

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2717
October 22, 1943]

Public Notice of Offering of \$1,000,000,000, or thereabouts, of
91-Day Treasury Bills

Dated October 28, 1943

Maturing January 27, 1944

*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,
Friday, October 22, 1943.

The Secretary of the Treasury, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 91-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 October 28, 1943, and will mature January 27, 1944, 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, October 25, 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 October 28, 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 7, N. Y.) or at the Buffalo Branch of this bank (270 Main Street, Buffalo 2, N. Y.) up to two o'clock p. m., Eastern war time, on Monday, October 25, 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)

IMPORTANT—If it is desired to bid on a competitive basis, fill in rate per 100 and maturity value in paragraph headed "Competitive Bid". If it is desired to bid on a fixed-price basis, fill in only the maturity value in paragraph headed "Fixed-Price Bid". *DO NOT fill in both paragraphs on one form. A separate tender must be used for each bid.*

No.

TENDER FOR 91-DAY TREASURY BILLS

Dated October 28, 1943.

Maturing January 27, 1944.

TO THE FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York 7, N. Y.

Dated at
..... 1943

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on October 22, 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.

FIXED-PRICE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on October 22, 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

\$..... (maturity value)
(Not to exceed \$100,000)

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 October 28, 1943, and are to mature on January 27, 1944.

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

Name of Bidder
(Please print)

By
(Official signature required) (Title)

Street Address

.....
(City, Town or Village, P.O. No., 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, P.O. No., and State)

Use a separate tender for each customer's bid.

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.

* 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, October 26, 1943.

Press Service

The Secretary of the Treasury announced last evening that the tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated October 28, 1943, and to mature January 27, 1944, which were offered on October 22, were opened at the Federal Reserve Banks on October 25.

The details of this issue are as follows:

Total applied for - \$1,286,529,000

Total accepted - 1,008,064,000 (includes \$67,771,000 entered on a fixed-price basis at 99.905 and accepted in full)

Range of accepted bids:

High - 99.915 Equivalent rate of discount approx. 0.336% per annum

Low - 99.905 Equivalent rate of discount approx. 0.376% per annum

Average

price - 99.905+ Equivalent rate of discount approx. 0.375% per annum

(82 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	\$ 40,655,000	\$ 34,751,000
New York	744,318,000	525,512,000
Philadelphia	53,310,000	46,856,000
Cleveland	57,708,000	55,311,000
Richmond	27,780,000	25,562,000
Atlanta	18,475,000	17,739,000
Chicago	135,612,000	115,898,000
St. Louis	48,835,000	41,742,000
Minneapolis	26,600,000	22,963,000
Kansas City	19,789,000	19,060,000
Dallas	15,077,000	14,186,000
San Francisco	98,370,000	88,434,000
Total	\$1,286,529,000	\$1,008,064,000

at 2717



TREASURY DEPARTMENT

WASHINGTON

25

October 19, 1943

To Banks and Other Financial Institutions in the United States:

The Treasury has had splendid cooperation from the financial institutions of the country in the census of American foreign property holdings, which has been in progress since June 3. Many institutions have been contacting all of their customers who they believe have foreign investments, explaining the necessity for filing the TFR-500 report and seeing that they have the proper report forms.

The value of the information obtained in this survey, as it applies to the war fronts today, the peace negotiations and the postwar global readjustments, will be in proportion to the percentage of persons who report. The volume of reports to date is gratifying, but, in the belief that a substantial number of patriotic people who should report are still unaware of their duty in this regard, the Treasury has extended the final date for filing to December 1, 1943.

Every effort is being made to acquaint the public with the objectives of this survey. Your further cooperation during the remaining few weeks of this effort will be most helpful. Anything that you can do to contact your customers, particularly those holding foreign dollar bonds, will be constructive.

A number of banks have requested suggestions for a notice which they could send to their customers. Such a notice, which you may desire to use, is printed on the back of this letter. Again, many bank executives are making it a point to discuss TFR-500 and its objectives at various trade group meetings. This has undoubtedly swelled the number of reports received in Washington.

As to the survey itself, rapid progress has been made in the digest of the data submitted. Information of immediate value is being submitted to the Army, the Allied Military Government, and other governmental agencies closely related to the war effort.

Should you need more of the TFR-500 report forms, your Federal Reserve Bank will send them to you at once. It will be glad to advise you on any aspects of the survey.

Randolph Paul
RANDOLPH PAUL
Acting Secretary of the Treasury





TO OWNERS OF PROPERTY IN FOREIGN COUNTRIES

The U. S. Treasury is seeking to ascertain as nearly as possible the total American stake all over the world. It believes with this information available that the government's hand will be strengthened on all war fronts, at the peace conferences and in the post-war world-wide economic readjustments.

Under the law, holders of foreign property are required to file reports of their holdings on Form TFR-500 by December 1, 1943.

If you have any foreign investments -- dollar bonds, bank balances, real estate or other tangible property -- and have not yet filed your report, we would be happy to assist you in obtaining the proper forms.