

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, October 10, 1951

SPECIAL OFFERING TAX ANTICIPATION SERIES—TREASURY BILLS

144 DAYS

To Be Dated October 23, 1951

\$1,250,000,000

Maturing March 15, 1952

To All Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:

Your attention is invited to the following statement giving details of a new issue of Treasury Bills.

"The Secretary of the Treasury, by this public notice, invites tenders for \$1,250,000,000, or thereabouts, of 144-day Treasury bills, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be designated Tax Anticipation Series, they will be dated October 23, 1951, and will mature March 15, 1952. They will be accepted in payment of income taxes due on March 15, 1952, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. 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, two o'clock p.m., Eastern Standard Time, Wednesday, October 17, 1951. 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 Secretary of the Treasury 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, non-competitive 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 in cash or other immediately available funds on October 23, 1951, provided, however, any qualified depository 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, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be 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 shall be considered to be interest. Under Sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by Section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be 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, as amended 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."

Payment for this issue of Treasury bills must be made or completed at this bank or appropriate branch in cash or other immediately available funds on October 23, 1951, provided, however, any qualified depository 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.

In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to one o'clock p. m., Wednesday, October 17, 1951, Central Standard Time.

Yours very truly,

R. R. GILBERT

President

**TENDER FOR TREASURY BILLS
TAX ANTICIPATION SERIES**

To Be Dated October 23, 1951

144 DAYS

Maturing March 15, 1952

To: Federal Reserve Bank, Dallas 13, Texas

or—

The _____ Branch

El Paso

Houston

San Antonio

(Date)

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on October 11, 1951, by the Secretary of the Treasury, the undersigned offers to purchase Treasury bills of the above described issue, and agrees to pay for the amount allotted in cash or other immediately available funds on or before the issue date at the rate indicated below. However, any qualified depository will be permitted to make payments 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.

NON-COMPETITIVE TENDER \$

Non-Competitive 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.

COMPETITIVE TENDERS	}	\$.....@.....\$.....	Prices should be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions must not be used.
		\$.....@.....\$.....	
		\$.....@.....\$.....	

Number of Pieces	Denominations Desired	Maturity Value
.....@ \$	1,000 \$
.....@ \$	5,000 \$
.....@ \$	10,000 \$
.....@ \$	100,000 \$
.....@ \$	500,000 \$
.....@	\$1,000,000 \$

METHOD OF PAYMENT

- By draft enclosed (collectible by date of issue)
- By charge to our reserve account
- Payment to be made by charge to our Treasury Tax and Loan Account (Qualified Depository Bank Only)
Special "Advice of Credit" form for execution will be mailed with allotment notice.
- Payment to be made by.....

(Name of Bank)

(Subscriber's full name or corporate title)

(Address)

By.....
(Authorized official signature and title)

(For the Account of if Tender is for Another Subscriber)

(Address)

IMPORTANT

1. No tender for less than \$1,000 will be considered and each tender must be for an amount in multiples of \$1,000 (maturity value).
2. Tenders should be forwarded in an envelope clearly addressed to this bank or appropriate branch as Fiscal Agent of the United States, with notation on the envelope reading "TENDER FOR TREASURY BILLS." Since envelopes received with this legend will not be opened until after the closing time specified in the public announcement, communications relating to other matters should not be enclosed. Envelopes for submitting tenders are mailed with the announcing circulars.
3. Any qualified or conditional tender will be rejected.
4. If a corporation makes the tender the form should be signed by an officer of the corporation authorized to make the tender and the signing of the form 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."
5. Tenders from those other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 per cent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guaranty of full payment by an incorporated bank or trust company.
6. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.