

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

[Circular No. 3061
February 15, 1946]

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

Dated February 21, 1946

Maturing May 23, 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, February 15, 1946.

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 February 21, 1946, and will mature May 23, 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, February 18, 1946. 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 February 21, 1946.

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, February 18, 1946. 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 February 12, 1946, announcing results after tenders were opened for Treasury bills dated February 14, 1946 maturing May 16, 1946)

Total applied for\$1,987,760,000		
Total accepted\$1,309,003,000 (includes \$51,482,000 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 competitive bids:			
High 99.908	Equivalent rate of discount approx. 0.364% per annum	
Low 99.905	Equivalent rate of discount approx. 0.376% per annum	
(62 percent of the amount* bid for at the low price was accepted)			
		<i>Federal Reserve District</i>	<i>Total Applied for</i>
		Boston	\$ 19,525,000
		New York	1,493,098,000
		Philadelphia	39,975,000
		Cleveland	23,765,000
		Richmond	17,735,000
		Atlanta	23,445,000
		Chicago	274,134,000
		St. Louis	18,305,000
		Minneapolis	3,300,000
		Kansas City	12,963,000
		Dallas	10,225,000
		San Francisco	51,290,000
		TOTAL	\$1,987,760,000
			\$ 1,309,003,000

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 February 21, 1946.

Maturing May 23, 1946.

Dated at
.....1946

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 15, 1946, 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 15, 1946, 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 February 21, 1946, and are to mature on May 23, 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

February 15, 1946.

REDEMPTION OF UNITED STATES SAVINGS BONDS

Important Changes in Procedure for Handling Bonds

Paid by Banks and Other Financial Institutions

*To Incorporated Banks and Trust Companies
and Other Financial Institutions in the Second
Federal Reserve District, except those in the territory
assigned to the Buffalo Branch, Qualified to Make
Payments in Connection with the Redemption of
United States Savings Bonds:*

The present procedure relating to payment of United States Savings Bonds of Series A, B, C, D and E by qualified paying agents in the Second Federal Reserve District, outside the territory assigned to the Buffalo Branch, will be modified effective March 1, 1946. The changes in procedure, which should be observed carefully by each paying agent, are summarized below:

New Form of Transmittal Letter

A new form of transmittal letter (Form Sav. B. 37) should be used in connection with all shipments of paid Savings Bonds made to us on or after March 1, 1946. Supplies of the present transmittal letter (Form Sav. B. 28.1) in your possession on that date should be destroyed.

A completed specimen copy of the new form of transmittal letter is enclosed. A supply of blank forms for your use is being forwarded under separate cover. The following important features of the new form should be carefully observed:

1. Not more than 200 pieces should be listed on a single letter. It is permissible, however, to include more than one letter in a single shipment when more than 200 paid bonds are on hand. When a shipment contains more than one letter, each letter should be totaled separately; the totals of two or more letters should not be combined.
2. Bonds paid by you in one month should not be intermingled, or scheduled on the same letter, with bonds paid in a different month. We reserve the right to return to the paying agent for correction any transmittal letter on which bonds paid in different months are scheduled.
3. Paid bonds should be listed on the transmittal letter in the order of the redemption value paid by you, in the manner indicated by the enclosed specimen form.
4. The section entitled "Recapitulation" should be completed and totaled.
5. The manner in which you wish to receive payment from us should be indicated under the caption "Payment Instructions".
6. For the purpose of identification, you should impress your payment stamp in the two spaces provided.
7. Although the new form of transmittal letter makes no provision for listing the serial numbers of paid bonds forwarded for redemption, you should continue to maintain a microfilm or other record of the serial numbers of bonds included in each letter for use in event of loss or destruction of the shipment.

(OVER)

New Form of "Paid" Stamp

We are sending you under separate cover a supply of a new form of "Paid" stamp for use commencing March 1, 1946. This stamp contains your name and a *new code number* which has been assigned to you for purposes of identification in connection with the payment of Savings Bonds. Will you please destroy your old "Paid" stamps on March 1, *but retain the dating type supplied with the old stamps for use in the new stamps on and after that date.*

Change in Advice of Credit

Member banks and banks maintaining nonmember clearing accounts with us which have requested credits to their reserve accounts or nonmember clearing accounts for paid Savings Bonds submitted by them for redemption, have heretofore received advice of such credits on Form BK 129, our regular form of advice of credits for cash items forwarded by member banks and others. Commencing March 1, 1946, advice of credits for paid Savings Bonds submitted for redemption will no longer be included on Form BK 129; a separate advice of such credits will be furnished.

When a paying agent requests payment by credit to an account maintained with us by a correspondent of the paying agent, advice of such credit will be sent both to the paying agent and to the correspondent.

These changes of procedure are designed to facilitate the handling of paid bonds and it is important, therefore, that each paying agent receive notice thereof and supplies of the new transmittal letter forms and the new paying stamps. Will you please acknowledge receipt of this letter by signing the enclosed card and returning it to us, and communicate with us promptly if you do not receive either the forms or the stamp within one week after receiving this letter.

ALLAN SPROUL,
President.

FEDERAL RESERVE BANK
OF NEW YORK

TRANSMITTAL LETTER PAID SAVINGS BONDS OF SERIES A, B, C, D AND E

INSTRUCTIONS TO PAYING AGENTS

Do not schedule on this form bonds paid in different months. Use a separate form for each month. Do not schedule more than 200 bonds on one transmittal letter.

It is extremely important that paying agents maintain in their files a record of the serial numbers of the savings bonds included in each shipment.

Forward the bonds together with the original copy of this transmittal letter to the Federal Reserve Bank of New York, Savings Bond Redemption Department, New York 7, New York. No other matter should be included in such shipment.

FEDERAL RESERVE BANK OF NEW YORK,
Savings Bond Redemption Department,
New York 7, New York.

Date March 4, 1946

We are forwarding herewith for settlement 188 United States Savings Bonds paid by us during the month of March 1946 in the amount of \$ 13,055.48 as scheduled below.
(Number of Pieces) (Total Amount Paid)

SCHEDULE OF PAID BONDS FORWARDED HEREWITH

(Do Not Schedule more than 200 Bonds on One Transmittal Letter)

\$10 Bonds			\$25 Bonds			\$50 Bonds			\$100 Bonds		
Units	Unit Payment	Total Payment	Units	Unit Payment	Total Payment	Units	Unit Payment	Total Payment	Units	Unit Payment	Total Payment
2	7.50	15.00	25	18.75	468.75	22	37.50	825.00	4	75.00	300.00
			15	18.87	283.05	18	37.75	679.50	3	75.50	226.50
			18	19.00	342.00	12	38.00	456.00	2	76.00	152.00
			14	19.12	267.68	15	38.25	573.75	2	76.50	153.00
			5	19.25	96.25	3	38.50	115.50			
			4	19.50	78.00						
			6	19.75	118.50						
			3	20.00	60.00						
2	Totals	15.00	90	Totals	1714.23	70	Totals	2649.75	11	Totals	831.50

\$200 Bonds			\$500 Bonds			\$1,000 Bonds			RECAPITULATION		
Units	Unit Payment	Total Payment	Units	Unit Payment	Total Payment	Units	Unit Payment	Total Payment	Denominations Only		
									Pieces	Mat. Value	
2	150.00	300.00	2	375.00	750.00	3	750.00	2250.00	2	\$ 10	20
			2	377.50	755.00	2	755.00	1510.00	90	25	2250
			2	380.00	760.00	2	760.00	1520.00	70	50	3500
									11	100	1100
									2	200	400
									6	500	3000
									7	1,000	7000
2	Totals	300.00	6	Totals	2265.00	7	Totals	5280.00	188	Totals	17270

These Spaces for the Use of the Federal Reserve Bank

Sequence Total (x).....	Item Number.....
U/C Charge Date	Code Number.....
Amount Paid.....	Payment Month.....
Sequence Code.....	Date of Letter.....
Total Pieces(x)	County Number.....
Sequence Range	Code Number Total (.....)

IMPRESS PAYMENT STAMP IN THIS SPACE

PAID \$.....
1125
First Nat. Bank
U.S.A. 69
MAR 4 1946
BY.....

The above impression is made for the purpose of identification only. It does not constitute an acknowledgment of payment for bonds.

PAYMENT INSTRUCTIONS

Issue check to our order in the amount of - - - \$.....

Credit our Reserve Account in the amount of - - - \$ 13,055.48

Credit: _____ for our account the amount of \$.....

Name of Bank

IMPRESS PAYMENT STAMP IN THIS SPACE

PAID \$.....
1125
First Nat. Bank
U.S.A. 69
MAR 4 1946
BY.....

The above impression is made for the purpose of identification only. It does not constitute an acknowledgment of payment for bonds.

with letter dated
February 15, 1946

From

Receipt of Federal Reserve Bank of New York
printed letter dated February 15, 1946, entitled "Redemption
of United States Savings Bonds" is hereby acknowledged.

.....
Signature of Officer

.....
Title

.....
Date

Federal Reserve Bank of New York,
Savings Bond Redemption Department,
Federal Reserve P. O. Station,
New York 7, N. Y.