FEDERAL RESERVE BANK TENDER FOR STANOY WAN TO REASURY BILLS

Fiscal Agent of the United States

Circular No. 4810 November 19, 1959

Offering of \$2,000,000,000 of Special 320-Day Treasury Bills A

Dated December 2, 1959 Maturing October 17, 1960

To All Incorporated Banks and Trust Companies, and Others Concerned, To no shall may be released memory of in the Second Federal Reserve District:

Following is the text of a notice issued by the Treasury Department for release today:

The Treasury Department, by this public notice, invites tenders for \$2,000,000,000, or thereabouts, of 320-day Treasury bills, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated December 2, 1959, and will mature October 17, 1960, 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, Tuesday, November 24, 1959. 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

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue, until after one-thirty o'clock p.m., Eastern Standard time, Tuesday, November 24, 1959.

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 sub-mitting 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 \$400,000 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. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on December 2, 1959, provided, however, any qualified depositary will be permitted to make payment by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

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 ment, 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 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 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, Tuesday, November 24, 1959, 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 the enclosed yellow envelope marked "Tender for Special Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telegraph. phone. Settlement for accepted tenders must be made in cash or other immediately available funds, except that any qualified depositary may make payment by credit in its Treasury Tax and Loan Account for Treasury bills allotted to it for itself and its customers, up to any amount for which it shall be qualified in excess of existing deposits.

ALFRED HAYES, tender is changed in any respect, which, in the opinion of the Secretary of the naterial, the tender may be disregarded

President.

	the United States	Fiscal Agent of		
Dated Decer	nber 2, 1959		; October 17, 1960	
To Federal Reserve Bane	of New York,	Dated	at	
Fiscal Agent of the Un	Special 320 setste betie	to 000,000,000	Offering of \$2.0	, 1959
Pursuant to the provis the public notice issued by signed hereby offers to pure to make payment therefor a	hase the above described T	nd printed on the re reasury bills in the	verse side of this tender, amount indicated below,	the under-
COMPETITIVE TEN		h Competitive and enders on one form	NONCOMPETITIVE is the text of a notice	TENDER
\$ or any lesser amount that n	(maturity value), nay be awarded.	(Not to exceed \$40	0,000 for one bidder through	all sources)
	per 100. d with not more than three ple, 99.925)	The second second second	rice of accepted competiti	
Subject to allotment, payme immediately available funds Account.				
We hereby agree not to or other disposition of any Tuesday, November 24, 19		and the second s		
Insert this tender	Name of subscriber		Please print)	pressen on cimals, c.g., s at tenders be e special enve
in yellow envelope marked "Tender for Special Treasury Bills"	Title	(Official signature)	s) required) elliw enoituiteni anisinad	oks or Brand Others than bmit tenders
Ling authority rot puriod s count at which Treasury bills a	Address	ed banks and trust	nt deposit from incorporate	ceived withor
(Banks submitting tenders for	customer account must indic			vestment sec
of discount at which bills use ensidered to accome until such bi	Code of 1954 the amount hereunder are sold is not co	accompanied by an orated bank or trust.	or, unless the tenders are tyroi regument by an incorp	ls applied for
o sme disposed of, and such bi	f customer) ameebar blog arn		(Address)	CUBBBILL

.o. FEDERAL RESERVE BANK
ZIJIR VRIIZABAT VAG-026 JAIDBR ROF REGERVE

(Note. Successful bidders will receive a letter of instructions form with their allotment notice to instruct us as to the disposition of, and method of payment for, the bills allotted to them.)

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
 payment of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty
 of payment by 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.

FEDERAL RESERVE BANK OF NEW YORK

NOTICE OF ALLOTMENT

OF UNITED STATES OF AMERICA SPECIAL TREASURY BILLS

November 25, 1959.

Your competitive noncomp	etitive tender fo	r—
		CA SPECIAL 320-DAY TREASURY BILLS 2, 1959, DUE OCTOBER 17, 1960
has been accepted at the price of		(per 100), in the amount of-
	\$	(maturity value)

Settlement therefor must be made in cash or other immediately available funds at the Federal Reserve Bank of New York on or before December 2, 1959. However, a qualified depositary may make settlement by credit to its Treasury Tax and Loan Account, provided the advice of deposit on the enclosed letter of instructions form is executed and returned immediately. If settlement is to be made by check on a bank other than the Federal Reserve Bank of New York, such check should be received by us in time for collection on December 2, 1959, otherwise it will be necessary for the bidder to pay for the securities allotted at the price computed on the rate of discount on such securities to the date of collection.

On the enclosed letter of instructions form, please fill in instructions as to payment and disposition for the *total amount* of Treasury bills of this issue awarded to you, and return the letter immediately to our Government Bond Division.

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

Checked	by	
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□ Delivery Teller□ Foreign Oper. Div.

☐ Form 12

Your competitive noncompet	titive tender for—				
	TES OF AMERICA SP D DECEMBER 2, 1959			ILLS	
which has been accepted at the price of			the amount of-		
	\$	(matur	rity value)		
	PRINCIPAL				
		IASTER			
	IV.	ASIER			
	MATURITY VALUE				
	PRINCIPAL	100			
DISPOSITION	SPLIT DISPOSITION			METHOD OF PAYMENT	
☐ Over the Counter				☐ Treas. T. & L. Acc.	
☐ Safekeeping				☐ Reserve Account	
				☐ Check or Cash	
☐ Ship				Delivery Teller	

☐ Treasury Tax & Loan

☐ Allotment Transfer

Your

competitive

noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 320-DAY TREASURY BILLS DATED DECEMBER 2, 1959, DUE OCTOBER 17, 1960

which has been accepted at the price of

(per 100), in the amount of-

. 4

(maturity value)

Your

competitive

noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 320-DAY TREASURY BILLS DATED DECEMBER 2, 1959, DUE OCTOBER 17, 1960

which has been accepted at the price of

(per 100), in the amount of-

8

(maturity value)

(This letter of instructions, accompanied by attached duplicate copy, should be filled in for the *total amount* of Treasury bills of this issue awarded and returned to Federal Reserve Bank of New York)

LETTER OF INSTRUCTIONS To FEDERAL RESERVE BANK OF NEW YORK, Fiscal Agent of the United States, Federal Reserve P. O. Station, New York 45, N. Y. Attention: Government Bond Division-2nd Floor Dated at On our competitive and noncompetitive tenders for-UNITED STATES OF AMERICA SPECIAL 320-DAY TREASURY BILLS DATED DECEMBER 2, 1959, DUE OCTOBER 17, 1960 accepted in the aggregate amount of-(maturity value) Please issue and make delivery of the bills as instructed below: Pieces Denomination Maturity Value PLEASE DO NOT USE THIS SPACE \$ 1,000 5,000 10,000 100,000 500,000 1,000,000 Totals-□ 1. Deliver over the counter to the undersigned Payment will be made as follows: ☐ 2. Ship to the undersigned By charge to our reserve account Hold in safekeeping (for account of member bank By cash or other immediately available funds only) ☐ 4. Hold as collateral for Treasury Tax and Loan Account ☐ By credit to Treasury Tax and Loan Account on our books as indicated on the attached Advice of ☐ 5. Special instructions: Deposit (No changes in delivery instructions will be accepted) 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 numbered 3 or 4 above are owned solely by the undersigned. Submitted by (Please print) This letter of instructions must be signed officially in the space provided and re-turned immediately to Title Federal Reserve Bank of New York, Fiscal Agent of the United States. (Spaces below are for the use of Federal Reserve Bank of New York) Government Bond Division Safekeeping Division Checked Payment received Deliver against payment of \$______ Delivered DELIVERY RECEIPT Received from Federal Reserve Bank of New York. Fiscal Agent of the United States, the above described securities allotted in the amount Ву..... Subscriber.... If payment is to be made by credit to Treasury Tax and Loan Account, an advice of the deposit should be furnished this Bank on the form below. Advice of Deposit in Treasury Tax and Loan Account To Federal Reserve Bank of New York Government Bond Division (purchase price) to the credit of the Federal Reserve Bank of We will deposit on December 2, 1959, \$ New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on (maturity value) Special 320-day Treasury Bills, dated December 2, 1959, demand in payment for \$ due October 17, 1960.

(Name of depositary)

Address (City and State)

Digit zed for FRASER http://fraser.stlouisfed.org/ Federal Reserve Bank of St. Louis

LETTER OF INSTRUCTIONS

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

Attention: Government Bond Division-2nd Floor

Dated at

......1959

On o	000 - 1000 100 0 1000 1000 1000 1000 1000 10	noncompetitive tenders for			
	UN	ITED STATES OF AMERI DATED DECEMBER			
accepted i	in the aggregate am				
		\$		(maturity v	value)
Please iss	sue and make delive	ery of the bills as instructe	ed below	:	
Pieces	Denomination	Maturity Value		PLEASE I	DO NOT USE THIS SPACE
	\$ 1,000				
	5,000				
	10,000				
	100,000				
	500,000				
	1,000,000			· ·	
	Totals—				
☐ 1. De	liver over the coun	ter to the undersigned		Payment will be	made as follows:
2. Ship to the undersigned				our reserve account	
3. Hold in safekeeping (for account of member bank				ther immediately available funds	
 □ 4. Hold as collateral for Treasury Tax and Loan Account □ By credit to our books a 		☐ By credit to	Treasury Tax and Loan Account on indicated on the attached Advice of		
The u	indersigned (if a ban	structions will be accepte k or trust company) hereby tem numbered 3 or 4 above	certifies 1	that the Treasury bil led solely by the und	lls which you are hereby instructed to dispose dersigned.
officially turned in Federa	r of instructions mu in the space provid- nmediately to al Reserve Bank of leal Agent of the Unite	led and re- By New York,		(Authorized sig	(Please print) , By gnature(s) required) Title
		(Spaces below are for the u	se of Fe	deral Reserve Bank	
		Government Bond Division			Safekeeping Division
Payment re	eceived				Checked
Deliver aga	ainst payment of \$				Delivered
Received frindicated a				RECEIPT he United States, the	above described securities allotted in the amount