

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

Dated August 14, 1958

Maturing November 13, 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, August 7, 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 August 14, 1958, in the amount of \$1,700,027,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated August 14, 1958, and will mature November 13, 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 Daylight Saving time, Monday, August 11, 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 August 14, 1958, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 14, 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 Daylight Saving time, Monday, August 11, 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 the last offering of Treasury bills (91-day bills dated August 7, 1958, maturing November 6, 1958)

Total applied for	\$2,429,712,000		
Total accepted	\$1,700,412,000 (includes \$252,029,000 entered on a noncompetitive basis and accepted in full at the average price shown below)		
Range of accepted competitive bids: (excepting five tenders totaling \$1,425,000)			
High	99.729	Equivalent rate of discount approx. 1.072% per annum	
Low	99.696	Equivalent rate of discount approx. 1.203% per annum	
Average	99.706	Equivalent rate of discount approx. 1.165% per annum	
(86 percent of the amount bid for at the low price was accepted)			
		<i>Federal Reserve District</i>	<i>Total Applied for</i>
		Boston	\$ 57,864,000
		New York	1,687,983,000
		Philadelphia	32,249,000
		Cleveland	73,772,000
		Richmond	14,429,000
		Atlanta	38,701,000
		Chicago	282,818,000
		St. Louis	28,028,000
		Minneapolis	20,981,000
		Kansas City	55,599,000
		Dallas	21,424,000
		San Francisco	115,864,000
		TOTAL	\$2,429,712,000
			\$1,700,412,000

TENDER FOR 91-DAY TREASURY BILLS

Dated August 14, 1958

Maturing November 13, 1958

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.
Price: per 100.
(Price must be expressed with not more than three decimal places, for example, 99.925)

\$..... (maturity value).
(Not to exceed \$200,000 for one bidder through all sources)
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		Payment will be made as follows:
	\$ 1,000		<input type="checkbox"/> 1. Deliver over the counter to the undersigned <input type="checkbox"/> 2. Ship to the undersigned <input type="checkbox"/> 3. Hold in safekeeping (for account of member bank only) <input type="checkbox"/> 4. Allotment transfer (see list attached) <input type="checkbox"/> 5. Special instructions: <i>(No changes in delivery instructions will be accepted)</i>	<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			
	10,000			
	100,000			
	500,000			
	1,000,000			
	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 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)

at 4630

**FEDERAL RESERVE BANK
OF NEW YORK**

August 7, 1958

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

By our letter dated July 17, 1958, we informed you that the Commissioner of Banking and Insurance of the State of New Jersey had advised us that on that date he had taken possession of the business and property of The Manufacturers' Bank of Edgewater, Edgewater, New Jersey, pursuant to the provisions of Section 269 of the Banking Act of 1948, as amended. The Commissioner has further advised us, in a communication dated August 4, 1958, that he is retaining possession of the property and business of The Manufacturers' Bank of Edgewater for the purpose of liquidation, beginning as of the close of business July 28, 1958.

ALFRED HAYES,
President.

at 4630 A

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

August 8, 1958

*To All Banks and Trust Companies
in the Second Federal Reserve District:*

At the request of the United States Department of Commerce, we bring your attention to the survey of American investments abroad now being made by their Office of Business Economics. A statement on this survey appearing in the Federal Reserve Bulletin for July appears on the reverse side of this letter.

Reports for the survey must be filed by persons and business concerns having certain types of investments abroad. Please note that direct foreign investments held by domestic estates or trusts are to be reported by the fiduciary.

ALFRED HAYES,
President.

(OVER)

Survey of Foreign Investments

A second postwar survey of American business investments abroad is now being undertaken by the Office of Business Economics of the United States Department of Commerce, it was announced today.

United States business firms and other United States residents having investments in foreign branches, subsidiaries and associated companies as of December 31, 1957, are being asked to file returns by August 31, 1958.

Information to be collected in the new survey will provide a complete measure of the size and composition of these investments. At the time of the last Commerce survey in 1950, United States private direct foreign investments had a book value of about \$12 billion. Since that time, it is estimated that this amount has approximately been doubled.

Data to be developed will show in detail the way this growth has been distributed among countries and industries, and will provide basic statistics for the compilation and understanding of the balance of payments between the United States and foreign countries. These statistics are essential for programming the foreign operations of the United States Government, and provide basic guides for the many firms that now have or are contemplating the establishment of productive facilities abroad.

The information collected will include payments in foreign countries for wages, taxes and materials, gross investment expenditures and sources of financing, total output broken down to show local sales and exports to the United States and other countries, imports, earnings and income remittances, and employment provided to United States and local personnel. It is expected that these statistics will greatly enhance the understanding here and abroad of the constructive role of United States private foreign investments in economic de-

NOTE.—Release to morning papers, June 30, 1958, by the Office of Business Economics, U. S. Department of Commerce.

velopment, and may thereby foster the freer flow of sound capital investment among nations.

This survey is mandatory, and reports must be filed by those persons and business concerns having the type of foreign business investments mentioned above and specified in more detail in the instructions available with reporting forms. In general, reports are required from each United States resident having a direct interest of at least 10 per cent—or in conjunction with United States or foreign affiliates, an interest of at least 25 per cent—of the voting securities, or other certificates of ownership, of a foreign business organization. Such foreign organizations may take the form of direct proprietorships, partnerships, foreign branches, or foreign-incorporated enterprises.

Completed reports are to be filed by August 31, 1958, with the Office of Business Economics, United States Department of Commerce, Washington 25, D. C. Additional information and copies of the forms and instructions may be obtained from that Office or from Commerce Department field offices throughout the United States.

Details of the survey will be published in the Federal Register dated Tuesday, July 1, 1958.

In the case of banks or others acting as trustees or administrators of estates, the following section of the instructions should be noted:

"2. Estates and trusts.—Direct foreign investments held by a domestic estate or trust, i.e., an estate or trust created under the laws of the United States or any subdivision thereof, shall be reported by the fiduciary and not by a beneficiary. Such property must be reported whether or not any beneficiary is subject to the laws of the United States or any subdivision thereof. Any trust actually created in the United States even though the trust instrument provides that the trust shall be subject to the laws of a foreign country must report."