

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3010]  
October 5, 1945

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

Dated October 11, 1945

Maturing January 10, 1946

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, October 5, 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 October 11, 1945, and will mature January 10, 1946, 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 standard time, Monday, October 8, 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 October 11, 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 standard time, on Monday, October 8, 1945. It is requested that tenders be submitted on special form printed on reverse side and returned in special envelope enclosed herewith. *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 October 2, 1945, announcing results after tenders were opened for Treasury bills dated October 4, 1945 maturing January 3, 1946)

		Federal Reserve District	Total Applied for	Total Accepted
Total applied for	\$2,159,025,000			
Total accepted	\$1,310,368,000 (includes \$47,020,000 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	Boston	\$ 34,470,000	\$ 22,590,000
Range of accepted competitive bids:		New York	1,555,900,000	924,730,000
High	99.909 Equivalent rate of discount 0.360% per annum	Philadelphia	48,585,000	37,560,000
Low	99.905 Equivalent rate of discount approx. 0.376% per annum	Cleveland	30,685,000	19,345,000
		Richmond	19,905,000	18,780,000
		Atlanta	3,140,000	2,890,000
		Chicago	259,640,000	147,523,000
		St. Louis	6,300,000	5,175,000
		Minneapolis	12,820,000	8,320,000
		Kansas City	47,210,000	37,310,000
		Dallas	9,675,000	8,550,000
		San Francisco	130,695,000	77,595,000
(55 percent of the amount bid for at the low price was accepted)		TOTAL	\$2,159,025,000	\$1,310,368,000

**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 11, 1945.

Maturing January 10, 1946.

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 October 5, 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 October 5, 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 October 11, 1945, and are to mature on January 10, 1946.

*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

October 8, 1945

**VICTORY LOAN**

**Limitations To Be Placed on Subscriptions From  
Insurance Companies and Savings Institutions**

*To all Insurance Companies and Savings Institutions  
in the Second Federal Reserve District:*

The following statement for the press was today made public:

Secretary of the Treasury Vinson today made public the limitations to be placed on subscriptions, including deferred payment subscriptions, from insurance companies and savings institutions during the Victory Loan Drive. These decisions were reached after consultations with representatives of the two groups affected.

All insurance companies will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to 15 percent of the total amount of United States Government securities held by the subscribing company on December 31, 1944, or 6 percent of that company's total admitted assets as of that date, whichever figure is larger.

Savings institutions, which are defined for this purpose as savings banks that do not accept demand deposits, savings and loan associations, building and loan associations, cooperative banks and credit unions, will be permitted to subscribe to the marketable securities in aggregate amounts not in excess of an amount equal to twice the amount of the net increase in assets (total assets less borrowed funds) of the subscriber during the period from July 1, 1945, through September 30, 1945, plus 7 percent of the amount of United States Government securities held by the subscriber on June 30, 1945. The formula set for this group was reached in recognition of the difficulty in meeting a consistent interpretation of normal portfolio adjustments and the disparity in growth of assets among individual institutions falling within this group.

Insurance companies and savings institutions are requested not to use these formulae to circumvent the Treasury's request that non-bank investors refrain from selling securities heretofore acquired in order to obtain the funds to subscribe for securities offered in the Victory Loan Drive, except for normal portfolio adjustments.

It will facilitate handling of these subscriptions if each institution planning to subscribe under these formulae will furnish the Federal Reserve Bank of its district, prior to entering subscriptions, with the figures applicable to it under its formula.

For your convenience in furnishing us this information, we enclose a form which should be filled in and returned to us before entering a subscription. Your cooperation in this respect will be appreciated.

ALLAN SPROUL,  
*President.*





