## FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4548] January 2, 1958]

## Offering of \$1,700,000,000 of 91-Day Treasury Bills

Dated January 9, 1958

Maturing April 10, 1958

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, January 2, 1958.

TREASURY DEPARTMENT Washington

The Treasury Department, by this public notice, invites tenders for \$1,700,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing January 9, 1958, in the amount of \$1,600,260,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated January 9, 1958, and will mature April 10, 1958, 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 Standard time, Monday, January 6, 1958. 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 January 9, 1958, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 9, 1958. 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 Standard time, Monday, January 6, 1958, 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 January 2, 1958, maturing April 3, 1958)

	Total applied for . Total accepted	\$2,388,2	282,000 438,000 (includes \$367,958,000	Federal Reserve District	Total Applied for	Total Accepted
	Total accepted	entered	on a noncompetitive basis cepted in full at the average hown below)	Boston New York Philadelphia	\$ 52,304,000 1,613,828,000 43,020,000	\$ 49,604,000 1,077,573,000 28,020,000
	Range of accepted competitive bids:			Cleveland	66,872,000	65,297,000
	High	High 99.312 Equivalent rate of discount approx. 2.722% per annum		Richmond Atlanta Chicago	34,308,000	16,984,000 29,178,000 207,532,000
	Low	99.298	Equivalent rate of discount approx. 2.777% per annum	St. Louis	37,260,000 16,631,000	32,850,000 16,231,000
	Average	99.304	Equivalent rate of discount approx. 2.752% per annum		42,675,000 42,495,000 120,667,000	39,122,000 34,936,000 103,111,000
)igiti:			ount bid for at the low accepted)	Total	\$2,388,282,000	\$1,700,438,000

http://fraser.stlouisfed.org/ Federal Reserve Bank of St. Louis

		TENDE	R FOR 91-DA	Y TREASURY	BILLS	
	Dated	January 9, 195	88	Dated at		
I the presigned	Fiscal Agent of Pursuant to the ublic notice iss I hereby offers	ued by the Treasus to purchase the	reasury Departme ry Department a above described T			
	COMPETITIV	E TENDER	Do not fill in both Noncompetitive to	h Competitive and and and and and arm	NONCOMPETITIVE TENDER	
or any Price	y lesser amount : (Price must be decimal places,	t that may be award  per 100.  expressed with not for example, 99.925)	aturity value), ded.	\$(Not to exceed \$20 At the average p	(maturity value).  20,000 for one bidder through all sources)  orice of accepted competitive bids.  as indicated below:	
Pieces	Denomination	Maturity value	□ 1 Deliver o	he undersigned safekeeping (for ac- member bank only) t transfer (see list	Payment will be made as follows:	
_	\$ 1,000	11-1	undersign			
-	5,000	E-1			☐ By cash or other immediately avail- able funds	
_	10,000		count of		☐ By surrender of \$	
-	100,000		4. Allotment attached)		(maturity value) of maturing Treasury bills. Pay cash adjust	
-			☐ 5. Special in		ment, if any—	
-	1,000,000				☐ By check ☐ By credit to our reserve account	
	1,000,000 Totals——	1 21 121 -		delivery instructions e accepted)	(Payment cannot be made through Treasury Tax and Loan Account)	
Institute in me	The undersigned instructed to sert this tender special envelor when the transfer of the transf	Name of the state	manner indicated	(Please processes (Official signature)	at the Treasury bills which you are e solely owned by the undersigned.  int)  s) required)  tle	
(D 1	4					
		(Name of customer)		name on line below, or	(Address)	
INSI	RUCTIONS:  1. No tender	for less than \$1.000	will be considere	d, and each tender r	nust be for an even multiple of \$1,000	
subm	rity value).  2. Others than itting tenders for tenders for tenders.	banking institution or customer accounters, provided a list	ns will not be perm nt may consolidate is attached showin	nitted to submit tende	rs except for their own account. Banks at the same price and may consolidate bidder, the amount bid for his account,	

No. . . .

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.