowrederal 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 case of the department of the Treasury is the reader of the position of the pos

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.

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.

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. 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 February 12, 1981, in cash or other immediately available funds or in Treasury bills maturing February 12, 1981. However, since the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of New York and its Buffalo Branch, the Federal Reserve Bank of Philadelphia and the Detacit Branch the Federal Reserve Bank of Philadelphia, and the Detroit Branch of the Federal Reserve Bank of Chicago will be closed on the settlement date for the new issues of 13-week and 26-week bills, investors purchasing the bills through those offices are given the following payment options:

Payment with cash, Federal funds, other immediate-credit items, or check in collected form, by Wednesday, February 11; Payment with the matured issues of 13-week and 26-week bills by Friday, February 13; Payment with cash, Federal funds, or other immediate-credit items by Friday, February 13, including payment for one day's accrued interest; and Payment through a member correspondent.

Payment through a member correspondent bank in another Federal Reserve District by Thursday, February 12, provided the purchaser gives its Federal Reserve Bank advance notice

of the intended payment procdure.

Cash adjustments will be made for differences between the par value of the maturing bills accepted in exchange and the issue price

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 international contents and the state of the st come tax return, as ordinary gain or loss, the difference between the price paid for the bills, whether on original issue or on sub-sequent 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, February 9, 1981, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for both 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 Treasury securities maturing on or before the issue date.

Results of the last weekly offering of Treasury bills are shown on the reverse side of this circular.

ANTHONY M. SOLOMON, President.

(OVER)

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS (TWO SERIES TO BE ISSUED FEBRUARY 5, 1981)

Range of Accepted Competitive Bids

	Maturina May 7 1081			182-Day Treasury Bills Maturing August 6, 1981		
	Price	Discount Rate	Investment Rate ¹	Price	Discount Rate	Investment Rate ¹
High	96.319a	14.562%	15.33%	93.122	13.605%	14.81%
Low	96.279	14.720%	15.50%	93.036	13.775%	15.01%
Average	96.295	14.657%	15.43%	93.056	13.735%	14.97%

¹ Equivalent coupon-issue yield. ^a Excepting one tender of \$20,000.

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

(73 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 7, 1981		182-Day Treasury Bills Maturing August 6, 1981		
By F.R. District (and U.S. Treasury)	Received	Accepted	Received	Accepted	
Boston	\$ 104,695,000	\$ 54,095,000	\$ 80,050,000	\$ 49,150,000	
New York	7,327,115,000	3,386,030,000	7,102,600,000	3,396,600,000	
Philadelphia	36,940,000	36,940,000	19,235,000	19,235,000	
Cleveland	56,045,000	46,045,000	35,975,000	25,975,000	
Richmond	48,135,000	47,135,000	34,630,000	33,130,000	
Atlanta	66,265,000	65,190,000	117,780,000	117,070,000	
	546,345,000	168,670,000	503,055,000	159,155,000	
Chicago	39,150,000	28,650,000	27,000,000	17,500,000	
Minneapolis	15,705,000	9,695,000	13,240,000	10,240,000	
Kansas City	60,155,000	60,155,000	34,990,000	34,990,000	
Dallas	23,050,000	23,050,000	12,625,000	12,625,000	
San Francisco	445,545,000	220,045,000	436,945,000	291,560,000	
U.S. Treasury	154,645,000	154,645,000	132,995,000	132,995,000	
Totals	\$8,923,790,000	\$4,300,345,000	\$8,551,120,000	\$4,300,225,000	
By class of bidder Public					
Competitive	\$6,689,300,000	\$2,065,855,000	\$5,948,960,000	\$1,698,065,000	
Noncompetitive	858,690,000	858,690,000	584,350,000	584,350,000	
SUBTOTALS	\$7,547,990,000	\$2,924,545,000	\$6,533,310,000	\$2,282,415,000	
Federal Reserve	800,000,000	800,000,000	679,610,000	679,610,000	
Foreign Official Institutions	575,800,000	575,800,000	1,338,200,000	1,338,200,000	
Totals	\$8,923,790,000	\$4,300,345,000	\$8,551,120,000	\$4,300,225,000	