FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 9373
October 6, 1982

OFFERING OF TWO SERIES OF TREASURY BILLS

$5,600,000,000 of 91-Day Bills, To Be Issued October 14, 1982, Due January 13, 1983
$5,600,000,000 of 182-Day Bills, To Be Issued October 14, 1982, Due April 14, 1983

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 $11,200 million, to be issued October 14, 1982. This offering will provide $1,125 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of $10,082 million, including $775 million currently held by Federal Reserve Banks as agents for foreign and international monetary authorities and $2,280 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 $5,600 million, representing an additional amount of bills dated July 15, 1982, and to mature January 13, 1983 (CUSIP No. 912794 CF9), currently outstanding in the amount of $5,366 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately $5,600 million, to be dated October 14, 1982, and to mature April 14, 1983 (CUSIP No. 912794 CR3).

Both series of bills will be issued for cash and in exchange for Treasury bills maturing October 14, 1982. 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 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, Tuesday, October 12, 1982. 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 three decimals, e.g., 97.920. 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 bills 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 October 14, 1982, in cash or other immediately-available funds or in Treasury bills maturing October 14, 1982. 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 Section 454(b) of the Internal Revenue Code, the amount of discount at which these bills are sold is considered to accrue when the bills are sold, redeemed, or otherwise disposed of. Section 1232(a)(4) provides that any gain on the sale or redemption of these bills that does not exceed the ratable share of the acquisition discount must be included in the Federal income tax return of the owner as ordinary income. The acquisition discount is the excess of the stated redemption price over the taxpayer's basis (cost) for the bill. The ratable share of this discount is determined by multiplying such discount by a fraction, the numerator of which is the number of days the taxpayer held the bill and the denominator of which is the number of days from the day following the taxpayer's date of purchase to the maturity of the bill. If the gain on the sale of a bill exceeds the taxpayer's ratable portion of the acquisition discount, the excess gain is treated as short-term capital gain.

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, Tuesday, October 12, 1982, 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*

Closing date for receipt of tenders is *Tuesday, October 12, 1982.*

(OVER)

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS
(TWO SERIES TO BE ISSUED OCTOBER 7, 1982)

Range of Accepted Competitive Bids

	91-Day Treasury Bills Maturing January 6, 1983			182-Day Treasury Bills Maturing April 7, 1983		
	Price	Discount Rate	Investment Rate[1]	Price	Discount Rate	Investment Rate[1]
High	97.973	8.019%	8.30%	95.353	9.192%	9.77%
Low	97.934	8.173%	8.46%	95.319	9.259%	9.85%
Average	97.952	8.102%	8.39%	95.334	9.229%[2]	9.82%

[1]Equivalent coupon-issue yield.

[2]The four-week average for calculating the maximum interest rate payable on money market certificates is 9.393%.

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

(60 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 January 6, 1983		182-Day Treasury Bills Maturing April 7, 1983	
By F.R. District (and U.S. Treasury)	Received	Accepted	Received	Accepted
Boston	$ 38,065,000	$ 36,065,000	112,290,000	$ 57,290,000
New York	12,256,200,000	4,406,850,000	10,424,595,000	4,601,170,000
Philadelphia	24,180,000	24,180,000	79,470,000	29,470,000
Cleveland	98,505,000	98,505,000	83,520,000	35,420,000
Richmond	45,855,000	45,855,000	58,615,000	54,115,000
Atlanta	45,415,000	45,015,000	61,450,000	50,395,000
Chicago	795,695,000	256,695,000	851,625,000	83,080,000
St. Louis	42,460,000	42,460,000	53,305,000	41,700,000
Minneapolis	13,055,000	9,055,000	23,795,000	11,795,000
Kansas City	50,440,000	45,440,000	60,760,000	51,460,000
Dallas	27,610,000	22,610,000	27,690,000	22,290,000
San Francisco	605,190,000	281,190,000	915,355,000	221,935,000
U.S. Treasury	286,130,000	286,130,000	342,770,000	342,770,000
TOTALS	$14,328,800,000	$5,600,050,000	$13,095,240,000	$5,602,890,000
By class of bidder				
Public				
Competitive	$12,256,050,000	$3,527,300,000	$10,638,245,000	$3,145,895,000
Noncompetitive	943,690,000	943,690,000	1,034,295,000	1,034,295,000
SUBTOTALS	$13,199,740,000	$4,470,990,000	$11,672,540,000	$4,180,190,000
Federal Reserve	989,060,000	989,060,000	900,000,000	900,000,000
Foreign Official Institutions	140,000,000	140,000,000	522,700,000	522,700,000
TOTALS	$14,328,800,000	$5,600,050,000	$13,095,240,000	$5,602,890,000