

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

[Circular No. 2151]
[December 11, 1940]

Offering of United States of America $\frac{3}{4}$ Percent Treasury Notes of Series B-1945
National Defense Series

Dated and bearing interest from December 18, 1940

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

Secretary of the Treasury Morgenthau today announced an offering, at par and accrued interest, of $\frac{3}{4}$ percent notes of the United States, designated Treasury Notes of Series B-1945, National Defense Series. The amount of the offering is \$500,000,000, or thereabouts. The notes will be dated December 18, 1940 and will bear interest from that date at the rate of $\frac{3}{4}$ percent per annum and will mature on December 15, 1945. The terms of this offering are set forth in Treasury Department Circular No. 646 dated December 11, 1940, copy of which is printed on the following pages.

It will be noted from paragraph 2 of Section II of Treasury Circular No. 646 that the notes 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) all income, 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.

This issue is the first offering of National Defense Series Treasury notes, authorized by the amendment to the Second Liberty Bond Act contained in Section 302 of the Revenue Act of 1940, and this is the first occasion on which Treasury notes have been issued subject to all Federal income taxes.

The subscription books for this offering 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. Where such telegraphic or letter subscription is made by a bank the telegram or letter should contain a complete classification of the subscriptions, if any, for the customers of the subscribing bank as provided for in the subscription blank.

GEORGE L. HARRISON,
President.

UNITED STATES OF AMERICA

¾ PERCENT TREASURY NOTES OF SERIES B-1945

NATIONAL DEFENSE SERIES

Dated and bearing interest from December 18, 1940

Due December 15, 1945

Interest payable June 15 and December 15

1940
Department Circular No. 646
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, December 11, 1940.

I. OFFERING OF NOTES

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 and accrued interest, from the people of the United States for ¾ percent notes of the United States, designated Treasury Notes of Series B-1945, National Defense Series. The amount of the offering is \$500,000,000, or thereabouts.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 18, 1940, and will bear interest from that date at the rate of ¾ percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1945, and will not be subject to call for redemption prior to maturity.

2. The notes 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) all income, 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.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

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

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. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

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 notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before December 18, 1940, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for notes 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.

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 notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

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.

NOTICE OF ALLOTMENT
On Cash Subscription to United States Government Obligations
Applied for by Subscriber as Described Below

To Subscriber:

1940

Referring to your subscription, numbered as above indicated, for \$ (par value)

UNITED STATES OF AMERICA ¾ PERCENT TREASURY NOTES OF SERIES B-1945
NATIONAL DEFENSE SERIES
DATED DECEMBER 18, 1940, DUE DECEMBER 15, 1945

for which you have applied under the provisions of the Treasury Department's circular containing the offering of such securities for subscription, you have been allotted by the Secretary of the Treasury

\$ of the amount applied for.

IMPORTANT INFORMATION FOR SUBSCRIBER

1. To expedite delivery of the securities of this issue allotted to subscriber and to facilitate prompt completion of this transaction, please observe the following directions, and **fill in, sign and return immediately the attached letter of instructions to the Federal Reserve Bank of New York, Fiscal Agent of the United States, New York, N. Y.**

Payment by Check, Cash, Charge or Credit

2. On or before the date of this issue payment must be made or completed at par, or at par and accrued interest if payment is to be made after the date of this issue, for the securities allotted to subscriber as stated above, and payment therefor may be made by check, cash, charge, or credit, as follows:

By Check—A check tendered in payment should be made payable to the order of the **FEDERAL RESERVE BANK OF NEW YORK, FISCAL AGENT OF THE UNITED STATES**, and the proceeds thereof must be immediately available on the date that payment is due, but such check need not necessarily accompany the attached letter of instructions. The proceeds of a check tendered in payment by subscriber on the date of this issue, drawn on the Federal Reserve Bank of New York, will be immediately available on the date of this issue. Should a subscriber wish to make payment by certified check on any other bank the securities can not be delivered until the Federal Reserve Bank of New York, Fiscal Agent of the United States, receives the proceeds of such check, and, therefore, such subscriber **should tender such certified check at least 2 days prior to the date payment is due if he wishes delivery of the securities on the date of this issue.**

By Cash—Payment may be made in cash.

By Charge—A member bank may make payment by requesting us to charge its reserve account, or a nonmember clearing bank may make payment by requesting us to charge its clearing account.

By Credit—(a) If subscriber is a depository of public moneys qualified under the provisions of Treasury Department Circular No. 92, dated February 23, 1932, as amended, with respect to special deposits of public moneys under the Act of Congress approved September 24, 1917, as amended, subscriber will be permitted to make payment by credit in the War Loan Deposit Account for securities of this issue allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits.

(b) Securities of this issue allotted to a qualified depository for its own account may be pledged with Federal Reserve Bank of New York as collateral security for deposits in the War Loan Deposit Account. Securities of this issue allotted to a qualified depository for account of its customers may not be pledged as such collateral security without the written consent of the owners of such securities.

Delivery

3. (a) Delivery of the securities of this issue will be made by the Federal Reserve Bank of New York at its head office in New York, N. Y., and will not be made before the issue date.

(b) Securities of this issue allotted to subscriber will be delivered over the counter to a representative of the subscriber only when a letter of authority signed officially by the subscriber identifying such representative is presented by him.

(c) Securities of this issue allotted to subscriber will be delivered to others under special instructions from subscriber but only when such securities are either the sole property of the subscriber or are the property of its customers who have authorized the subscriber in writing to cause their said securities to be so delivered.

Further Instructions

4. (a) Securities of this issue will be held for safekeeping by, or delivered to the Discount Department of, the Federal Reserve Bank of New York for the account of member banks only, provided such securities are the sole property of the member bank.

(b) It is requested that all blank spaces be typed in where necessary on the attached letter of instructions to this bank and that such letter be signed officially and returned to this bank without delay.

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

Checked by.....

NA-N

LETTER OF INSTRUCTIONS

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

From (Name and address of Subscriber)

1940

Referring to our subscription, numbered as above indicated, for \$ (par value)

UNITED STATES OF AMERICA 3/4 PERCENT TREASURY NOTES OF SERIES B-1945
NATIONAL DEFENSE SERIES
DATED DECEMBER 18, 1940, DUE DECEMBER 15, 1945

for which we applied under the provisions of the Treasury Department's circular containing the offering of such securities for subscription, we have received your notice of allotment stating that we have been allotted by the Secretary of the Treasury

\$ of the amount applied for.

As requested we are sending you the following instructions:

Payment for such securities will be made or completed as indicated below.

By charge to our reserve account, which you are authorized to make \$.....

By check \$.....

By cash \$.....

By credit to War Loan Deposit Account as shown in the following "Certificate of Advice":

CERTIFICATE OF ADVICE December 18, 1940

I HEREBY CERTIFY that there has been deposited this day with the above bank or trust company, to the credit of the Federal Reserve Bank of New York, as fiscal agent of the United States, War Loan Deposit Account, to be held subject to withdrawal on demand through the Federal Reserve Bank of New York, the

sum of Dollars, \$.....

To be executed only when subscriber is making payment through War Loan Deposit Account.
Cashier or Vice President.

Issue and dispose of securities allotted on this subscription as indicated below:

DENOMINATIONS				DISPOSITION	
Pieces	Denomination	Par Value	Leave Blank		
	xxx			1. Deliver over the counter to the undersigned	\$.....
	\$ 100			2. Ship to the undersigned.....	\$.....
	500			3. Hold in safekeeping (For member bank only)	\$.....
	1,000			4. Hold as collateral for War Loan deposits	\$.....
	5,000			5. Deliver as indicated below.....	\$.....
	10,000			Deliver to:	
	xx xxx			Par Amount	Against Payment of
	100,000			\$.....	\$.....
	Total			and credit proceeds to our Reserve account.....	<input type="checkbox"/>
				or to our account with.....	

The undersigned, if a bank or trust company, hereby certifies (a) that the securities which you are hereby or hereafter instructed to dispose of in the manner indicated in item numbered 3 above are the sole property of the undersigned, and (b) that the securities which you are hereby or hereafter instructed to dispose of in the manner indicated in items numbered 4 and 5 above are either the sole property of the undersigned or the property of its customers who have authorized in writing such disposition.

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

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

Name of Subscriber..... (Please print)

By..... (Official signature required) (Title)

Street address

City, Town or Village, and State.....

DO NOT USE SPACES BELOW

Released.....	Paid Stamp	Delivery Receipt
Taken from Vault.....	Amount.....	Received from FEDERAL RESERVE BANK OF NEW YORK the above described United States Government obligations allotted in the amount indicated above.
Counted.....		
Checked.....	By.....	Subscriber.....
Delivered.....		Date.....

ADVICE TO SUBSCRIBER
Acknowledging Receipt of Cash Subscription
For United States Government Obligations Mentioned Below

To

Application No.

Date

Your cash subscription for \$

United States of America $\frac{3}{4}$ Percent Treasury Notes, Series B-1945, National Defense Series
Dated December 18, 1940, Due December 15, 1945

has been received by this bank, as fiscal agent of the United States, and, pursuant to the provisions of the Treasury Department's circular offering the above-mentioned obligations of the United States, allotment notices will be sent out promptly upon allotment and allotments will be made on the basis and up to the amounts indicated by the Secretary of the Treasury to this bank.

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

Checked by.....

To

Application No.

Date

Cash subscription received
from above subscriber for \$

United States of America $\frac{3}{4}$ Percent Treasury Notes, Series B-1945, National Defense Series
Dated December 18, 1940, Due December 15, 1945

AMOUNT ALLOTTED \$.....

PAYMENT AND DISPOSITION RECORD

To

Application No.

Date

United States of America $\frac{3}{4}$ Percent Treasury Notes, Series B-1945, National Defense Series
Dated December 18, 1940, Due December 15, 1945

					DATE	BOOK CREDIT	CHARGE	CASH	DELIVERY TELLER
ALLOTMENT									
PREMIUM AND/OR INTEREST									
PURCHASE PRICE					DISPOSITION				
DEPOSIT					OVER COUNTER	SAFEKEEPING	GOV. DEPOSIT	SHIP	
PRINCIPAL DUE									
REFUND					SPECIAL DELIVERY INSTRUCTIONS				
BALANCE									
ACCRUED INT.									

CASH SUBSCRIPTION

BY OTHER THAN A BANKING INSTITUTION

To United States Government Obligations Described Below

Dated at.....
.....1940

This application must be accompanied by payment of 10 percent of the amount applied for.

One day's interest on \$1,000 on coupon payable June 15, 1941 (179 days in 182 day period) is \$.020604395.

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. 646, dated December 11, 1940, please enter our (my) subscription for \$..... (par value)

UNITED STATES OF AMERICA 3/4 PERCENT TREASURY NOTES, SERIES B-1945 NATIONAL DEFENSE SERIES

DATED DECEMBER 18, 1940

DUE DECEMBER 15, 1945

The undersigned subscriber

- (a) certifies that this subscription is solely for subscriber's own account; that no arrangements have been or will be made for the sale or other disposition of this subscription, or of the securities which may be allotted thereon, prior to the closing of the subscription books; and
- (b) agrees, in consideration of the receipt by you of this subscription, to make payment in full for the entire amount which may be allotted on this subscription, at par on or before the date of issue, or at par and accrued interest if on later allotment. If such payment is in excess of the amount deposited with this application the balance of the payment due you will be made by the undersigned or (name) in the manner indicated below.

By check.....

By cash.....

TO SUBSCRIBER:

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

- Original subscription
- Confirmation of a telegram.....
- Confirmation of a letter.....

Subscriber
(Print name)

Sign here
(Official Signature Required)

Street address
.....
(City, Town or Village, and State)

SPACES BELOW ARE FOR THE USE OF THE FEDERAL RESERVE BANK OF NEW YORK

SUBSCRIPTION RECORD				ALLOTMENT AND PAYMENT					
BLOTTER		EXAMINED FOR CLASSIFICATION		ALLOTMENT			FIGURED	CHECKED	ADVISED
OWN ACCOUNT CHECKED		CHECKED		DEPOSIT			DATE		BY
EXAMINED		CARDED		REFUNDED			DATE		
ACKNOWLEDGED				BALANCE			DATE PAID		
				DISPOSITION					

