

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3362]
August 18, 1948]

TREASURY SAVINGS NOTES, SERIES D

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following press statement was today made public:

Secretary of the Treasury Snyder announced today the details of the new Treasury Savings Notes, Series D, which will become available for purchase on September 1, 1948, and the termination of the sale of Treasury Savings Notes, Series C, at the close of business August 31.

The new notes of Series D will be dated as of the first day of the month in which purchased, will mature three years thereafter, and they will be issued at par. Interest on the notes will accrue each month from month of issue, on a graduated scale, the equivalent yield if held to maturity being approximately 1.40 percent per annum. The amount of accrual each month on each \$1,000 principal amount of notes, from month of issue to month of maturity, follows:

Half-year periods after month of issue	Interest accrual each month per \$1,000	\$1,000 principal with interest accrual (cumulative) to end of period added
First $\frac{1}{2}$ year	\$0.80	\$1,004.80
$\frac{1}{2}$ to 1 year	1.00	1,010.80
1 to $1\frac{1}{2}$ years	1.20	1,018.00
$1\frac{1}{2}$ to 2 years	1.30	1,025.80
2 to $2\frac{1}{2}$ years	1.40	1,034.20
$2\frac{1}{2}$ to 3 years	1.40	1,042.60

The Secretary also announced that the period during which the new notes may not be submitted for cash redemption has been decreased from six months to four months from month of issue.

Like Series C, the new notes of Series D will be available for use in payment of income, estate and gift taxes imposed by the Internal Revenue Code and assessed against the owner of the notes or his estate. If not presented in payment of taxes, and except for those in the names of banks that accept demand deposits, the notes of Series D will be redeemable at par and accrued interest, either at maturity or during and after the fourth calendar month after the month of issue. If inscribed in the name of a bank that accepts demand deposits, the notes will be accepted at par and accrued interest in payment of taxes, but redeemed for cash at or before maturity only at the purchase price, or par.

The new Treasury Savings Notes, like those of prior series, will be issued only by the Federal Reserve Banks and Branches, and the Treasury Department, Washington.

Copies of the Treasury Department circular giving full particulars regarding the notes of the new series and new application forms for the new series are being prepared and will be furnished you on or about September 1, 1948.

ALLAN SPROUL,
President.