

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[ Circular No. 9038 ]  
March 18, 1981

OFFERING OF TWO SERIES OF TREASURY BILLS

\$4,300,000,000 of 91-Day Bills, To Be Issued March 26, 1981, Due June 25, 1981  
\$4,300,000,000 of 182-Day Bills, To Be Issued March 26, 1981, Due September 24, 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 March 26, 1981. This offering will provide \$725 million of new cash for the Treasury as the maturing bills were originally issued in the amount of \$7,868 million. 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 December 26, 1980, and to mature June 25, 1981 (CUSIP No. 912793 6V3), currently outstanding in the amount of \$4,034 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$4,300 million, to be dated March 26, 1981, and to mature September 24, 1981 (CUSIP No. 912793 7U4).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing March 26, 1981. In addition to the maturing 13-week and 26-week bills, there are \$4,016 million of maturing 52-week bills. The disposition of this latter amount was announced last week. Federal Reserve Banks, as agents for foreign and international monetary authorities, currently hold \$1,606 million, and Federal Reserve Banks for their own account hold \$3,112 million of the maturing bills. These amounts represent the combined holdings of such accounts for the three issues of maturing bills.

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. For purposes of determining such additional amounts, foreign and international monetary authorities are considered to hold \$1,277 million of the original 13-week and 26-week issues.

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 23, 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 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.

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 26, 1981, in cash or other immediately available funds or in Treasury bills maturing March 26, 1981. 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 23, 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 MARCH 19, 1981)**

**Range of Accepted Competitive Bids**

	<i>91-Day Treasury Bills Maturing June 18, 1981</i>			<i>182-Day Treasury Bills Maturing September 17, 1981</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 .....	96.780 <sup>a</sup>	12.738%	13.35%	93.979	11.910%	12.85%
Low .....	96.767	12.790%	13.40%	93.820	12.224%	13.21%
Average .....	96.775	12.758%	13.37%	93.885	12.096%	13.06%

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

<sup>a</sup> Excepting two tenders totaling \$22,000,000.

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

(16 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 Maturing June 18, 1981</i>		<i>182-Day Treasury Bills Maturing September 17, 1981</i>	
	<i>Received</i>	<i>Accepted</i>	<i>Received</i>	<i>Accepted</i>
<i>By F.R. District (and U.S. Treasury)</i>				
Boston .....	\$ 99,485,000	\$ 68,535,000	\$ 73,430,000	\$ 58,130,000
New York .....	7,303,240,000	3,193,225,000	6,407,765,000	3,345,765,000
Philadelphia .....	41,670,000	41,270,000	19,875,000	19,875,000
Cleveland .....	48,995,000	45,770,000	45,210,000	45,210,000
Richmond .....	42,180,000	36,570,000	32,510,000	32,510,000
Atlanta .....	57,590,000	54,340,000	40,650,000	40,650,000
Chicago .....	1,388,960,000	404,165,000	466,635,000	216,635,000
St. Louis .....	39,625,000	19,125,000	28,035,000	28,035,000
Minneapolis .....	26,425,000	10,425,000	27,755,000	27,755,000
Kansas City .....	50,920,000	44,155,000	43,395,000	43,395,000
Dallas .....	26,520,000	21,520,000	24,450,000	24,450,000
San Francisco .....	435,110,000	209,610,000	430,835,000	249,835,000
U.S. Treasury .....	157,655,000	157,655,000	170,265,000	170,265,000
<b>TOTALS .....</b>	<b>\$9,718,375,000</b>	<b>\$4,306,365,000</b>	<b>\$7,810,810,000</b>	<b>\$4,302,510,000</b>
<i>By class of bidder</i>				
<b>Public</b>				
Competitive .....	\$7,291,590,000	\$1,879,580,000	\$4,988,680,000	\$1,480,380,000
Noncompetitive .....	847,660,000	847,660,000	694,490,000	694,490,000
<b>SUBTOTALS .....</b>	<b>\$8,139,250,000</b>	<b>\$2,727,240,000</b>	<b>\$5,683,170,000</b>	<b>\$2,174,870,000</b>
Federal Reserve .....	1,226,205,000	1,226,205,000	800,000,000	800,000,000
Foreign Official Institutions .....	352,920,000	352,920,000	1,327,640,000	1,327,640,000
<b>TOTALS .....</b>	<b>\$9,718,375,000</b>	<b>\$4,306,365,000</b>	<b>\$7,810,810,000</b>	<b>\$4,302,510,000</b>

An additional \$23,980 thousand of 13-week bills and an additional \$102,860 thousand of 26-week bills will be issued to foreign official institutions for new cash.