

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4503]
[September 12, 1957]

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

Dated September 19, 1957

Maturing December 19, 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, September 12, 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 September 19, 1957, in the amount of \$1,600,298,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated September 19, 1957, and will mature December 19, 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, September 16, 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 September 19, 1957, in cash or other immediately available funds or in a like face amount of Treasury bills maturing September 19, 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, September 16, 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 September 12, 1957, maturing December 12, 1957)

Total applied for\$2,624,168,000
Total accepted\$1,801,399,000 (includes \$427,975,000 entered on a noncompetitive basis and accepted in full at the average price shown below)
Range of accepted competitive bids: (excepting three tenders totaling \$1,230,000)
High 99.103 Equivalent rate of discount approx. 3.549% per annum
Low 99.094 Equivalent rate of discount approx. 3.584% per annum
Average 99.096 Equivalent rate of discount approx. 3.575% per annum

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

| Federal Reserve District | Total Applied for | Total Accepted |
|--------------------------|------------------------|------------------------|
| Boston | \$ 43,245,000 | \$ 29,995,000 |
| New York | 1,857,281,000 | 1,176,856,000 |
| Philadelphia | 46,080,000 | 29,741,000 |
| Cleveland | 80,992,000 | 80,992,000 |
| Richmond | 35,757,000 | 31,007,000 |
| Atlanta | 57,535,000 | 52,915,000 |
| Chicago | 280,717,000 | 198,867,000 |
| St. Louis | 34,137,000 | 34,002,000 |
| Minneapolis | 21,295,000 | 20,295,000 |
| Kansas City | 57,128,000 | 55,128,000 |
| Dallas | 50,032,000 | 35,332,000 |
| San Francisco | 59,969,000 | 56,269,000 |
| TOTAL | \$2,624,168,000 | \$1,801,399,000 |

TENDER FOR 91-DAY TREASURY BILLS**Dated September 19, 1957****Maturing December 19, 1957**

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

Dated at
....., 19...

Pursuant to the provisions of Treasury Department Circular No. 418, Revised, and to the provisions of the public notice issued by the Treasury Department and printed on the reverse side of this tender, the undersigned hereby offers to purchase the above described Treasury bills in the amount indicated below, and agrees to make payment therefor at your Bank on or before the issue date at the price indicated below:

COMPETITIVE TENDER

[Do not fill in both Competitive and
Noncompetitive tenders on one form]

NONCOMPETITIVE TENDER

\$..... (maturity value),
or any lesser amount that may be awarded.

\$..... (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 bids.

Subject to allotment, please issue, deliver, and accept payment for the bills as indicated below:

| Pieces | Denomination | Maturity value | | | |
|--------|--------------|----------------|---|--|--|
| | \$ 1,000 | | <input type="checkbox"/> 1. Deliver over the counter to the undersigned | Payment will be made as follows: <input type="checkbox"/> By charge to our reserve account <input type="checkbox"/> By cash or other immediately available funds <input type="checkbox"/> By surrender of \$..... (maturity value) of maturing Treasury bills. Pay cash adjustment, if any— <input type="checkbox"/> By check <input type="checkbox"/> By credit to our reserve account <i>(Payment cannot be made through Treasury Tax and Loan Account)</i> | |
| | 5,000 | | <input type="checkbox"/> 2. Ship to the undersigned | | |
| | 10,000 | | <input type="checkbox"/> 3. Hold in safekeeping (for account of member bank only) | | |
| | 100,000 | | <input type="checkbox"/> 4. Allotment transfer (see list attached) | | |
| | 500,000 | | <input type="checkbox"/> 5. Special instructions: | | |
| | 1,000,000 | | (No changes in delivery instructions will be accepted) | | |
| | Totals— | | | | |

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.

**Insert this tender
in special envelope
marked "Tender
for Treasury Bills"**

Name of subscriber
(Please print)

By By
(Official signature(s) required)

Title Title

Address

(Banks submitting tenders for customer account must indicate name on line below, or attach a list)

.....
(Name of customer) (Address)

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. Others than banking institutions will not be permitted to submit tenders except for their own account. Banks submitting tenders for customer account 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.

3. 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."

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.

(OVER)