

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3319  
March 19, 1948]

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

Dated March 25, 1948

Maturing June 24, 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,  
Friday, March 19, 1948.

TREASURY DEPARTMENT  
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing March 25, 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 March 25, 1948, and will mature June 24, 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, \$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, March 22, 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 March 25, 1948, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 25, 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 Monday, March 22, 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.

(Extract from Treasury Department statement released for publication March 16, 1948, announcing results after tenders were opened for Treasury bills dated March 18, 1948 maturing June 17, 1948)

Total applied for.....	\$1,935,941,000	Federal Reserve District	Total Applied for	Total Accepted
Total accepted .....	\$1,107,232,000 (includes \$43,282,000 entered on a non-competitive basis and accepted in full at the average price shown below)	Boston .....	\$ 10,585,000	\$ 6,515,000
Average price.....	99.748 Equivalent rate of discount approx. 0.996% per annum	New York .....	1,596,028,000	889,026,000
Range of accepted competitive bids:		Philadelphia .....	18,990,000	6,262,000
High .....	99.756 Equivalent rate of discount approx. 0.965% per annum	Cleveland .....	15,715,000	8,315,000
Low .....	99.747 Equivalent rate of discount approx. 1.001% per annum	Richmond .....	4,925,000	4,851,000
	(26 percent of the amount bid for at the low price was accepted)	Atlanta .....	2,780,000	2,632,000
		Chicago .....	198,875,000	141,581,000
		St. Louis .....	3,800,000	3,349,000
		Minneapolis .....	2,305,000	1,935,000
		Kansas City .....	21,040,000	16,278,000
		Dallas .....	4,360,000	4,360,000
		San Francisco .....	56,538,000	22,128,000
		TOTAL .....	\$1,935,941,000	\$1,107,232,000

(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 non-competitive basis, fill in only the maturity value in paragraph headed "Non-competitive 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 25, 1948.

Maturing June 24, 1948.

Dated at .....

.....1948

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 March 19, 1948, as issued by the Secretary of the Treasury, the undersigned offers

.....\* 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:

By surrender of the maturing issue of Treasury bills..... \$.....

By cash or other immediately available funds ..... \$.....

NON-COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on March 19, 1948, as issued by the Secretary of the Treasury, the undersigned offers a non-competitive tender for a total amount of \$.....  
(Not to exceed \$200,000)

(maturity value) of the Treasury bills therein described, at the average price (in three decimals) of accepted competitive bids, settlement therefor to be made at your bank, on the date stated in the public notice, as follows:

By surrender of the maturing issue of Treasury bills..... \$.....

By cash or other immediately available funds ..... \$.....

The Treasury bills for which tender is hereby made are to be dated March 25, 1948, and are to mature on June 24, 1948.

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.