

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 5421 ]  
November 21, 1963

**Offering of \$1,000,000,000 of Special 363-Day Treasury Bills**

**Dated December 3, 1963**

**Maturing November 30, 1964**

*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 \$1,000,000,000, or thereabouts, of 363-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 3, 1963, and will mature November 30, 1964, 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, \$50,000, \$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 p.m., Eastern Standard time, Wednesday, November 27, 1963. 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 363 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 at a specific rate or price, until after one-thirty p.m., Eastern Standard time, Wednesday, November 27, 1963.

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 \$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. 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 3, 1963, provided, however, any qualified depository will be permitted to make payment by credit in its Treasury tax and loan account for not more than 50 percent of the amount of 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 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 (current revision) 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, Wednesday, November 27, 1963, 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. Settlement for accepted tenders must be made in cash or other immediately available funds, except that any qualified depository may make payment by credit in its Treasury Tax and Loan Account for not more than 50 percent of the amount of 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,  
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 363-DAY TREASURY BILLS

Dated December 3, 1963

Maturing November 30, 1964

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

Dated at .....  
....., 1963

Pursuant to the provisions of Treasury Department Circular No. 418 (current revision) 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 December 3, 1963 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, payment for these bills will be made at your Bank on December 3, 1963, by cash or other immediately available funds, or (in the case of a qualified depository) by credit in Treasury Tax and Loan Account of not more than 50 percent of the amount of bills allotted and the remainder in cash or other immediately available funds.

*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 at a specific rate or price, until after one-thirty o'clock p.m., Eastern Standard time, Wednesday, November 27, 1963.*

[ Insert this tender  
in yellow envelope  
marked "Tender for  
Special 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)

(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 non-competitive 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, N. Y. 10045

TENDER FOR SPECIAL  
TREASURY BILLS

(DO NOT USE THIS ENVELOPE FOR OTHER PURPOSES)

**NOTICE OF ALLOTMENT**  
**OF UNITED STATES OF AMERICA SPECIAL TREASURY BILLS**

November 29, 1963

Your ☐ competitive ☐ noncompetitive tender for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS**  
**DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

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 3, 1963. However, a qualified depository may make settlement by credit to its Treasury Tax and Loan Account of not more than 50 percent of the amount payable, rounded to the next higher \$1,000, provided the advice of deposit attached to 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 3, 1963; otherwise it will be necessary for the bidder to pay for the securities allotted at the accepted price, plus interest to the date of collection at the equivalent rate of discount.

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 .....



Your ☐ competitive ☐ noncompetitive tender for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS  
DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

which has been accepted at the price of

(per 100), in the amount of—

\$

(maturity value)

PRINCIPAL

**MASTER**

MATURITY VALUE

PRINCIPAL

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"/> Treas. T. & L. Acc.
<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

3

Your ☐ competitive ☐ noncompetitive tender for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS**  
**DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

which has been accepted at the price of

(per 100), in the amount of—

\$

(maturity value)

Your ☐ competitive ☐ noncompetitive tender for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS  
DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

which has been accepted at the price of

(per 100), in the amount of—

\$

(maturity value)



(This letter of instructions, accompanied by attached duplicate and triplicate copies, 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, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at .....  
.....1963

On our competitive and noncompetitive tenders for—

UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS  
DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964

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				
	50,000				
	100,000				
	500,000				
	1,000,000				
	Total—				

- ☐ 1. Deliver over the counter to the undersigned
- ☐ 2. Ship to the undersigned
- ☐ 3. Hold in safekeeping (for account of member bank only)\*
- ☐ 4. Hold as collateral for Treasury Tax and Loan Account\*
- ☐ 5. Special instructions:

Payment will be made as follows:

☐ By charge to our reserve account

☐ By cash or other immediately available funds

☐ By credit in Treasury Tax and Loan Account (not more than 50% of purchase price, rounded to next higher \$1,000) for which Advice of Deposit is submitted herewith.

(No changes in delivery instructions will be accepted)

✱ If this item is checked, the undersigned certifies that the allotted bills 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 the 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.

Date..... Subscriber..... By.....

✱ 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.

We will deposit on December 3, 1963, \$ (not more than 50% of purchase price, rounded to next higher \$1,000) to the credit of the Federal Reserve Bank of New York, Fiscal Agent of the United States, in the Treasury Tax and Loan Account, to be held subject to withdrawal on demand in payment for \$ (maturity value) Special 363-day Treasury bills dated December 3, 1963, due November 30, 1964.

.....  
(Name of depository)

Address .....  
(City and State)



**DELIVERY TICKET—SAFEKEEPING DIVISION**

To FEDERAL RESERVE BANK OF NEW YORK,  
Fiscal Agent of the United States,  
Federal Reserve P. O. Station,  
New York, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at .....

1963

On our competitive and noncompetitive tenders for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS  
DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

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				
	50,000				
	100,000				
	500,000				
	1,000,000				
	Total—				

- ☐ 1. Deliver over the counter to the undersigned
- ☐ 2. Ship to the undersigned
- ☐ 3. Hold in safekeeping (for account of member bank only)\*
- ☐ 4. Hold as collateral for Treasury Tax and Loan Account\*
- ☐ 5. Special instructions:

Payment will be made as follows:

- ☐ By charge to our reserve account
- ☐ By cash or other immediately available funds
- ☐ By credit in Treasury Tax and Loan Account (not more than 50% of purchase price, rounded to next higher \$1,000) for which Advice of Deposit is submitted herewith.

(No changes in delivery instructions will be accepted)

\* If this item is checked, the undersigned certifies that the allotted bills are owned solely by the undersigned.

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

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

Submitted by .....  
(Please print)

By ..... By .....  
(Authorized signature(s) required)

Title ..... Title .....

Address .....

(Spaces below are for the use of the 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

Subscriber .....

By .....



## RELOCATION OFFICE—OUT

To FEDERAL RESERVE BANK OF NEW YORK,  
Fiscal Agent of the United States,  
Federal Reserve P. O. Station,  
New York, N. Y. 10045

Attention: Government Bond Division—2nd Floor

Dated at .....

.....1963

On our competitive and noncompetitive tenders for—

**UNITED STATES OF AMERICA SPECIAL 363-DAY TREASURY BILLS  
DATED DECEMBER 3, 1963, DUE NOVEMBER 30, 1964**

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				
	50,000				
	100,000				
	500,000				
	1,000,000				
	Total—				

- ☐ 1. Deliver over the counter to the undersigned
- ☐ 2. Ship to the undersigned
- ☐ 3. Hold in safekeeping (for account of member bank only)\*
- ☐ 4. Hold as collateral for Treasury Tax and Loan Account\*
- ☐ 5. Special instructions:

Payment will be made as follows:

- ☐ By charge to our reserve account
- ☐ By cash or other immediately available funds
- ☐ By credit in Treasury Tax and Loan Account (not more than 50% of purchase price, rounded to next higher \$1,000) for which Advice of Deposit is submitted herewith.

(No changes in delivery instructions will be accepted)

\* If this item is checked, the undersigned certifies that the allotted bills are owned solely by the undersigned.

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

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

Submitted by .....  
(Please print)

By ..... By .....  
(Authorized signature(s) required)

Title ..... Title .....

Address .....

(Spaces below are for the use of the 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