

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2910]
February 23, 1945]

Public Notice of Offering of \$1,300,000,000, or thereabouts, of 91-Day Treasury Bills

Dated March 1, 1945

Maturing May 31, 1945

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.

FOR RELEASE, MORNING NEWSPAPERS,
Friday, February 23, 1945.

TREASURY DEPARTMENT
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,300,000,000, 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 1, 1945, and will mature May 31, 1945, 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 26, 1945. 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 \$200,000 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 1, 1945.

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 26, 1945. 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.

(Extract from Treasury Department statement released for publication February 20, 1945, announcing results after tenders were opened for Treasury bills dated February 23, 1945 maturing May 24, 1945)

	Federal Reserve District	Total Applied for	Total Accepted
Total applied for		\$1,887,678,000	
Total accepted		\$1,308,371,000 (includes \$65,660,000 entered on a fixed-price basis at 99.905 and accepted in full)	
Average price	99.906+	Equivalent rate of discount approx. 0.376% per annum	
Range of accepted competitive bids:			
High	99.910	Equivalent rate of discount 0.360% per annum	
Low	99.906	Equivalent rate of discount 0.376% per annum	
	Boston	\$ 28,465,000	\$ 18,470,000
	New York	1,376,808,000	951,472,000
	Philadelphia	28,238,000	20,774,000
	Cleveland	34,852,000	22,199,000
	Richmond	26,780,000	21,149,000
	Atlanta	23,275,000	16,069,000
	Chicago	260,765,000	178,183,000
	St. Louis	7,725,000	5,060,000
	Minneapolis	4,015,000	3,840,000
	Kansas City	17,225,000	10,730,000
	Dallas	11,672,000	8,572,000
	San Francisco	67,858,000	51,853,000
	TOTAL	\$1,887,678,000	\$1,308,371,000

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

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 1, 1945.

Maturing May 31, 1945.

Dated at.....
.....1945

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

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on February 23, 1945, 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 23, 1945, 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 \$200,000)

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 1, 1945, and are to mature on May 31, 1945.

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.

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**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

February 26, 1945.

UNITED STATES SAVINGS BONDS

**Instructions Regarding Payment of Bonds of Series A at Maturity
and Issuance of Bonds of Series E in Exchange**

*To all Incorporated Banks and Trust Companies in the
Second Federal Reserve District Qualified to Make Payments
in Connection with the Redemption of United States Savings Bonds:*

In our Circular No. 2902, dated February 12, 1945, we advised you that, beginning on March 1, 1945, individuals (natural persons) owning maturing Savings Bonds of Series A would have the option of receiving payment of the maturity value in cash, or of exchanging their bonds for Series E War Savings Bonds. The following instructions are for the guidance of qualified banks and trust companies which will pay maturing Series A bonds and issue Series E bonds purchased with the proceeds.

1. *Maturing Series A Bonds Presented for Payment in Cash*

Series A bonds registered in the name of an individual (natural person) as owner or coowner in his own right and presented by such owner or coowner for payment in cash may be paid by a qualified bank or trust company, as provided in Treasury Department Circular No. 750, dated September 5, 1944, a copy of which was contained in our Circular No. 2834 of the same date. All other maturing Series A bonds (including those registered in the names of associations, corporations, fiduciaries or deceased individual owners) should be forwarded to us for payment, with requests for payment properly executed and certified, and accompanied by any documentary evidence necessary to support the payment.

2. *Maturing Series A Bonds Presented for Exchange*

When an individual (natural person) named as owner or coowner of maturing Series A bonds wishes to apply the proceeds of such bonds in payment for Series E bonds to be inscribed in the name of such individual, in any authorized form of registration, a qualified bank or trust company may pay the Series A bonds and issue Series E bonds in any denominations, the issue price of which is fully covered by the proceeds of the maturing bonds, or such lesser amount as the individual may direct. Any remaining balance should, of course, be paid to such individual. Further instructions with respect to these transactions are stated in sections 4 and 5 below.

When an individual (natural person) not named as owner or coowner has succeeded to legal title in his own right to maturing Series A bonds (as a surviving designated beneficiary, as heir or legatee of the owner, or otherwise) and wishes to apply the proceeds of such bonds in payment for Series E bonds, a qualified bank or trust company is not authorized to complete the transaction but may forward the maturing bonds to us with requests for payment properly executed and certified, accompanied by documentary evidence of the change of title and by

(OVER)

instructions with respect to the form of registration and amount of Series E bonds desired in exchange. Any balance of the proceeds of the Series A bonds in excess of the issue price of the Series E bonds will be remitted by us by check to the order of the owner.

Owners of Series A bonds other than individuals are not eligible to purchase Series E bonds and may not exchange their maturing bonds as provided above. Such bonds should be forwarded to us with requests for payment properly executed and certified. We will make payment by check to the order of the owners in the regular course.

3. *Limitation on Holdings of Series E Bonds*

Series E bonds, the entire issue price of which is paid with the proceeds of maturing Series A bonds during the month in which the latter mature, will be dated as of the first day of that month and will not be subject to the limitations on holdings of Series E bonds acquired on original issue. On the other hand, when proceeds of Series A bonds maturing in one month are applied to the purchase of Series E bonds in a subsequent month, the Series E bonds will be dated as of the first day of the latter month and will be taken into consideration in determining whether the owner's holdings exceed \$5,000 (maturity value) of Series E bonds issued in the same calendar year.

4. *Treatment of Series A Bonds Paid by Qualified Banks*

Maturing Series A bonds paid by a qualified bank or trust company, whether the owner receives the full maturity value in cash or Series E bonds issued in exchange, should be handled in exactly the same manner as any other savings bonds paid by it. In other words, the requests for payment should be executed by the owner presenting the bonds, the paid bonds should be stamped in the usual manner and forwarded to us for credit along with other paid bonds; paid Series A bonds should *not* be forwarded to us as a remittance for Series E bonds issued in exchange.

5. *Treatment of Registration Stubs of Series E Bonds Issued in Exchange*

Where all or a part of the proceeds of Series A bonds maturing in one month are applied in payment for Series E bonds issued in the same month, the original registration stubs of the Series E bonds should be marked in the *lower left corner*, as follows:

EX-A35

Rubber stamps to be used in imprinting this notation on the stubs are being sent to all qualified banks and trust companies in this Federal Reserve District. Stubs bearing this notation should be included in the same transmittal letter with stubs of bonds issued against regular cash payments, but should be segregated from the other stubs. The marking and segregation of stubs in this manner is necessary in order that they may be excluded in computing total holdings of Series E bonds by the owners, and may be used in compiling records of the volume of Series A bonds exchanged. When proceeds of Series A bonds maturing in one month are applied to the purchase of Series E bonds in a subsequent month, *no notation should be made on the stubs of the Series E bonds issued.*

Additional copies of these instructions will be furnished upon request.

ALLAN SPROUL,
President.