

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4485]
July 3, 1957]

Offering of \$1,600,000,000 of 91-Day Treasury Bills

Dated July 11, 1957

Maturing October 10, 1957

To all Incorporated Banks and Trust Companies, and Others
Concerned, in the Second Federal Reserve District:

Following is the text of a notice published today:

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, July 3, 1957.

TREASURY DEPARTMENT
Washington

The Treasury Department, by this public notice, invites tenders for \$1,600,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing July 11, 1957, in the amount of \$1,611,405,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated July 11, 1957, and will mature October 10, 1957, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Daylight Saving time, Monday, July 8, 1957. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on July 11, 1957, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 11, 1957. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454(b) and 1221(5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such 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, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

This Bank will receive tenders up to 1:30 p.m., Eastern Daylight Saving time, Monday, July 8, 1957, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the form on the reverse side of this circular to submit a tender, and return it in an envelope marked "Tender for Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. *Payment for the 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.*

ALFRED HAYES, *President.*

Results of last offering of Treasury bills (90-day bills dated July 5, 1957, maturing October 3, 1957)

		<i>Federal Reserve District</i>	<i>Total Applied for</i>	<i>Total Accepted</i>
Total applied for.....	\$2,313,809,000			
Total accepted	\$1,600,197,000 (includes \$346,187,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	Boston	\$ 33,346,000	\$ 23,046,000
		New York	1,562,779,000	948,192,000
		Philadelphia	44,213,000	29,013,000
		Cleveland	70,194,000	62,794,000
		Richmond	18,167,000	18,117,000
Range of accepted competitive bids:		Atlanta	30,119,000	28,119,000
High	99.199 Equivalent rate of discount 3.204% per annum	Chicago	263,674,000	205,974,000
Low	99.185 Equivalent rate of discount 3.260% per annum	St. Louis	41,518,000	41,493,000
		Minneapolis	17,682,000	17,082,000
Average	99.190 Equivalent rate of discount approx. 3.238% per annum	Kansas City	57,682,000	56,832,000
		Dallas	39,726,000	36,326,000
		San Francisco	134,709,000	133,209,000
		TOTAL	\$2,313,809,000	\$1,600,197,000

(65 percent of the amount bid for at the low price was accepted)

Please note that the results shown above are for 90-day Treasury bills.

(OVER)

IMPORTANT—If you desire to bid on a competitive basis, fill in rate per 100 and maturity value in paragraph headed "Competitive Bid." If you desire to bid on a non-competitive basis, fill in only the maturity value in paragraph headed "Noncompetitive Bid." DO NOT fill in both paragraphs on one form. A separate tender must be used for each bid, except that commercial banks submitting bids for their customers' accounts may consolidate competitive tenders at the same price and may consolidate noncompetitive tenders, provided a list is attached showing the name of each bidder, the amount bid for his account, and method of payment. Forms for this purpose will be furnished on request.

No.

TENDER FOR 91-DAY TREASURY BILLS

Dated July 11, 1957

Maturing October 10, 1957

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

Dated at

.....1957

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public notice on July 3, 1957, as issued by the Treasury Department, the undersigned offers

.....* for a total amount of (Rate per 100)

\$(maturity value) of the Treasury bills therein described, or for any less amount that may be awarded, settlement therefor to be made at your Bank, on the date stated in the public notice, as indicated below:

- By surrender of maturing Treasury bills amounting to\$
By cash or other immediately available funds

*Price must be expressed on the basis of 100, with not more than three decimal places, for example, 99.925.

NONCOMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public notice on July 3, 1957, as issued by the Treasury Department, the undersigned offers a noncompetitive tender

for a total amount of \$(Not to exceed \$200,000 for one bidder through all sources)

(maturity value) of the Treasury bills therein described, at the average price (in three decimals) of accepted competitive bids, settlement therefor to be made at your Bank, on the date stated in the public notice, as indicated below:

- By surrender of maturing Treasury bills amounting to\$
By cash or other immediately available funds

The Treasury bills for which tender is hereby made are to be dated July 11, 1957, and are to mature on October 10, 1957.

This tender will be inserted in special envelope marked "Tender for Treasury Bills."

Name of Bidder (Please print)

By (Official signature required) (Title)

Street Address (City, Town or Village, P. O. No., and State)

If this tender is submitted by a bank for the account of a customer, indicate the customer's name on line below:

..... (Name of Customer) (City, Town or Village, P. O. No., and State)

IMPORTANT INSTRUCTIONS:

- 1. No tender for less than \$1,000 will be considered, and each tender must be for an even multiple of \$1,000 (maturity value).
2. If the person making the tender is a corporation, the tender should be signed by an officer of the corporation authorized to make the tender, and the signing of the tender by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by, a member of the firm."
3. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.
4. If the language of this tender is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Payment by credit through Treasury Tax and Loan Account will not be permitted.

at 4485

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

July 2, 1957

To Member and Nonmember Clearing Banks
in the Second Federal Reserve District:

We have been advised by the Federal Reserve Bank of Atlanta that there will probably be delays in the presentment of cash items sent to the branch at Cameron, Louisiana, of The Calcasieu-Marine National Bank of Lake Charles, Louisiana; also there will probably be delays in the return of unpaid items from that bank. The town of Cameron suffered severe damage in the recent hurricane.

We will continue to dispatch cash items deposited with us that are drawn on or payable at the Cameron branch of the affected bank and give credit therefor in accordance with our time schedules, but we reserve the right to charge back any unpaid items at any time.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

FISCAL AGENT OF THE UNITED STATES

July 8, 1957

UNITED STATES SAVINGS BONDS

Some Details on the New Punch-Card E Bond

To All Issuing Agents in the Second Federal Reserve District
Qualified for Sale of United States Savings Bonds, Series E:

The Treasury Department has given us some details about the new punch-card form of Series E Savings bonds, which you will be issuing to the public beginning October 1, 1957.

The punch-card E bond will be furnished in seven different assemblies, which are described in an enclosure to this circular letter. Types A through D assemblies are similar, except for size, to the assemblies used for the present paper-type Series E bond. Types F and G assemblies, which are new, are in continuous form designed for use on electrical accounting machines, such as I.B.M. types 402, 403, 404, 405, 407 and 408.

The punch-card E bond and the original registration stub will be prepunched with the following information:

- Denomination code (in card column 1)
- Bond serial number (in card columns 2 - 11)
- Series code (in card column 12)
- Audit code for use by Treasury (in card column 13)

In addition, the original registration stub will be prepunched, in columns 14 through 19, with the issue price of the bond. Duplicate registration stubs will not be prepunched.

Issuing agents will not be permitted to do any punching in either the bond or the original registration stub.

The adoption of the new form of bond by the Treasury should not require any substantial change in an issuing agent's equipment or procedures. In inscribing assembly Types A and D-1 with Addressograph machines, however, greater legibility will be insured by observing the points outlined in the enclosure.

(over)

To assist the Treasury in the planning of its printing program for the new punch-card Series E bonds, will you please advise us promptly as follows:

Agents qualified on a consignment basis

Please fill in and return the enclosed green requisition form, indicating your needs, by assembly types, for the three-month period beginning October 1, 1957, of punch-card bonds to bear issue dates of October 1, 1957, and thereafter.

Agents qualified on a prepayment basis

Please fill in and return the enclosed pink estimate form, and retain the green requisition form until you are ready to order your initial supply of punch-card bonds to bear issue dates of October 1, 1957, and thereafter.

Your continued cooperation in keeping your present stock of paper-type Series E bonds to a minimum consistent with actual needs will be appreciated by the Treasury Department and this Bank.

Very truly yours,



A. Phelan,
Vice President.

PUNCH-CARD SERIES E SAVINGS BOND

Description of Assembly Types

Type A assembly: Bond, original stub and duplicate stub, assembled from top to bottom in that order. Each of the three parts will have a 1" binding stub on the left edge. The binding stub will be separated from the tabulating card proper through scoring by die cutting. The assembly will be securely fastened along the entire binding stub with adhesive.

Type B assembly: Bond, original stub and duplicate stub assembled as follows: The duplicate stub will be printed on the reverse side at the bottom of a backing sheet size 8-3/8" wide by 6-5/8" long. In order to separate the duplicate stub from the backing sheet, that sheet will be scored from top to bottom 1" in from the left edge, when looking at the reverse side, and scored horizontally 3-1/4" from the bottom of the backing sheet, from the point of the vertical scoring to the extreme right edge of the backing sheet. The bond, with 1" binding stub on the left edge, will be attached with adhesive along the binding stub to the front of the backing sheet at the top thereof. The original stub, with 1" binding stub on the left edge, will be attached with adhesive along the binding stub to the front of the backing sheet at the bottom thereof. When looking at the front of the backing sheet, the 1" scored edge of such sheet will be at the left.

Type C assembly: This assembly consists of the bond and original stub only, each without binding stub and each packaged separately.

Types D-1 and D-2 assemblies: Bond and original stub only, assembled from top to bottom in that order. Each of the two parts will have a 1" binding stub on the left edge. The binding stub will be separated from the tabulating card proper through scoring by die cutting. The assembly will be securely fastened along the entire binding stub with adhesive.

Type F assembly: This assembly is in continuous form (designed for electrical accounting machines, such as IBM types 402, 403, 404, and 405). Bonds will constitute one part and original stubs another. Each part will contain 1,000 items and be packaged separately. Each set of 1,000 bonds and related stubs will be preceded by a blank leader card of the same dimensions and weight of stock as specified for the bonds and stubs. Both the bonds and stubs will contain carrier strips on both the left and right edges thereof. Each carrier strip will be 9/16" wide and each strip will be perforated down the middle for its full length with holes 1/8" in diameter, spaced 1/2" apart measured from the center of each hole. Both the

bonds and stubs will be separated by horizontal strips $3/16$ " long and $8-1/2$ " wide. Each part will be scored by die cutting in a manner which will facilitate bursting thereof either manually or mechanically. (CAUTION: Guillotine-type cutters will not be permitted because they may alter the size and shape of the bond and original registration stub and make further machine processing impossible.)

Type G assembly: This assembly is in continuous form (designed for electrical accounting machines, such as IBM types 407 and 408), and is of double card width, plus the width of both left and right edge carrier strips. One of the cards will be the bond and the other the original registration stub. The bond will be the card on the right side of the assembly and the stub the card on the left. The width of the assembly will be $15-7/8$ ". The assembly will be scored by die cutting down its exact middle. The assembly will be preceded by a double width die cut leader card of the same dimensions and weight of stock as specified for the bonds and stubs. The assembly will contain carrier strips on both the left and right edges thereof. Each carrier strip will be $9/16$ " wide and each strip will be perforated down the middle for its full length with holes $1/8$ " in diameter, spaced $1/2$ " apart measured from the center of each hole. The assembly will contain 1,000 items. Each part of the assembly will be separated by horizontal strips $3/16$ " long and $15-7/8$ " wide. The assembly will be scored by die cutting in a manner which will facilitate bursting thereof either manually or mechanically and when separated will produce two standard length 80 column tabulating cards. (CAUTION: Guillotine-type cutters will not be permitted because they may alter the size and shape of the bond and original registration stub and make further machine processing impossible.)

Carbons on Type A and type D-1 assemblies: Type A and type D-1 assemblies will be furnished interleaved with one-time black carbon paper. Each sheet of carbon paper will be $8-3/8$ " wide and $3-1/4$ " long and extend from the extreme left edge of the binding stub to the extreme right edge of the stub to be covered thereby. Each sheet will have an upper right-hand corner cut for the purpose of facilitating separation of the assembly by conventional snap-out action. In the type A assembly, both the original and duplicate stubs will be covered with the prescribed carbon paper. In the type D-1 assembly, the original stub will be covered.

Points for Issuing Agents using Addressograph Machines
for Inscribing Card Bond Assemblies Types A and D-1

1. The use of a Class 1900, 2000, or 9100 machine is desirable. Machines smaller than the Class 1900 may produce less than satisfactory carbon impressions on the duplicate registration stub of the type A assembly.
2. The sturdier Addressoloy plate material should be used because of the comparatively heavy platen pressure required to imprint carbon copies through tabulating card stock. Issuing agents using Addressozinc plate material should be informed that continual use of these plates to imprint the type A or D assembly will result in the eventual breaking down of the embossed characters.
3. The fewer characters per inch embossed on the plate, the better the carbon copies obtained.
4. Graphotype machines must emboss to the proper standard type height and dies and punches must be in good condition. Embossing corrections should be kept to an absolute minimum.
5. Because of the thickness of the form and carbon copy requirements, use of a hard "blue" platen is recommended.
6. Use of an Addressograph Impression Mask (MA-700-A) will help to reduce carbon smudge marks.
7. Embossed "date" plates will normally produce more legible carbon copies of the validation data than the circular electrotypes.
8. Use of the Duro-Clear #6, or a lighter inked ribbon, is recommended. Due to the platen pressure required to produce carbon copies, heavily inked ribbons will produce a blurred effect on the bond.
9. The maximum vertical dimension of the printing area is only 1-7/16". If the assemblies are manually fed, a maximum of 8 lines can be imprinted in this area, if care is exercised in gauging the forms in printing position. Production speed will be increased if plates with fewer lines are used.
10. For automatic feeding of forms, use of the Class 195 Suction Feeder is recommended on Class 1900, 2000 and 9100 Addressograph machines. Because of feeder margin requirements, it is recommended that only six or less line address plates be used. Special automatic feeder arrangements will be required to run these forms if 7 or 8 line plates are used.

**REQUISITION FOR INITIAL SUPPLY OF
UNITED STATES SAVINGS BONDS, SERIES E, PUNCH-CARD FORM**

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Savings Bond Department,
Federal Reserve P. O. Station,
New York 45, N. Y.

Date.....

The undersigned as issuing agent hereby requests \$.....maturity value of unissued United States Savings Bonds, Series E, in the denominations and of the type indicated below.

FOR USE ONLY OF AGENTS QUALIFIED ON PREPAYMENT BASIS

Check for \$....., in payment of full issue price of bonds requisitioned is enclosed herewith.

Pieces	Denominations	Maturity Value	Issue Price	(Do not use this space)
	@ \$ 25	\$	@ 18.75 \$	Q E
	50		37.50	L E
	100		75.00	C E
	200		150.00	R E
	500		375.00	D E
	1,000		750.00	M E
	10,000		7,500.00	X E
	TOTALS	\$	\$	

Check type of bonds desired:

- "A" Type bonds for use by typewriter, interleaved with one-time carbon paper
- "B" Type bonds for use by Elliott machines
- "C" Type bonds for use by Addressograph machines (Bond and detached original registration stub)
- "D-1" Type bonds same as "A" type, but without orange duplicate registration stub
- "D-2" Type bonds same as "A" type, but without orange duplicate registration stub and carbon paper.
- "F" Type bonds for use by electrical accounting machines (IBM types 402,403,404 and 405)
- "G" Type bonds for use by electrical accounting machines (IBM types 407 and 408)

.....
(Name of Issuing Agent)

By.....
(Official signature required) (Title)

Street Address.....

City, Town or Village,
Zone and State.....

Please make delivery of the bonds as follows:

- Ship direct by registered mail to the issuing agent, at the address given above.
 - Ship direct by registered mail to the issuing agent, at the following address.....
 - Deliver over the counter to our representative.....
whose signature is affixed hereto (Name of Representative)
-
(Signature of Representative)

(THE SPACES BELOW TO BE USED ONLY BY THE FEDERAL RESERVE BANK)

Delivery Prepared	Delivery Checked	Date Shipped and Posted	

RECEIPT FOR DELIVERY OVER THE COUNTER

Received from FEDERAL RESERVE BANK OF NEW YORK the above described United States Savings Bonds, Series E.

.....
(Name of Issuing Agent)

Date.....

By.....

ESTIMATE OF NEEDS
of
United States Savings Bonds, Series E, Punch-Card Form
for Three-Month Period Beginning October 1, 1957

Federal Reserve Bank of New York,
Fiscal Agent of the United States,
Federal Reserve P. O. Station,
New York 45, New York.

Attention: Savings Bond Department

We estimate our approximate needs, by denomination and assembly type, of the new punch-card Series E Savings bonds, for the three-month period, October 1, 1957 to December 31, 1957, inclusive, to be:

	\$25	\$50	\$100	\$200	\$500	\$1,000	\$10,000
No. of							
Pieces							

Check type of bonds desired:

- | | |
|---|--|
| <input type="checkbox"/> "A" Type bonds for use by type-writer, interleaved with one-time carbon paper. | <input type="checkbox"/> "D-2" Type bonds same as "A" type, but without orange duplicate registration stub and carbon paper. |
| <input type="checkbox"/> "B" Type bonds for use by Elliott machines. | <input type="checkbox"/> "F" Type bonds for use by electrical accounting machines (IBM types 402, 403, 404 and 405). |
| <input type="checkbox"/> "C" Type bonds for use by Addressograph machines (Bond and detached original registration stub). | <input type="checkbox"/> "G" Type bonds for use by electrical accounting machines (IBM types 407 and 408) |
| <input type="checkbox"/> "D-1" Type bonds same as "A" type, but without orange duplicate registration stub. | |

Name of Agent

Address

By _____

Authorized Signature