## FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[ Circular No. 3308 ] February 17, 1948 ]

## Public Notice of Offering of \$1,100,000,000, or thereabouts, of 91-Day Treasury Bills Dated February 26, 1948 Maturing May 27, 1948

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 non-competitive bidding.

FOR RELEASE, MORNING NEWSPAPERS, Tuesday, February 17, 1948.

TREASURY DEPARTMENT Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing February 26, 1948, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated February 26, 1948, and will mature May 27, 1948, 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, \$10,000, \$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, Friday, February 20, 1948. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders 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, non-competitive tenders for \$200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 26, 1948, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 26, 1948. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

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 the Internal Revenue Code, or laws amendatory or supplementary thereto. 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 45, 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 Friday, February 20, 1948. 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. Settlement must be made in cash or other immediately available funds or in maturing Treasury bills.

ALLAN SPROUL, President.

(PLEASE NOTE CHANGE IN THE CLOSING DAY OF THIS OFFERING.)

(OVER)

Tenders for this issue must reach the Federal Reserve Bank of New York or its Buffalo Branch not later than 2 p.m., Eastern Standard time, Friday, February 20, 1948.

maturity value in paragraph headed "Compe competitive basis, fill in only the maturity	etitive Bid". If it is desired to bid on a non- value in paragraph headed "Non-competitive one form. A separate tender must be used for			
	No			
	Y TREASURY BILLS			
Dated February 26, 1948.	Maturing May 27, 1948.			
To Federal Reserve Bank of New York, Fiscal Agent of the United States.	Dated at			
COMPETITIVE BID	NON-COMPETITIVE BID			
Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on February 17, 1948, as issued by the Secretary of the Treasury, the undersigned offers	Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on February 17, 1948, as issued by the Secretary of the Treasury, the undersigned offers a non-competitive tender			
\$ * 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, settlement therefor to be made at your bank, on the date stated in the public notice, as follows:	for a total amount of \$			
By surrender of the maturing issue of	By surrender of the maturing issue of			
Treasury bills \$	Treasury bills \$			
By cash or other immediately available	By cash or other immediately available funds\$			
funds\$				
The Treasury bills for which tender is hereby mature on May 27, 1948.	made are to be dated February 26, 1948, and are to			
This tender will be inserted in special envelope en	titled "Tender for Treasury bills".			
Name of Bidder	(Please print)			
By(Official signat	ture required) (Title)			
Street Address				
	(City, Town or Village, P. O. No., and State)			
If this tender is submitted for the account of a customer, ind				
(Name of Customer)				
Use a separate tender for each customer's bid.				
IMPORTANT INCORPICATIONS				
\$1,000 (maturity value). A separate tender must be executed 2. If the person making the tender is a corporatio authorized to make the tender, and the signing of the tend resentation by him that he has been so authorized. If the tender of the firm, who should sign in the form "	on, the tender should be signed by an officer of the corporation ler by an officer of the corporation will be construed as a repender is made by a partnership, it should be signed by a mem, a copartnership, by			
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 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaran				

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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