FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States of yassand belau

[Circular No. 4837]
January 6, 1960

Offering of \$1,500,000,000 of Special 366-Day Treasury Bills

Dated January 15, 1960

Maturing January 15, 1961

To All Incorporated Banks and Trust Companies, and Others Concerned, 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 \$1,500,000,000, or thereabouts, of 366-day Treasury bills, for cash and in exchange for Treasury bills maturing January 15, 1960, in the amount of \$2,006,171,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated January 15, 1960, and will mature January 15, 1961, 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, \$10,000, \$500,000 and \$1,000,000 (maturity value). value).

Tenders will be received at Federal Reserve Banks and 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, January 12, 1960. 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. (Notwithstanding the fact that these bills will run for 366 days, the discount rate will be computed on a bank discount basis of 360. count rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) 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.

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, January 12, 1960.

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 \$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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on January 15, 1960, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 15, 1960. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the corrections of the contraction of 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 income derived from Treasury bills, whether interest 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 rain 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, January 12, 1960, 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 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.

IMPORTANT—The discount rate on the bills of this issue will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.					
	EDERAL RESERVE BANK	No			
TENDER FO	OR SPECIAL 366-DAY TREAS	URY BILLS			
Dated January 15, 1960 Special and to Maturing January 15, 1961					
To Federal Reserve Bank of New	YORK, Date	d at			
Fiscal Agent of the United Stat	es	, 1960			
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			
\$					
Price: per 100	At the average	price of accepted competitive bids.			
(Price must be expressed with not decimal places, for example, 99.925, Subject to allotment, please issue, de	306-day Treasury	ders for \$1,500,000,000, or thereabouts, of			
Pieces Denomination Maturity value	☐ 1. Deliver over the counter to the	Payment will be made as follows:			
\$ 1,000	undersigned will w your co	☐ By charge to our reserve account			
the made or composed at the Feder	2. Ship to the undersigned	By cash or other immediately avail- able funds			
nuary 15, 1 50, m ash or other in mediated	3. Hold in safekeeping (for account of member bank only)	☐ By surrender of \$			
10,000	4. Allotment transfer (see list	(maturity value) of maturing Treasury bills. Pay cash adjust-			
100,000	attached) 5. Special instructions:	be received at the freasury Department			
500,000	of \$1,000, and the income de-	ch tender must be forbecked and altiple			
le 01 other lispos dio 000,000,1 bill does no	(No changes in delivery instructions	By credit to our reserve account (Payment cannot be made through			
Totals of the distribution of the state of t	will be accepted)	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 owned solely by the undersigned. We hereby agree not to buy or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of issue, until after one-thirty o'clock p.m., Eastern Standard time, Tuesday, January 12, 1960. Name of subscriber					
[Insert this tender]	gnized dealers in Code of 1954 the	(Please print) discognate more bas sameon			
in yellow envelope	in vellow envelope By				
Special Treasury Bills		VIII			
Addres	unchase of to sell, whether on one us	All bidders are redained to apree not to pr			
(Banks submitting tenders for customer account must indicate name on line below, or attach a list) **** via salam of below the salam of					
loss	time, Tuesday, as ordinary gain or	thirty o'clock p.m., Eastern Standard			
(Name of customer) INSTRUCTIONS:		Imprediately after the closing hour, tende			
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 00 1 111 1 1 1 1 1 1 1	out denseit from incomposited bonies of	nd touck commender and form warm			

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 Digitized for FTA easury, is material, the tender may be disregarded. http://fraser.stlouisfed.org/

Federal Reserve Bank of St. Louis

FEDERAL RESERVE BANK OF NEW YORK

NOTICE OF ALLOTMENT

OF UNITED STATES OF AMERICA SPECIAL TREASURY BILLS

January 13, 1960.

Your competitive noncompetitive tender for— UNITED STATES OF AMERICA SPECIAL 366-DAY TREASURY BILLS DATED JANUARY 15, 1960, DUE JANUARY 15, 1961				
has been accep	oted at the price of		(per 100), in the amount of—	
8	Settlement therefor mu	\$ ust be made in cash	(maturity value) or other immediately available funds or	in a like
face on or Feder on Ja	amount of the maturic before January 15, 19 ral Reserve Bank of M nuary 15, 1960, otherw	ng issue of Treasur, 960. If settlement i New York, such che rise it will be necessa	by bills at the Federal Reserve Bank of N is to be made by check on a bank other seek should be received by us in time for cary for the bidder to pay for the securities in such securities to the date of collection.	ew York than the collection s allotted
tende addit	r form and your reservional instructions are	rve account will be required, a Letter o	de in accordance with instructions given charged on the issue date if you so indic of Instructions form will be found attache optly to the Federal Reserve Bank of New	eated. If ed which
			FEDERAL RESERVE BANK OF NEW Y	ORK
			Fiscal Agent of the United States	

Checked by.....

By.....

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 noncompetitive tender for-UNITED STATES OF AMERICA SPECIAL 366-DAY TREASURY BILLS DATED JANUARY 15, 1960, DUE JANUARY 15, 1961 accepted at the price of (per 100), in the amount of-(maturity value) Please issue and make delivery of the bills as instructed below: Pieces Maturity Value Denomination PLEASE DO NOT USE THIS SPACE 1,000 5,000 10,000 100,000 500,000 1,000,000 Totals-Payment will be made as follows: 1. Deliver over the counter to the undersigned By charge to our reserve account 2. Ship to the undersigned By cash or other immediately available funds 3. Hold in safekeeping (for account of member bank By surrender of \$..... (maturity value) of maturing Treasury bills. Pay cash adjustment, 4. Allotment transfer (see list attached) if any-☐ 5. Special instructions: ☐ By check By credit to our reserve account (Payment cannot be made through Treasury Tax and (No changes in delivery instructions will be accepted) 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 numbered 3 above are owned solely by the undersigned. Submitted by This letter of instructions must be signed (Please print) officially in the space provided and re-turned immediately to Title 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 Payment received Checked 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 indicated above.

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

By.....

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 at1960 On our competitive noncompetitive tender for-UNITED STATES OF AMERICA SPECIAL 366-DAY TREASURY BILLS DATED JANUARY 15, 1960, DUE JANUARY 15, 1961 accepted at the price of (per 100), in the 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-Payment will be made as follows: ☐ 1. Deliver over the counter to the undersigned By charge to our reserve account ☐ 2. Ship to the undersigned By cash or other immediately available funds 3. Hold in safekeeping (for account of member bank By surrender of \$..... (maturity value) of maturing Treasury bills. Pay cash adjustment, ☐ 4. Allotment transfer (see list attached) if any-☐ 5. Special instructions: ☐ By check By credit to our reserve account (Payment cannot be made through Treasury Tax and (No changes in delivery instructions will be accepted) 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 numbered 3 above are owned solely by the undersigned. Submitted by This letter of instructions must be signed (Please print) officially in the space provided and re-Ву turned immediately to (Authorized signature(s) required) Title 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 Payment received Checked 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

Subscriber....

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indicated above.

☐ Foreign Oper. Div.

☐ Form 12

Your competitive noncomp	etitive tender for-				
	ATES OF AMERICA S FED JANUARY 15, 196				
which has been accepted at the price	of	(per 100), in the	amount of—		
	\$	La Charles My			
	Marian and Mark R	1			
	PRINCIPAL				
MASTER					
	MATURITY VALUE				
	PRINCIPAL				
DISPOSITION	SPLIT DIS	POSITION	ME.	THOD OF PAYMENT	
☐ Over the Counter				Reserve Account	
☐ Safekeeping				Check or Cash	
☐ Ship				Delivery Teller	

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☐ Treasury Tax & Loan

☐ Allotment Transfer

Your competitive noncompetitive tender	for—
	ERICA SPECIAL 366-DAY TREASURY BILLS Y 15, 1960, DUE JANUARY 15, 1961
which has been accepted at the price of	(per 100), in the amount of-
	(maturity value)

Your
one competitive on noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 366-DAY TREASURY BILLS DATED JANUARY 15, 1960, DUE JANUARY 15, 1961

which has been accepted at the price of

(per 100), in the amount of-

\$

(maturity value)