

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2630
May 26, 1943]

**Public Notice of Offering of \$900,000,000, or thereabouts, of
92-Day Treasury Bills**

Dated June 2, 1943

Maturing September 2, 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 under competitive and fixed-price bidding.

TREASURY DEPARTMENT
Washington

FOR RELEASE, MORNING NEWSPAPERS,
Wednesday, May 26, 1943.

The Secretary of the Treasury, by this public notice, invites tenders for \$900,000,000, or thereabouts, of 92-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as herein-after provided. The bills of this series will be dated June 2, 1943, and will mature September 2, 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, Friday, May 28, 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. Subject to these reservations, tenders for \$100,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. 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 June 2, 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 Friday, May 28, 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.

(OVER)

9I Use a separate tender form for each bid.
 Attention is invited to the fact that tenders for this issue must reach the Federal Reserve Bank of New York or its Buffalo Branch not later than 2 p.m., Eastern war time, *Friday, May 28, 1943.*

No.

TENDER FOR 92-DAY TREASURY BILLS

Dated June 2, 1943. Maturing September 2, 1943.

Dated at

To THE FEDERAL RESERVE BANK OF NEW YORK, 1943
 Fiscal Agent of the United States,
 New York City, N. Y.

Use this paragraph for competitive bidding Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on May 26, 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.

Use this paragraph for fixed-price bidding Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on May 26, 1943, as issued by the Secretary of the Treasury, the undersigned offers to pay a fixed-price of 99.905 (rate per 100) for a total amount of \$.....
 (Not to exceed \$100,000)
 (maturity value) of the Treasury bills therein described, 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 June 2, 1943, and are to mature on September 2, 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). A separate tender must be executed for each bid.
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 Bidder
 (Please print)
 By,
 (Official signature required) (Title)
 Street Address
 City, Town or Village, and State

If this tender is submitted for the account of a customer, indicate the customer's name on line below:

Name of Customer..... City, Town or Village, and State.....

Use a separate tender for each customer's bid.

* 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,
Saturday, May 29, 1943.

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$900,000,000, or thereabouts, of 92-day Treasury bills to be dated June 2 and to mature September 2, 1943, which were offered on May 26, 1943, were opened at the Federal Reserve Banks on May 28.

The details of this issue are as follows:

Total applied for - \$1,320,577,000

Total accepted - 904,992,000 (Includes \$61,797,000 entered on a fixed-price basis at 99.905 and accepted in full)

Range of accepted bids:

High - 99.910 Equivalent rate of discount approx. 0.352%
per annum

Low - 99.904 Equivalent rate of discount approx. 0.376%
per annum

Average price - 99.905 Equivalent rate of discount approx. 0.374%
per annum

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

<u>Federal Reserve Bank</u>	<u>Total Applied for</u>	<u>Total Accepted</u>
Boston	\$ 35,283,000	\$ 25,788,000
New York	903,200,000	568,170,000
Philadelphia	43,287,000	32,647,000
Cleveland	40,717,000	34,327,000
Richmond	18,805,000	18,760,000
Atlanta	12,330,000	11,167,000
Chicago	125,382,000	96,114,000
St. Louis	53,678,000	33,576,000
Minneapolis	4,871,000	4,858,000
Kansas City	22,774,000	21,762,000
Dallas	13,485,000	12,948,000
San Francisco	46,765,000	44,875,000
Total	\$1,320,577,000	\$904,992,000

**FEDERAL RESERVE BANK
OF NEW YORK**

May 26, 1943.

To Member and Nonmember Clearing Banks
in the Second Federal Reserve District:

We have received from the Federal Reserve Banks of Cleveland, St. Louis and Kansas City advices to the effect that because of flood conditions now existing in parts of their respective Federal Reserve Districts mail service is delayed and they are unable to give advice and make return of all unpaid items as promptly as usual.

For cash items payable in the affected areas in the Cleveland, St. Louis and Kansas City Federal Reserve Districts, or in other areas in Federal Reserve Districts affected by flood conditions, we are continuing to give credit in accordance with our time schedules, but advice and return of unpaid items may be considerably delayed. We, of course, reserve the right to charge back any unpaid items at any time.

ALLAN SPROUL,
President.