FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4497] August 15, 1957]

Offering of \$1,800,000,000 of 91-Day Treasury Bills

Dated August 22, 1957

Maturing November 21, 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, Thursday, August 15, 1957.

TREASURY DEPARTMENT Washington

The Treasury Department, by this public notice, invites tenders for \$1,800,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing August 22, 1957, in the amount of \$1,800,033,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated August 22, 1957, and will mature November 21, 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, August 19, 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 August 22, 1957, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 22, 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, August 19, 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 (91-day bills dated August 15, 1957, maturing November 14, 1957)

Total applied for\$2,595,649,000	Federal Reserve District	Total Applied for	Total Accepted
Total accepted\$1,700,000,000 (includes \$388,960,000 entered on a noncompetitive basis and accepted in full at the average price shown below)	Boston New York Philadelphia	\$ 42,573,000 1,714,651,000 57,790,000	\$ 32,573,000 929,331,000 42,790,000
Range of accepted competitive bids: (excepting seven tenders totaling \$2,135,000)	Cleveland Richmond Atlanta Chicago St. Louis Mineapolis Kansas City	72,019,000 25,557,000	64,569,000 25,557,000
High 99.136 Equivalent rate of discount approx. 3.418% per annum		42,802,000 299,532,000	42,802,000 236,592,000
Low 99.110 Equivalent rate of discount approx. 3.521% per annum		27,158,000 22,058,000 67,547,000	27,158,000 22,009,000 63,077,000
Average 99.116 Equivalent rate of discount approx. 3.498% per annum	Dallas San Francisco	44,377,000 179,585,000	38,377,000 175,165,000
(51 percent of the amount bid for at the low price was accepted)	Total	#2 FOF (40 000	\$1,700,000,000

TENDE	R FOR 91-DAY TREASURY	BILLS			
Dated August 22, 1957		turing November 21, 1957			
To Federal Reserve Bank of New Fiscal Agent of the United States	IUKK,	Dated at, 19			
Pursuant to the provisions of T the public notice issued by the Treass signed hereby offers to purchase the to make payment therefor at your Ba	ury Department and printed on the r above described Treasury bills in the	amount indicated below, and agrees			
COMPETITIVE TENDER	Do not fill in both Competitive and Noncompetitive tenders on one form	NONCOMPETITIVE TENDER			
\$ (m or any lesser amount that may be awar	naturity value), \$	\$ (maturity value). (Not to exceed \$200,000 for one bidder through all sources)			
Price: per 100. (Price must be expressed with not more than three decimal places, for example, 99.925) At the average price of accepted competitive bit		price of accepted competitive bids.			
Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:					
Pieces Denomination Maturity value \$ 1,000	☐ 1. Deliver over the counter to the undersigned ☐ 2. Ship to the undersigned	Payment will be made as follows: By charge to our reserve account By cash or other immediately avail-			
10,000	3. Hold in safekeeping (for account of member bank only) 4. Allotment transfer (see list attached)	able funds By surrender of \$			
500,000	5. Special instructions:	☐ By check			
1,000,000 Totals—	(No changes in delivery instructions will be accepted)	☐ By credit to our reserve account (Payment cannot be made through Treasury Tax and Loan Account)			
The undersigned (if a bank or trust company) hereby certifies that the Treasury bills which you are hereby instructed to dispose of in the manner indicated in item 3 above are solely owned by the undersigned. Name of subscriber Insert this tender in special envelope marked "Tender for Treasury Bills" Name of subscriber (Please print) By (Official signature(s) required) Title Address					
(Banks submitting tenders for customer ac	(Banks submitting tenders for customer account must indicate name on line below, or attach a list)				
(Name of customer)		(Address)			
(maturity value). 2. Others than banking institution submitting tenders for customer accounnoncompetitive tenders, provided a list and method of payment. Forms for this	ns will not be permitted to submit tendent may consolidate competitive tenders is attached showing the name of each is purpose will be furnished on request.	bidder, the amount bid for his account,			
authorized to make the tender, and the representation by him that he has been s member of the firm, who should sign in	so authorized. If the tender is made by	the corporation will be construed as a			

4. 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.

5. 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.

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