

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

[Circular No. 1824]
March 7, 1938

Offering of United States of America 2½ Percent Treasury Bonds of 1948

Dated and bearing interest from March 15, 1938

Due September 15, 1948

Only Treasury Notes of Series C-1938, maturing March 15, 1938, may be tendered in payment

*To all Banking Institutions and Others Concerned in the
Second Federal Reserve District:*

The following press statement was today made public:

Secretary of the Treasury Morgenthau announced today the offering, through the Federal Reserve banks, of 10½-year 2½ percent Treasury Bonds of 1948, in exchange for 3 percent Treasury Notes of Series C-1938, of which \$455,175,500 mature on March 15, 1938. Exchanges will be made par for par as of March 15, and the offering will be limited to the amount of maturing notes tendered and accepted in exchange. Cash subscriptions will not be received.

The Treasury bonds now offered in exchange for the maturing notes will be dated March 15, 1938, and will bear interest from that date at the rate of 2½ percent per annum payable semiannually. They will mature September 15, 1948, and will not be subject to call for redemption before that date.

The Treasury bonds will be accorded the same exemptions from taxation as are accorded other issues of Treasury bonds now outstanding, which provisions are specifically set forth in the official circular issued today. The bonds will be issued in two forms: bearer bonds with interest coupons attached, and bonds registered as to both principal and interest; both forms will be issued in the denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000.

Subscriptions will be received at the Federal Reserve banks and branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of Treasury Notes of Series C-1938, maturing March 15, 1938, with the final coupon due on March 15 detached.

The right is reserved to close the books as to any or all subscriptions at any time without notice, and, subject to the reservations set forth in the official circular, all subscriptions will be allotted in full.

Special Treasury bills aggregating \$400,642,000, which mature immediately after March 15, and about \$162,000,000 interest on the public debt, which becomes due on March 15, will be paid from the cash balance.

The terms of this offering are set forth in Treasury Circular No. 581, dated March 7, 1938, a copy of which is printed on the following pages. The subscription books are now open, and applications will be received by this bank as fiscal agent of the United States. Subscriptions should be made on official subscription blanks and mailed immediately, or if filed by telegram or letter, should be confirmed immediately by mail on the blanks provided.

GEORGE L. HARRISON,
President.

UNITED STATES OF AMERICA

2½ PERCENT TREASURY BONDS OF 1948

Dated and bearing interest from March 15, 1938

Due September 15, 1948

Interest payable March 15 and September 15

1938
Department Circular No. 581
Public Debt Service

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, March 7, 1938.

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, approved September 24, 1917, as amended, invites subscriptions, at par, from the people of the United States for 2½ percent bonds of the United States, designated Treasury Bonds of 1948, in payment of which only Treasury Notes of Series C-1938, maturing March 15, 1938, may be tendered. The amount of the offering under this circular will be limited to the amount of Treasury Notes of Series C-1938 tendered and accepted.

II. DESCRIPTION OF BONDS

1. The bonds will be dated March 15, 1938, and will bear interest from that date at the rate of 2½ percent per annum, payable semiannually, on September 15, 1938, and thereafter on March 15 and September 15 in each year. They will mature September 15, 1948, and will not be subject to call for redemption prior to maturity.

2. The bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, or gift taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the Second Liberty Bond Act, approved September 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made or completed on or before March 15, 1938, or on later allotment, and may be made only in Treasury Notes of Series C-1938, maturing March 15, 1938, which will be accepted at par, and should accompany the subscription.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, Jr.,

Secretary of the Treasury.

NON-NEGOTIABLE RECEIPT
For United States Government Obligations as Mentioned Below

Issued to.....

Number.....

Street.....

Date.....

Town..... State.....

Receipt is hereby acknowledged of \$..... par amount United States of America 3 Percent Treasury Notes of Series C-1938 surrendered in payment for United States of America 2½ Percent Treasury Bonds of 1948 subscribed for and allotted in full pursuant to the terms of Treasury Department Circular No. 581, dated March 7, 1938. If such new securities issued in exchange for those surrendered are to be delivered at the Federal Reserve Bank of New York over the counter to your representative the "authority to deliver" set forth below should be duly executed and returned to us.

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

Date Received..... Mail Sheet No.....

Refer to your letter dated..... No.....

Teller.....

AUTHORITY TO DELIVER

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

You are hereby authorized to deliver to

.....
(Name of representative)

whose signature appears below \$..... par amount of United States Government obligations subscribed for and allotted in full in exchange for United States Government obligations surrendered in payment as indicated in the above non-negotiable receipt.

Name.....
(Please print)

.....
(Official signature required)

.....
(Signature of authorized representative)

DELIVERY RECEIPT

Received from the Federal Reserve Bank of New York United States Government obligations at par in the amount stated above in exchange for United States Government obligations surrendered in payment as indicated in the above non-negotiable receipt.

By.....

Date.....

FILE COPY OF NON-NEGOTIABLE RECEIPT
For United States Government Obligations as Mentioned Below

Issued to.....

Number.....

Street.....

Date

Town..... State.....

Receipt is hereby acknowledged of \$..... par amount United States of America 3 Percent Treasury Notes of Series C-1938 surrendered in payment for United States of America 2½ Percent Treasury Bonds of 1948 subscribed for and allotted in full pursuant to the terms of Treasury Department Circular No. 581, dated March 7, 1938. If such new securities issued in exchange for those surrendered are to be delivered at the Federal Reserve Bank of New York over the counter to your representative the "authority to deliver" set forth below should be duly executed and returned to us.

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

Date Received..... Mail Sheet No.....

Refer to your letter dated..... No.....

Teller

EXCHANGE SUBSCRIPTION

This Form Should Be Used When United States of America 3 Per-
cent Treasury Notes of Series C-1938 Maturing March 15, 1938 Are
Tendered in Payment for Treasury Bonds to be Allotted on Subscriptions

FOR UNITED STATES OF AMERICA 2½ PERCENT TREASURY BONDS OF 1948

Dated March 15, 1938

Due September 15, 1948

Note: The securities of the United States which are tendered in payment should be surrendered with this exchange subscription, except that if payment is to be made by such securities now held for the subscriber's account by the Federal Reserve Bank of New York instructions must be given accordingly in the space below.

If registered securities of the series offered are desired upon issue the required necessary instructions must be given as indicated in the spaces provided on this subscription.

Subscriptions for which securities of the United States are tendered in payment and accepted will be allotted in full.

Dated at.....
.....1938

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York, N. Y.

DEAR SIRs:

Pursuant to the provisions of Treasury Department Circular No. 581, dated March 7, 1938, the undersigned hereby tenders in payment for United States of America 2½ percent Treasury Bonds of 1948, United States of America 3 percent Treasury Notes of Series C-1938 in the amount and as stated below:

For own account	\$.....
For our customers (for use of banking institutions) as shown on attached list	\$.....
Total Subscription	\$.....

Issue Treasury securities allotted on this subscription in the denominations and amounts as indicated below:

The Treasury securities hereby tendered in payment are, as indicated below,—

In coupon form	Indicate by X mark and use a separate form when coupon or registered Treasury securities of this series are desired in exchange.	In registered form		
Number of Pieces	Denominations	Par Amount	Leave this Space Blank	
	\$50			
	100			
	500			
	1,000			
	5,000			
	10,000			
x x	x x x	x	x x	x x
	100,000			
	Total			

Delivered to you herewith..... \$.....

To be withdrawn by you from our account in the

Government Bond Department (War Loan Deposit Account)	\$.....
Safekeeping Department	\$.....
Discount Department	\$.....

To be delivered to you for our account by

\$.....

Hold or dispose of Treasury securities allotted on this subscription in the amounts and as indicated below:

1. Hold for safekeeping (for member bank only)..... \$.....
2. Hold as collateral security for War Loan Deposit Account..... \$.....
3. Deliver to your Discount Department..... \$.....
4. Register in the names as indicated in the schedule on next page.....
5. Deliver over counter to the undersigned..... \$.....
6. Ship to the undersigned..... \$.....
7. Deliver as requested in the following special instructions..... \$.....

TO	Par amount	Against payment of	Dispose of such payment as follows
.....	\$.....	\$.....	Credit our reserve account
.....			\$.....

We hereby certify (a) that such securities as you are instructed to hold or to deliver, as indicated in items numbered 1 and 3 above, are the sole property of the undersigned bank or trust company; (b) that such securities as are hereby pledged, as indicated in item numbered 2 above, are either the sole property of the undersigned bank or trust company or are the property of its customers who have authorized the undersigned bank or trust company in writing to cause their said securities to be so pledged; and (c) that such securities as you are instructed to deliver, as indicated in item numbered 7 above, are either the sole property of the undersigned bank or trust company or are the property of its customers who have authorized the undersigned bank or trust company in writing to cause their said securities to be so delivered.

☞ Before Signing Fill in All Required Spaces

TO SUBSCRIBER:

Mark (X) in proper space to indicate if this is:

Name

(Please print)

Original subscription.....

Sign here.....

(Official signature required)

Confirmation of a telegram.....

Street Address.....

Confirmation of a letter.....

Town and State.....

Spaces below are for the use of the Federal Reserve Bank of New York

RECEIPT	DELIVERY					FIGURED	CHECKED
Received	Taken from vault						
Checked	Counted						
Recorded	Checked						
Acknowledged	Blotter						
.....	Delivered						

