

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2768
February 25, 1944]

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

Dated March 2, 1944

Maturing June 1, 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, February 25, 1944.

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 hereinafter provided. The bills of this series will be dated March 2, 1944, and will mature June 1, 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, February 28, 1944. 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 March 2, 1944.

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 5, N. Y., up to two o'clock p.m., Eastern war time, on Monday, February 28, 1944.

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 March 2, 1944.

Maturing June 1, 1944.

Dated at

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

..... 1944

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on February 25, 1944, 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 February 25, 1944, 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 March 2, 1944, and are to mature on June 1, 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, February 29, 1944.

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 March 2 and to mature June 1, 1944, which were offered on February 25, were opened at the Federal Reserve Banks on February 28.

The details of this issue are as follows:

Total applied for - \$2,151,449,000

Total accepted - 1,002,953,000 (includes \$63,985,000 entered on a fixed-price basis at 99.905 and accepted in full)

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

Range of accepted bids:

High - 99.910 Equivalent rate of discount approx. 0.356% per annum

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

(38 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	\$ 12,340,000	\$ 7,690,000
New York	1,415,527,000	594,531,000
Philadelphia	31,469,000	15,287,000
Cleveland	39,515,000	31,409,000
Richmond	18,845,000	16,086,000
Atlanta	5,075,000	4,453,000
Chicago	301,990,000	148,544,000
St. Louis	119,835,000	57,463,000
Minneapolis	7,755,000	3,412,000
Kansas City	25,373,000	21,405,000
Dallas	10,835,000	9,471,000
San Francisco	162,890,000	93,202,000
Total	\$2,151,449,000	\$1,002,953,000

FEDERAL RESERVE BANK
OF NEW YORK

February 25, 1944.

*To all Banking Institutions in the
Second Federal Reserve District:*

We are pleased to announce that The Johnstown Bank,
Johnstown, New York, has become a member of the Federal
Reserve System effective February 25, 1944.

ALLAN SPROUL,
President.

at 44-3

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

February 25, 1944

Dear Sir:

The Treasury Department has advised us that a preliminary review of the reports on Form TFR-500 which persons in this country were required to file concerning their foreign property indicates that some persons owning foreign dollar bonds are still unaware of the reporting requirements or have failed to understand that the exemptions from filing reports did not apply to such bonds.

The Treasury has informed us that "by reason of their volume and the income due therefrom, United States holdings of foreign dollar bonds have an important place in the financial relations between this country and many foreign countries. They comprise a large part, sometimes the larger part, of the total American-owned assets in certain countries. Not only the Treasury Department but also the Departments of State and Commerce are greatly interested in the results of the census as it relates to this field."

To assist in obtaining this important information, the Treasury Department requests that you give a copy of the enclosed notice to each of your customers (except another banking institution) who deposits with you for collection a coupon from any foreign dollar bond or for whom you hold a foreign dollar bond in custody. By this means it is hoped to reach all bondholders who have not as yet realized their obligation to report. *As the Treasury indicated in its letter of December 22, 1943, there is no disposition to seek the application of penalties against persons who file reports promptly upon becoming aware of the requirements.*

It is proposed that the distribution of notices to persons making deposits begin at once and be continued long enough to include coupons due in August of this year, so as to insure a coverage of a full half year's payments. Your assistance in distributing the notices will be greatly appreciated by the Treasury Department as well as by this bank.

Although the notice contemplates that the necessary forms and instructions for reporting may be obtained from this bank, there will, of course, be no objection to any bank assisting its customers to obtain the requisite materials and prepare reports.

We shall be glad to furnish you with additional copies of the notice, or with copies of the report forms and instructions.

Very truly yours,



ALLAN SPROUL,
President.

''TO OWNERS OF FOREIGN DOLLAR BONDS''

Have you reported your foreign bonds on Treasury Department Form TFR-500? You are required by law to report any foreign bonds payable in United States dollars (including Canadian, Latin American, and Philippine issues) which you owned on May 31, 1943, regardless of their value. The exemption of \$10,000, provided for most kinds of property reportable on the form, does not apply to foreign dollar bonds.

If you should have reported but have not yet done so, your report must be filed immediately. Full information and the necessary forms can be obtained from the undersigned Federal Reserve Bank, by means of the order blank printed on the back of this notice.

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

ORDER BLANK

To the Foreign Funds Control Department,
Federal Reserve Bank of New York, New York 5, New York.

Please send me copies of Form TFR-500 and instructions for reporting foreign dollar bonds of _____ different countries (specify number of countries). The bonds to be reported are owned by (check appropriate block below):

1. An individual 2. A corporation or other organization
3. An administrator, executor, trustee, or other fiduciary

Name (Please print)

Street and Number

City and State