

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4908]
July 5, 1960

Offering of \$1,500,000,000 of Special 365-Day Treasury Bills

Dated July 15, 1960

Maturing July 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 365-day Treasury bills, for cash and in exchange for Treasury bills maturing July 15, 1960, in the amount of \$2,000,876,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated July 15, 1960, and will mature July 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, \$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, Tuesday, July 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 365 days, the discount 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 Daylight Saving time, Tuesday, July 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

This Bank will receive tenders up to 1:30 p.m., Eastern Daylight Saving time, Tuesday, July 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.*

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 July 15, 1960, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 15, 1960. 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.

**ALFRED HAYES,
President.**

(OVER)

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.

No.

TENDER FOR SPECIAL 365-DAY TREASURY BILLS

Dated July 15, 1960

Maturing July 15, 1961

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

Dated at, 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

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

\$..... (maturity value).
(Not to exceed \$400,000 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 (Payment cannot be made through Treasury Tax and Loan Account)
	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 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 this issue, until after one-thirty o'clock p.m., Eastern Daylight Saving time, Tuesday, July 12, 1960.

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.

Federal Reserve Bank of New York

Securities Department (9th Floor)

33 Liberty Street

New York 45, N. Y.

**TENDER FOR SPECIAL
TREASURY BILLS**

(DO NOT USE THIS ENVELOPE FOR OTHER PURPOSES)

FEDERAL RESERVE BANK OF NEW YORK

NOTICE OF ALLOTMENT
OF UNITED STATES OF AMERICA SPECIAL TREASURY BILLS

July 13, 1960.

Your ☐ competitive ☐ noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 15, 1961

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 or in a like face amount of the maturing issue of Treasury bills at the Federal Reserve Bank of New York on or before July 15, 1960. 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 July 15, 1960, 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.

Delivery of the Treasury bills will be made in accordance with instructions given on your tender form and your reserve account will be charged on the issue date if you so indicated. If additional instructions are required, the attached Letter of Instructions form should be completed in duplicate and returned promptly to the Federal Reserve Bank of New York.

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

Checked by.....

(This letter of instructions, accompanied by attached duplicate copy,
should be filled in 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

.....1960

On our ☐ competitive ☐ noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 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—				

- ☐ 1. Deliver over the counter to the undersigned
☐ 2. Ship to the undersigned
☐ 3. Hold in safekeeping (for account of member bank only)
☐ 4. Allotment transfer (see list attached)
☐ 5. Special instructions:

(No changes in delivery instructions will be accepted)

Payment will be made as follows:

- ☐ By charge to our reserve account
☐ By cash or other immediately available funds
☐ By surrender of \$..... (maturity value)
of maturing Treasury bills. Pay cash adjustment,
if any—
☐ By check
☐ By credit to our reserve account

(Payment cannot be made through 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 numbered 3 above are owned solely by the undersigned.

**This letter of instructions must be signed
officially in the space provided and re-
turned immediately to**

Submitted by
(Please print)

By By
(Authorized signature(s) required)

Title Title

Address

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://www.stlouisfed.org/

Subscriber.....

By.....

(DUPLICATE FOR USE OF 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

.....1960

On our ☐ competitive ☐ noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 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—				

- ☐ 1. Deliver over the counter to the undersigned
☐ 2. Ship to the undersigned
☐ 3. Hold in safekeeping (for account of member bank only)
☐ 4. Allotment transfer (see list attached)
☐ 5. Special instructions:

(No changes in delivery instructions will be accepted)

Payment will be made as follows:

- ☐ By charge to our reserve account
☐ By cash or other immediately available funds
☐ By surrender of \$..... (maturity value) of maturing Treasury bills. Pay cash adjustment, if any—
☐ By check
☐ By credit to our reserve account

(Payment cannot be made through 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 numbered 3 above are owned solely by the undersigned.

This letter of instructions must be signed officially in the space provided and returned immediately to

Federal Reserve Bank of New York,
Fiscal Agent of the United States.

Submitted by

(Please print)

By

(Authorized signature(s) required)

Title

Title

Address

(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.

PENDING DELIVERY TICKET FOR GOVERNMENT BOND DIVISION

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Your ☐ competitive ☐ noncompetitive tender for—

UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 15, 1961

which has been accepted at the price of (per 100), in the amount of—

\$

PRINCIPAL				
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MASTER

MATURITY VALUE				
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PRINCIPAL				
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DISPOSITION	SPLIT DISPOSITION			
<input type="checkbox"/> Over the Counter				
<input type="checkbox"/> Safekeeping				
<input type="checkbox"/> Ship				
<input type="checkbox"/> Treasury Tax & Loan				
<input type="checkbox"/> Allotment Transfer				

METHOD OF PAYMENT
<input type="checkbox"/> Reserve Account
<input type="checkbox"/> Check or Cash
<input type="checkbox"/> Delivery Teller
<input type="checkbox"/> Foreign Oper. Div.
<input type="checkbox"/> Form 12

ALLOTMENT NOTICE FOR SECURITIES DEPARTMENT

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☐ competitive ☐ noncompetitive

UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 15, 1961

\$

ALLOTMENT NOTICE FOR SECURITY FILES

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☐ competitive ☐ noncompetitive

**UNITED STATES OF AMERICA SPECIAL 365-DAY TREASURY BILLS
DATED JULY 15, 1960, DUE JULY 15, 1961**

\$