

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2565]
[December 31, 1942]

Public Notice of Offering of \$600,000,000, or thereabouts, of
91-Day Treasury Bills

Dated January 6, 1943

Maturing April 7, 1943

To all Incorporated Banks and Trust Companies in the
Second Federal Reserve District and Others Concerned:

Following is the text of a notice today made public by the Treasury Department with respect to a new offering of Treasury bills payable at maturity without interest to be sold on a discount basis to the highest bidders.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Thursday, December 31, 1942.

The Secretary of the Treasury, by this public notice, invites tenders for \$600,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated January 6, 1943, and will mature April 7, 1943, 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, two o'clock p.m., Eastern war time, Monday, January 4, 1943. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

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. 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 January 6, 1943.

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 Federal tax Acts now or hereafter enacted. 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.

In accordance with the above announcement tenders will be received at the Securities Department of this bank (9th floor, 33 Liberty Street, New York City) or at the Buffalo Branch of this bank (272 Main Street, Buffalo, New York) up to two o'clock p.m., Eastern war time, on Monday, January 4, 1943.

It is requested that tenders be submitted on special form printed on reverse side and returned in special envelope enclosed herewith.

Attention is invited to the fact that payment for the Treasury bills cannot be made by credit through the War Loan Deposit Account. Payment must be made in cash or other immediately available funds.

ALLAN SPROUL,
President.

TENDER FOR 91-DAY TREASURY BILLS

Dated January 6, 1943.

Maturing April 7, 1943.

Dated at

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

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on December 31, 1942, as issued by the Secretary of the Treasury, the undersigned offers to pay* for a total amount of \$ (Rate per 100) (maturity value) of the Treasury bills therein described, or for any less amount that may be awarded, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public notice.


The Treasury bills for which tender is hereby made are to be dated January 6, 1943, and are to mature on April 7, 1943.

This tender will be inserted in special envelope entitled "Tender for Treasury bills."

IMPORTANT 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). Also, if more than one price is offered, a separate tender must be executed at each price.
2. 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."
3. 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.
4. 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.

Payment by credit through War Loan Deposit Account will not be permitted.

 Fill in all required spaces before signing.

Name of Subscriber (Please print)

By (Official signature required) (Title)

Street Address

City, Town or Village, and State

* Price must be expressed on the basis of 100, with not more than three decimal places. Fractions may not be used.

At 2565

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

TREASURY DEPARTMENT
WASHINGTON

FOR RELEASE, MORNING NEWSPAPERS
TUESDAY, JANUARY 5, 1943

PRESS SERVICE

The Secretary of the Treasury announced last evening that the tenders for \$600,000,000, or thereabouts, of 91-day Treasury bills to be dated January 6 and to mature April 7, 1943, which were offered on December 31, 1942, were opened at the Federal Reserve Banks on January 4.

The details of this issue are as follows:

Total applied for - \$1,242,588,000
Total accepted - 600,104,000

Range of accepted bids: (excepting one tender of \$4,000)

High - 99.925 equivalent rate of discount approx. 0.297pct
per annum
Low - 99.907 " " " " approx. 0.368pct
per annum

Average Price
- 99.910 " " " " approx. 0.357pct
per annum

(13 percent of the amount bid for at the low price was accepted.)

<u>Federal Reserve District</u>	<u>Total Applied For</u>	<u>Total Accepted</u>
Boston	\$ 30,835,000	\$ 14,894,000
New York	674,072,000	160,729,000
Philadelphia	24,650,000	5,145,000
Cleveland	16,530,000	5,184,000
Richmond	14,362,000	7,041,000
Atlanta	10,144,000	4,235,000
Chicago	356,435,000	352,817,000
St. Louis	10,198,000	7,650,000
Minneapolis	6,176,000	4,902,000
Kansas City	19,640,000	11,053,000
Dallas	8,750,000	4,137,000
San Francisco	70,796,000	22,317,000
Total	\$1,242,588,000	\$600,104,000

FEDERAL RESERVE BANK
OF NEW YORK

December 31, 1942.

Semiannual Dividend

GENTLEMEN :

The board of directors of Federal Reserve Bank of New York has declared a dividend for the six month period ending December 31, 1942, at the rate of six per centum per annum on the paid-in capital stock of the bank, payable December 31, 1942, to stockholders as shown by the books of the bank at the close of business on that date.

Payment of \$....., the amount of such dividend due you, is being made at the close of business today by credit to your reserve account.

Respectfully,

A handwritten signature in dark ink, appearing to read "W. H. C. ...", written over a horizontal line.

President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

January 1, 1943.

**INSTRUCTIONS TO ISSUING AGENTS IN SECOND FEDERAL RESERVE DISTRICT WITH RESPECT TO
SHIPMENT OF INSCRIBED WAR SAVINGS BONDS BY ORDINARY MAIL**

The Postmaster General has authorized the dispatch of inscribed War Savings Bonds to owners or their agents, by authorized issuing agents, as ordinary first class mail without payment of postage, under special penalty envelopes with distinctive markings to indicate the character of the contents.

Penalty envelopes may be purchased only under contracts negotiated by the Postmaster General, and therefore the special envelopes to be used by issuing agents of Series E War Savings Bonds will be obtained by the Federal Reserve Banks by arrangement with the Postmaster General and will be furnished by such banks directly to issuing agents. *Special penalty envelopes for use of issuing agents may not be obtained in any other manner.*

An initial supply of the envelopes will be forwarded under separate cover to issuing agents in this district, and additional supplies will be furnished upon written request to this bank. The use of the envelopes for dispatching Series E War Savings Bonds is to commence as soon as possible after receipt by the agents of a supply of envelopes, allowing a reasonable time for printing the agent's name and address in accordance with the instructions stated below. *Issuing agents will not be reimbursed for postage or registry fees expended by them in delivering bonds to purchasers on or after the date on which envelopes are available for use.* Reimbursement for postage and registry fees incurred in returning stubs and spoiled bonds to this bank will be continued as heretofore.

The following instructions for the use of the new envelopes must be carefully observed by all agents:

1. The name and return address of the issuing agent must be printed or stamped in the blank space in the corner card on the envelopes over the words "Authorized Issuing Agent."
2. Deliveries of War Savings Bonds by mail in special envelopes must be restricted to those cases where personal delivery either is not practicable or is inadvisable.
3. The special envelopes may be used only for the purposes provided. Attention is directed to the penalty of \$300 provided for in cases of improper use of penalty envelopes. The Post Office Department has ruled that the envelopes may not be used to mail matter other than bonds even though postage is paid, but that there is no objection to the enclosure as penalty matter of a letter of transmittal describing the contents or containing information as to the condition of an employee's bond account under the payroll allotment plan. *Firm advertising material even though relating largely to savings bond campaigns is not suitable for enclosure in penalty envelopes.*
4. The utmost care shall be used in enclosing bonds in envelopes and in effecting delivery of the bonds to the local post office. They should not be deposited in an ordinary mail box, since this would not insure the special handling of the envelopes which is expected when they are delivered directly to the post office. Agents will not be required to obtain receipts evidencing delivery to the post office.
5. The Government Losses in Shipment Act, as amended, is applicable to shipments of inscribed bonds in special penalty envelopes, and claims for relief in the event of losses in shipment may be made as provided in such act and the regulations issued thereunder. As heretofore provided with respect to shipments of Savings Bonds by registered mail, no reports of shipments will be required from issuing agents, nor will it be necessary to forward separate notices to the addresses by mail of the shipment of bonds. However, agents will be expected to maintain appropriate records of all shipments whereby it will be possible to prove the exact extent of loss in the event claim is made for replacement of bonds or for payment pursuant to the Government Losses in Shipment Act. The Treasury Department has stated that, in the absence of suspicious or unusual circumstances, the application for bonds or schedule of purchases showing the requirement or necessity of mailing a bond or bonds, together with (1) the related bond information recorded either on the application, bond stub or elsewhere in the records usually maintained by an agent and (2) the evidence of a uniform method of handling such items requiring mailing, would provide sufficient proof to establish the exact extent of loss. Evidence of uniformity of procedure and exercise of due care in handling the bonds at the time of enclosure in envelopes, sealing thereof and disposal of the items thereafter are the important factors.

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

January 1, 1943.

**INSTRUCTIONS TO ISSUING AGENTS IN SECOND FEDERAL RESERVE DISTRICT
QUALIFIED FOR SALE OF UNITED STATES WAR SAVINGS BONDS, SERIES E**

Treasury Department Circular No. 657, dated April 15, 1941, as amended and supplemented, provides that issuing agents of War Savings Bonds, Series E, must follow all regulations and instructions issued directly by the Secretary of the Treasury or through the Federal Reserve Bank of the district as fiscal agent, covering the sale, issue, inscription and validation of the bonds and the disposition of registration stubs. In addition to the regulations promulgated by the Secretary of the Treasury in Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended, the following instructions are issued by this bank as fiscal agent of the United States for the guidance of issuing agents of Series E bonds in the Second Federal Reserve District.

The following instructions supersede all previous instructions issued by this bank concerning the sale, issue, inscription and validation, disposition of stubs, and remittance of proceeds of sale, of Series E bonds. Additional copies of these instructions will be furnished to issuing agents on request.

The forms described below shall be used by issuing agents in requisitioning Series E bonds and in remitting for such bonds and returning stubs and spoiled bonds. Supplies of such forms may be obtained from this bank as they are needed by submitting a requisition therefor (Form G.B. 350). Each of the forms forwarded to us by an issuing agent should be executed by an officer or employee of the issuing agent theretofore certified to us by the issuing agent on Form G.B. 379 entitled "Official Signatures" as authorized to act on behalf of such issuing agent in connection with the issuance of United States War Savings Bonds, Series E.

Requisition for Bonds

Issuing agents may obtain unissued bonds from this bank by submitting a requisition for bond stock on Form G. B. 1786. Payment in full of the issue price of the bonds desired must accompany requisitions submitted by agents qualified on a prepayment basis.

Series E bonds are prepared in two different assemblies, designated Type "A" and Type "B". Type "A" is assembled in such a manner that by inserting carbon paper between the bond and the stubs the inscription may be made on the bond and both stubs in the same operation. Type "B" is designed for use in certain addressing machines and in other methods of inscription where carbon paper is not used. Issuing agents should specify in the space provided on the form of requisition the type of bonds desired.

Inscribing Bonds

1. Use a typewriter or addressing machine for this purpose where possible.
2. Inscribe name and post office address of registered owner in the space provided on the bond and stubs.
3. Inscribe issue date (month and year) in the space provided in the upper right-hand portion of the bond. *Each bond should be dated as of the first day of the month in which full payment of the issue price is received by the issuing agent.*
4. Imprint name of issuing agent and the current date on which the bond is inscribed in the space indicated by circle on the lower left-hand portion of the bond and stubs, using the stamp furnished by us for this purpose.

Care should be exercised in inscribing bonds. *Erasures or alterations on a bond are not permitted.* If an error is made in the inscription, the bond and both stubs should be marked "Spoiled", the issuing agent's stamp impressed thereon, and a new bond issued. Spoiled bonds should be returned to us as provided below under the heading "Spoiled Bonds".

Stubs

A legible imprint of the dating stamp is necessary on the original stub which must be returned to this bank as hereinafter provided. It is not necessary that the stubs be signed and any reference to signatures on the stubs themselves should be disregarded. Except as to issuing agents which are required at the date of these instructions to return duplicate stubs to this bank, the duplicate (salmon-colored) stub need not be returned. It may be used by the issuing agent for the purpose of obtaining from the purchaser a receipt for the bond and may be retained by the agent as a record.

Restrictions on Sale of Bonds

Only residents of the United States, including its territories and insular possessions, the Canal Zone and Philippine Islands, and American citizens temporarily residing abroad, may be named as owners, coowners or designated beneficiaries on United States War Savings Bonds, Series E. Under the terms of Executive Order No. 8389, as amended, and the regulations issued thereunder, bonds may not be issued to nationals (as defined in said Order) of blocked countries or to nationals of enemy countries, whether or not residing in the United States, unless such nationals are generally licensed nationals or the issuance of such bonds to such nationals is generally or specially licensed under the Order.

In cases where an American citizen temporarily residing abroad is named as owner, coowner or beneficiary of a Series E bond and his foreign address is given in the registration, the issuing agent should certify on the reverse side of the original stub of the bond that such owner, coowner or beneficiary is an American citizen temporarily residing abroad.

Authorized Forms of Inscription

War Savings Bonds, Series E, may be registered only in the names of natural persons (i.e., individuals) in their own right, in one of the following forms:

ONE PERSON

- (a) In the name of one person, for example:

John A. Jones
751 East Main Street
Blankville, New York

TWO PERSONS (AS COOWNERS)

- (b) In the names of two (but only two) persons, for example:

John A. Jones
751 East Main Street
Blankville, New York
or Mrs. Ella S. Jones

ONE PERSON (WITH ONE BENEFICIARY)

- (c) In the name of one person, payable on death to one (but not more than one) designated person as beneficiary, for example:

John A. Jones
751 East Main Street
Blankville, New York
Payable on death to
Miss Mary E. Jones

If it is desired that, upon the death of the owner, a bond revert to the United States as a donation, it may be registered in the name of the owner with the Treasurer of the United States named as beneficiary.

MINOR

- (d) In the name of a minor (whether or not under legal guardianship) in any of the foregoing forms subject to the following conditions:

- (i) Bonds purchased as a gift to a minor may be registered in his name as owner or coowner.
- (ii) Bonds purchased by a minor from his wages, earnings or other money in his possession may be registered in his name and he may designate a coowner or beneficiary.

- (iii) Bonds purchased by a parent or guardian with funds already belonging to a minor must be registered in the minor's name alone without the addition of a coowner or beneficiary.
- (iv) In any case in which a guardian of the estate of a minor has been appointed by a court of competent jurisdiction or has otherwise legally qualified, appropriate words, such as "a minor under legal guardianship", should be added after the name of such minor, for example:

Charles E. Brown, a minor under legal guardianship of Henry Smith
4630 W. Grand Avenue
Blankville, New York

Specific reference to the name of the guardian is optional in such cases.

The full name of the owner and that of the coowner or beneficiary, if any, should be used and should be the name by which the person is ordinarily known and under which he does business; if there are two given names the initial of one may be used, or if a person is habitually known and does business by initial only of his given names, registration may be in such form. In the case of women, the name must be preceded by "Miss" or "Mrs." and a married woman's own given name should be used, not that of her husband, for example, "Mrs. Mary A. Jones", not "Mrs. Frank B. Jones"; the use of initials only for both given names of a married woman is not permissible.

In registering bonds, issuing agents should ascertain if feasible that the name of a person to be used in the registration corresponds exactly with the name by which such person has been described as owner, coowner or beneficiary in the registration of bonds previously issued.

It is permissible for employers issuing bonds to employees to include in the inscription a payroll number or other identifying symbol provided such number or symbol is clearly separated from the remainder of the inscription.

War Savings Bonds, Series E, may not be registered in the names of corporations, unincorporated associations, partnerships, fiduciaries, or in any form other than those given above. Bonds should not be registered in the name of a person under legal disability for reasons other than minority unless a legal representative of his estate has been appointed. If a guardian or similar legal representative of the estate of such a person has been appointed by a court of competent jurisdiction, or has otherwise legally qualified, the name of such person should be followed by appropriate words such as "an incompetent under legal guardianship" or "an incompetent under legal guardianship of Henry Smith".

Spoiled Bonds

Whenever an error has been made in inscribing a bond and the error has been detected before the bond has been delivered, the incorrect bond and both stubs should be marked "Spoiled", the issuing agent's stamp impressed thereon, and a new bond issued. The spoiled bond and *both* stubs should be returned to this bank with Form G.B. 1789, executed in duplicate.

Such stubs should not be stapled, clipped, or in any manner affixed to the related bonds, but should be grouped separately and assembled in the same order as the spoiled bonds returned.

If an error is not detected until after the stubs have been forwarded to this bank, the bond should be recalled from the owner and sent to this bank with sufficient information to enable us to make the correction. After the correction has been made, a new bond will be delivered by us in accordance with the instructions of the issuing agent.

Remittance for Bonds Sold

Each issuing agent is required to submit to this bank reports of sales on Form G. B. 1787, in duplicate, which should be accompanied by the original stubs from the bonds reported sold. Issuing agents, except those qualified on a prepayment basis, should remit to this bank for bonds reported sold and such remittance should be made *not less frequently than once each week*. Issuing agents qualified on a prepayment basis will disregard references on Form G. B. 1787 to method of payment for bonds sold.

War Savings Stamps received by issuing agents in exchange for bonds should be presented by them to the post office for redemption.

All remittances and shipments of stubs or spoiled bonds should be addressed as follows:

Federal Reserve Bank of New York
Government Bond Department
Federal Reserve Station
New York, N. Y.

Reimbursement for Postage and Registry Fees Expended by Issuing Agents

Reimbursement will be made for postage and registry fees expended by issuing agents in returning stubs, spoiled bonds and shipment bags to this bank, provided no other matter is included in the same package or envelope and the following instructions, as set forth in the Postal Bulletin of April 3, 1942, are fully complied with:

"The Federal Reserve Bank has designated certain banks, firms, corporations, and others as Authorized Issuing Agents for United States Defense Savings Bonds Series E and under Treasury Regulations these Authorized Issuing Agents are required to return the stubs of all bonds sold, spoiled or canceled bonds, and unissued or excess stock to the appropriate Federal Reserve Bank.

"Mailings of stubs of sold United States Defense Savings Bonds Series E, spoiled or canceled bonds, and unissued or excess stock, weighing in excess of 8 ounces, presented by an Authorized Issuing Agent and addressed to the appropriate Federal Reserve Bank, may be accepted, as insured mail to be treated as registered mail, at the fourth-class (parcel post) rate of postage in addition to an insurance fee of 15 cents on each shipping unit. A single article may not exceed 70 pounds in weight. Each article must be securely sealed.

"Each such article accepted is to be marked 'Insured No.—,' *but is to be treated as registered mail.* The article must bear a notation placed thereon by the sender by rubber stamp impression, printed slip, by matter printed thereon, or by other means, reading as follows:

"This article is put up and mailed by authority of the Post Office Department upon prepayment of postage at the fourth-class (parcel post) rate and insurance fee. It must be recorded and handled as a registered article by postal employees. RAMSEY S. BLACK, *Third Assistant Postmaster General.*

"Any such article weighing less than 8 ounces shall be accepted for registration at the first-class rate only in addition to the registry fee of 15 cents.

"There will be no registry surcharge on any such article, whether mailed as insured mail to be treated as registered matter, or as registered mail."

A supply of printed stickers will be furnished upon request for the convenience of agents in complying with the foregoing instructions when mailing articles weighing in excess of 8 ounces.

No request for reimbursement of postage and registry fees in accordance with the foregoing provisions will be necessary. This bank will determine the amount by the postage on each shipment sent in compliance with the foregoing instructions, and will make refund therefor once every four months.

Inscribed War Savings Bonds may be mailed by issuing agents to purchasers thereof at the risk and expense of the United States, subject to the provisions of the Government Losses in Shipment Act, as amended, in cases where delivery over the counter is impracticable or inadvisable. Separate printed instructions concerning the procurement and use of the special penalty envelopes in which such shipments are to be made are enclosed and additional copies may be obtained from this bank upon request.

Attention is invited to the fact that bonds may be delivered at the risk and expense of the United States only in States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico and the Canal Zone.

Loss, Theft or Destruction of Bond Stock or Bonds

In the event of the loss, theft or destruction of unissued bond stock or of inscribed bonds which have not been delivered to the purchasers thereof, immediate notice of the facts, together with a complete description of the bonds including serial numbers, should be furnished to this bank.

In the event of the loss, theft, destruction, mutilation or defacement of a bond which has been issued, relief either by the issue of a substitute bond or by payment may be given under the provisions of the Government Losses in Shipment Act, as amended, upon filing a claim and furnishing proof of loss satisfactory to the Treasury Department. In any such case immediate notice of the facts, together with a complete description of the bond (including series, year of issue, serial number and name and address of the registered owner) should be given by the registered owner to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois.