

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2594]
March 12, 1943]

Public Notice of Offering of \$800,000,000, or thereabouts, of
91-Day Treasury Bills

Dated March 17, 1943

Maturing June 16, 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,
Friday, March 12, 1943.

The Secretary of the Treasury, by this public notice, invites tenders for \$800,000,000, 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 March 17, 1943, and will mature June 16, 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, March 15, 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 March 17, 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, March 15, 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.

No.

TENDER FOR 91-DAY TREASURY BILLS

Dated March 17, 1943.

Maturing June 16, 1943.

Dated at 1943

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 March 12, 1943, 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 March 17, 1943, and are to mature on June 16, 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.

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

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Tuesday, March 16, 1943.

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$800,000,000, or thereabouts, of 91-day Treasury bills to be dated March 17 and to mature June 16, 1943, which were offered on March 12, 1943, were opened at the Federal Reserve Banks on March 15.

The details of this issue are as follows:

Total applied for - \$1,302,725,000
Total accepted - 802,171,000

Range of accepted bids:

High - 99.925 Equivalent rate of discount approx. 0.297%
per annum
Low - 99.905 Equivalent rate of discount approx. 0.376%
per annum
Average - 99.906 Equivalent rate of discount approx. 0.373%
price per annum

(40 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	\$ 28,695,000	\$ 22,083,000
New York	848,282,000	452,804,000
Philadelphia	33,625,000	23,787,000
Cleveland	18,440,000	17,700,000
Richmond	27,435,000	23,910,000
Atlanta	13,121,000	10,621,000
Chicago	189,778,000	127,970,000
St. Louis	28,695,000	14,593,000
Minneapolis	4,193,000	4,117,000
Kansas City	26,638,000	23,783,000
Dallas	16,422,000	15,262,000
San Francisco	67,401,000	65,541,000
Total	\$1,302,725,000	\$802,171,000