

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[ Circular No. 3364  
August 20, 1948 ]

Public Notice of Offering of \$1,000,000,000, or thereabouts, of 92-Day Treasury Bills

Dated August 26, 1948

Maturing November 26, 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, August 20, 1948.

TREASURY DEPARTMENT  
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 92-day Treasury bills, for cash and in exchange for Treasury bills maturing August 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 August 26, 1948, and will mature November 26, 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 Daylight Saving time, Monday, August 23, 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 August 26, 1948, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 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 Daylight Saving time, on Monday, August 23, 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 August 17, 1948, announcing results after tenders were opened for 91-day Treasury bills dated August 19, 1948 maturing November 18, 1948)

Total applied for.....	\$1,447,552,000
Total accepted.....	\$900,595,000 (includes \$51,984,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Average price ...	99.730+ Equivalent rate of discount approx. 1.066 percent per annum
Range of accepted competitive bids:	
High .....	99.750 Equivalent rate of discount approx. 0.989 percent per annum
Low .....	99.727 Equivalent rate of discount approx. 1.080 percent per annum

<u>Federal Reserve District</u>	<u>Total Applied for</u>	<u>Total Accepted</u>
Boston .....	\$ 14,760,000	\$ 5,552,000
New York .....	1,193,576,000	714,503,000
Philadelphia .....	35,185,000	4,685,000
Cleveland .....	21,765,000	19,513,000
Richmond .....	4,025,000	3,025,000
Atlanta .....	8,094,000	7,994,000
Chicago .....	105,571,000	98,951,000
St. Louis .....	2,545,000	2,537,000
Minneapolis .....	3,568,000	3,568,000
Kansas City .....	15,998,000	15,958,000
Dallas .....	7,950,000	7,942,000
San Francisco .....	34,515,000	16,367,000
<b>Total .....</b>	<b>\$1,447,552,000</b>	<b>\$900,595,000</b>

(96 percent of the amount bid for at the low price was accepted)

IMPORTANT—It will be noted that the offering is for 92-day Treasury bills which will mature on Friday, November 26, 1948, owing to the fact that Thursday, November 25, will be Thanksgiving Day.

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 92-DAY TREASURY BILLS

Dated August 26, 1948.

Maturing November 26, 1948.

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

Dated at .....  
.....1948

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on August 20, 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..... \$.....

The Treasury bills for which tender is hereby made are to be dated August 26, 1948, and are to mature on November 26, 1948.

This tender will be inserted in special envelope entitled "Tender for Treasury bills".

NON-COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on August 20, 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..... \$.....

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.

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**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

August 20, 1948

**REGULATIONS GOVERNING ARMED FORCES LEAVE BONDS**

*To Incorporated Banks and Trust Companies and Other  
Financial Institutions in the Second Federal Reserve  
District Qualified to Make Payments in Connection with  
the Redemption of Armed Forces Leave Bonds:*

For your information there is reprinted on the reverse side a copy of the First Amendment, dated August 6, 1948, to Treasury Department Circular No. 793 Revised, dated August 1, 1947, regarding the right to payment upon the death of an owner of an Armed Forces Leave Bond and payment to survivors.

Additional copies of this amendment will be furnished upon request.

ALLAN SPROUL,  
*President.*

# REGULATIONS GOVERNING ARMED FORCES LEAVE BONDS

1948  
First Amendment to  
Department Circular No. 793  
Revised, dated  
August 1, 1947  
Fiscal Service  
Bureau of the Public Debt

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, August 6, 1948.

## TO MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES OF THE UNITED STATES AND OTHERS CONCERNED:

Pursuant to the authority contained in the Armed Forces Leave Act of 1946, as amended (60 Stat. 963, 37 U. S. C. 32-37; 61 Stat. 510; Pub. Law 710, 80th Cong.), and the Second Liberty Bond Act, as amended, Section 324.10 and Section 324.11 (a) of Department Circular No. 793, Revised, dated August 1, 1947 (31 CFR 1947 Supp., Part 324), are amended and revised to read as follows:

324.10. *Right to payment on death of owner.*—Upon the death of an owner of an Armed Forces Leave Bond the bond becomes payable only to his survivors in the following order:

- (a) Surviving wife or husband and children, if any, in equal shares;
- (b) If such owner leaves no surviving spouse or children, then in equal shares to such owner's surviving parents, if any;
- (c) If such owner leaves no surviving spouse, child, or parent, then in equal shares to such owner's surviving brothers and sisters, if any;
- (d) If such owner leaves no surviving spouse, child, parent, brother, or sister, then in equal shares to the surviving child or children, if any, of such owner's deceased brothers and sisters. If there are no such survivors the bond will be retired and the amount covered into the general fund of the Treasury. Accordingly, payment will not be made to an executor or administrator of the estate of a deceased registered owner, and if a bond should come into the possession of such an executor or administrator, or other person not a survivor, following the death of the owner it should immediately be delivered to one of the survivors, if any; otherwise forwarded to the Division of Loans and Currency, Washington 25, D. C., with a signed statement that there are no known survivors.

324.11. *Payment to survivors.*—\* \* \*

- (a) *Definition of survivors.*—Survivors are defined in the Act as follows:
  - (1) "Spouse" means a lawful wife or husband;
  - (2) "Children" include
    - (a) a legitimate child;
    - (b) a child legally adopted;
    - (c) a stepchild, if, at the time of death of the member or former member of the armed forces, such stepchild is a member of the deceased's household;
    - (d) an illegitimate child, but in the case of a male member or former male member of the armed forces only if he has been judicially ordered or decreed to contribute to such child's support; has been judicially decreed to be the putative father of such child; or has acknowledged under oath in writing that he is the father of such child; and
    - (e) a person to whom the member or former member of the armed forces at the time of death stands in loco parentis and so stood for not less than twelve months prior to the date of death;
  - (3) "Parent" includes father and mother, grandfather and grandmother, stepfather and stepmother, father and mother through adoption, and persons who, for a period of not less than one year prior to the death of the member or former member of the armed forces, stood in loco parentis to such member or former member: *Provided*, That not more than two parents may receive the benefits provided under this Act and preference shall be given to the parent or parents, not exceeding two, who actually exercised parental relationship at the time of or most nearly prior to the date of the death of such member or former member of the armed forces; and
  - (4) "Brother" and "sister" include brothers and sisters of the half blood as well as those of the whole blood, stepbrothers, and stepsisters, and brothers and sisters through adoption.

JOHN W. SNYDER,  
Secretary of the Treasury.