FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3704
May 14, 1951]

TREASURY SAVINGS NOTES

Series A

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

The following statement was made public today:

Secretary of the Treasury Snyder announced today the details of the new Treasury Savings Notes which will be offered for sale beginning May 15, 1951. The sale of the current Series D Treasury Savings Notes will be discontinued at the close of business today.

The new series of notes will be designated Series A. They will be dated the fifteenth of each calendar month and will mature three years thereafter. As is the case with the Series D savings notes, accrued interest will be collected from the purchaser from the issue date of the new notes to the day, inclusive, on which full payment is made in cash or other immediately available funds. The notes may be purchased from any Federal Reserve Bank or Branch or from the Treasurer of the United States in Washington.

Interest on the notes will accrue monthly on the fifteenth day of each month from the issue date, at rates ranging from 1.44 percent if the notes are held for six months or less to 1.88 percent if the notes are held for the full three-year term. They 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, at par and accrued interest, at any time after two months from the issue date. They will be redeemable for cash at par and accrued interest at any time after four months from the issue date, except in the case of notes inscribed in the name of a bank that accepts demand deposits. While interest will be credited on notes inscribed in the name of a bank that accepts demand deposits if presented in payment of taxes, no interest will be paid either at or before maturity if such notes are redeemed for cash.

The terms of this offering are set forth in Treasury Department Circular No. 889, dated May 10, 1951, a copy of which is printed on the following pages. Enclosed are copies of a new application form (G.B. 499A) for the notes of the new series.

Additional copies of this circular and of the application form will be furnished upon request.

ALLAN SPROUL,
President.

UNITED STATES OF AMERICA
TREASURY SAVINGS NOTES
Series A

1951
Department Circular No. 889

Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, May 10, 1951.

Subpart A: OFFERING OF NOTES

Sec. 331.1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale to the people of the United States, at par and accrued interest as provided in Section 331.12 hereof, an issue of notes of the United States designated Treasury Savings Notes, Series A, which notes, if inscribed in the name of a Federal taxpayer, will be receivable as hereinafter provided at par and accrued interest in payment of income, estate and gift taxes imposed by the Internal Revenue Code, or laws amendatory or supplementary thereto. The notes may also be redeemed for cash at par and accrued interest, with certain exceptions applicable to banking institutions, as provided in Section 331.16 hereof.

Sec. 331.2. *Withdrawal of Series D Notes.*—The sale of Treasury Savings Notes, Series D, offered under Department Circular No. 833, dated August 17, 1948, as amended, is hereby terminated at the close of business May 14, 1951.

Sec. 331.3. *Duration of offer.*—The sale of notes of Series A offered by this circular will begin on May 15, 1951, and will continue until terminated by the Secretary of the Treasury.

Sec. 331.4. *Definitions.*—(a) The word "month" as used herein means the period from and including the 15th day of any one calendar month to but not including the 15th day of the next succeeding month.

(b) The words "issue date" mean the date as of which a note is issued and will always be the 15th day of a calendar month.

(c) The words "interest accrual date" or "accrual date" mean the date upon which a month's interest accrues on a note, the first accrual date being the 15th day of the calendar month next following the issue date.

Subpart B: DESCRIPTION OF NOTES

Sec. 331.5. *General.*—Treasury Savings Notes, Series A, will in each instance be dated as of the 15th day of a calendar month. The issue date will be determined by the day of the month on which payment at par and accrued interest, if any, is received and credited by an agency authorized to issue the notes. For example, payment received and credited on any day during the period from and including May 15, 1951, to and including June 14, 1951, would result in the issue of notes dated May 15, 1951. They will mature three years from that date and may not be called by the Secretary of the Treasury for redemption before maturity. All notes bearing issue dates within any one calendar year shall constitute a separate series indicated by the letter "A" followed by the year of maturity. At the time of issue the issuing agency will inscribe on the face of each note the name and address of the owner, will enter the issue date and will imprint its dating stamp (with current date). The notes will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000. Exchange of authorized denominations from higher to lower, but not from lower to higher, may be arranged at any agency that issues Treasury Savings Notes, Series A.

Sec. 331.6. *Acceptance for taxes or cash redemption.*—If inscribed in the name of an individual, corporation, or other entity paying income, estate or gift taxes imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto, the notes will be receivable, subject to the provisions of Section 331.15 of this circular, at par and accrued interest, in payment of such income, estate or gift taxes assessed against the owner or his estate. If not presented in payment of taxes, or if not inscribed in the name of a taxpayer liable to the above-described taxes, and subject to the provisions of Section 331.16 of this circular, the notes will be payable at maturity, or at the owner's option and request they will be redeemable before maturity at par and accrued interest.

Sec. 331.7. *Interest.*—Interest on each $1,000 principal amount of Treasury Savings Notes, Series A, will accrue monthly on the 15th calendar day of each month after the issue date on a graduated scale, as follows:

First to Sixth months, inclusive..................................	$1.20 each month.
Seventh to Twelfth months, inclusive..............................	$1.50 each month.
Thirteenth to Eighteenth months, inclusive........................	$1.60 each month.
Nineteenth to Twenty-fourth months, inclusive.....................	$1.70 each month.
Twenty-fifth to Thirty-sixth months, inclusive....................	$1.80 each month.

The table appended to this circular shows for notes of each denomination, for each consecutive month after issue date to maturity, (a) the amount of interest accrual, (b) the principal amount of the note with accrued interest (cumulative) added, and (c) the approximate investment yields. Subject to the provisions of Sections 331.15 and 331.16 hereof, when Treasury Savings Notes, Series A, are to be paid on an interest accrual date, the payment will include interest accruing on that date; otherwise, interest will be paid only to the interest accrual date next preceding the date of payment. Interest will be paid only with the principal amount, and will not accrue beyond the maturity date of the note.

Sec. 331.8. *Forms of inscription.*—Treasury Savings Notes, Series A, may be inscribed in the name of an individual, corporation, unincorporated association or society, or a fiduciary (including trustees under a duly established trust where the notes would not be held as security for the performance of a duty or obligation), whether or not the inscribed owner is subject to taxation under the Internal Revenue Code, or laws amendatory or supplementary thereto. They may also be inscribed in the name of a town, city, county or State or other governmental body and in the name of a partnership, but notes in the name of a partnership are not acceptable in payment of taxes, since a partnership is not a taxpaying entity under the Internal Revenue Code. The notes will not be inscribed in the names of two or more persons as joint owners or coowners; or in the name of a public officer, whether or not named as trustee, where the notes would in effect be held as security for the performance of a duty or obligation.

Sec. 331.9. *Nontransferability.*—The notes may not be transferred in ordinary course; except that (1) if inscribed in the name of a married man they may be reissued in the name of his wife, or if inscribed in the name of a married woman they may be reissued in the name of her husband, upon request of the person in whose name the notes are inscribed and the surrender of the notes to the agency that issued them; (2) if inscribed in the name of a corporation owning more than 50 percent of the stock, with voting power, of another corporation, the notes may be reissued in the name of the subsidiary upon request of the corporation and surrender of the notes to the agency that issued them; (3) upon the death or disability of an individual inscribed owner or the dissolution, consolidation or merger of a corporation, unincorporated association or partnership named as owner, reissue or payment may be made in accordance with Sections

331.22 and 331.23 hereof; and (4) payment but not reissue, may be made as a result of legal proceedings as set forth in Sections 331.24 and 331.25 hereof. The notes may not be hypothecated and no attempted hypothecation or pledge as security will be recognized by the Treasury Department: *Provided, however,* That the notes may be pledged as collateral for loans from banking institutions and if title thereto is acquired by a bank because of the failure of a loan to be paid, the notes will be redeemed at par and accrued interest to the interest accrual date next preceding the date of such acquisition, unless acquired on an interest accrual date, on surrender to the agency which issued them, accompanied by proof of the date of acquisition and by request of the pledgee under power of attorney given by the pledgor in whose name the notes are inscribed. The notes will not be transferred to a pledgee. The notes will not be acceptable to secure deposits of public moneys.

Sec. 331.10. *Taxation.*—Income derived from the notes shall be subject to all taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto. The notes 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.

Subpart C: PURCHASE OF NOTES

Sec. 331.11. *Official agencies.*—In addition to the Treasury Department, the Federal Reserve Banks and their Branches are hereby designated agencies for the issue and redemption of Treasury Savings Notes, Series A. The Secretary of the Treasury, from time to time, in his discretion, may designate other agencies for the issue of the notes, or for accepting applications therefor, or for making payments on account of the redemption thereof.

Sec. 331.12. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and Branches and by the Treasurer of the United States, Washington, D. C. Banking institutions generally may submit applications for the account of customers but only the Federal Reserve Banks, their Branches and the Treasury Department are authorized to act as official agencies. The use of an official application form is desirable but not necessary. Such forms may be obtained upon request from any Federal Reserve Bank or Branch or the Treasurer of the United States. Every application must be accompanied by payment in full, at par and accrued interest, if any. The amount of accrued interest payable by the purchaser will be computed at the rate at which interest accrues on the notes ($1.20 per month per $1,000 par amount) for the actual number of days from but not including the issue date to and including the date funds are credited to the account of the Treasurer of the United States. For example, if funds are credited on the 20th day of January the issue date will be January 15, and five days' accrued interest must be paid by the purchaser. If collection is delayed so that credit is not given until February 15, the issue date will be February 15, and no accrued interest will be collectible. One day's accrued interest for a thirty-one day period is $0.03871 per $1,000, for a thirty day period $0.04 per $1,000, for a twenty-nine day period $0.04138 per $1,000, and for a twenty-eight day period $0.04286 per $1,000. Any form of exchange, including personal checks, will be accepted, subject to collection, and should be drawn to the order of the Federal Reserve Bank or the Treasurer of the United States, as payee, as the case may be. Any depositary qualified pursuant to the provisions of Treasury Department Circular No. 92, Revised, as amended, will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

Sec. 331.13. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded.

Sec. 331.14. *Delivery of notes.*—Upon acceptance of a full-paid application, notes will be duly inscribed and, unless delivered in person, will be delivered, at the risk and expense of the United States at the address given by the purchaser, by mail, but only within the United States, its Territories and Island Possessions, and the Canal Zone. No deliveries elsewhere will be made.

Subpart D: PRESENTATION IN PAYMENT OF TAXES

Sec. 331.15. At any time after two months from the issue date, during such time and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, notes issued hereunder in the name of a Federal taxpayer, may be presented by such taxpayer, his agent or his estate for credit against any income (current and back, personal and corporation taxes, and excess profits taxes) or any estate or gift taxes (current and back) imposed by the Internal Revenue Code, or laws amendatory or supplementary thereto, assessed against the inscribed owner or his estate. For example, a note dated January 15 may be presented for credit against taxes due March 15. The notes will be receivable by the Collector at par and accrued interest to the day (but no accrual beyond maturity) when the taxes are due, if such day falls on the 15th day of a calendar month, whether the notes are received on or before that day. If the taxes are due on any other day of the month than the 15th, accrued interest will be credited to the accrual date next preceding the day when the taxes are due. Notes are receivable only in payment of taxes equal to or exceeding the entire value of the notes, including accrued interest. The notes must be forwarded to the Collector at the risk and expense of the owner and, for his protection, should be forwarded by registered mail, if not presented in person.

Subpart E: CASH REDEMPTION AT OR BEFORE MATURITY

Sec. 331.16. *General.*—Any Treasury Savings Note, Series A, not presented in payment of taxes will be paid at maturity, or, at the option and request of the owner, and without advance notice, will be redeemed before maturity, at any time after four months from the issue date. For example, a note dated January 15 may be redeemed for cash on or after May 15. If redemption prior to maturity is requested on an interest accrual date the redemption will include interest accruing on that date, otherwise redemption will be at par and accrued interest to the interest accrual date next preceding the redemption date, except in the case of a note inscribed in the name of a bank that accepts demand deposits, in which case payment, whether at or before maturity, will be made only at par, with a refund of any accrued interest which may have been paid at the time of purchase of the note. If a note is acquired by a banking institution through forfeiture of a loan, payment will be made at par and the accrued interest payable as of the date of acquisition.

Sec. 331.17. *Execution of request for payment.*—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign and complete the request for payment appearing on the back of the note. After the request for payment has been executed, the witnessing officer should execute the certificate provided for his use.

Sec. 331.18. *Officers authorized to certify requests for payment.*—All officers authorized to certify requests for payment of United States Savings Bonds, as set forth in Treasury Department Circular No. 530, Sixth Revision, as amended, are hereby authorized to certify requests for cash redemption of Treasury savings notes issued under this circular. Such officers include, among others, United States postmasters, certain other post office officials, officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof, and commissioned and warrant officers of the Armed Forces of the United States.

Sec. 331.19. *Presentation and surrender.*—Notes bearing properly executed requests for payment must be presented and surrendered to any Federal Reserve Bank or Branch or to the Treasurer of the United States, Washington 25, D. C., at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

Sec. 331.20. *Partial redemption.*—Partial cash redemption of a note, corresponding to an authorized denomination, may be made in the same manner as full cash redemption, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued in the same name and with the same issue date as the note surrendered.

Sec. 331.21. *Payment.*—Payment of any note, either at maturity or on redemption before maturity, will be made by any Federal Reserve Bank or Branch or the Treasurer of the United States, following clearance with the agency of issue, which will be obtained by the agency to which the note is surrendered. Unless otherwise instructed, payment will be made by check drawn to the order of the owner, and mailed to the address given in his request for payment.

Subpart F: PAYMENT OR REISSUE TO OTHER THAN INSCRIBED OWNER

Sec. 331.22. *Death or disability.*—In case of the death or disability of an individual owner, if the notes are not to be presented in payment of taxes, payment will be made to the duly constituted representative of his estate, or they may be reissued to one or more of his heirs or legatees upon satisfactory proof of their right; but no reissue will be made in two names jointly or as coowners.

Sec. 331.23. *Dissolution or merger of corporations, etc.*—If a corporation or unincorporated body in whose name notes are inscribed is dissolved, consolidated, merged or otherwise changes its organization, the notes may be paid to, or reissued in the name of, those persons or organizations lawfully entitled to the assets of such corporation or body by reason of such changes in organization.

Sec. 331.24. *Bankruptcy.*—If an owner of notes is declared bankrupt or insolvent, payment, but not reissue, will be made to the duly qualified trustee, receiver or similar representative if the notes are submitted with satisfactory proof of his appointment and qualification.

Sec. 331.25. *Creditors' rights.*—Payment, but not reissue, will be made as a result of judicial proceedings in a court of competent jurisdiction, if the notes are submitted with proper proof of such proceedings and their finality.

Sec. 331.26. *Instructions and information.*—Before executing the request for payment or submitting the notes under the provisions of this subpart, instructions should be obtained from a Federal Reserve Bank or Branch or from the Treasury Department, Division of Loans and Currency, Washington 25, D. C.

Subpart G: GENERAL PROVISIONS

Sec. 331.27. *Regulations.*—Except as provided in this circular, the notes issued hereunder will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States; the regulations currently in force are contained in Department Circular No. 300, as amended.

Sec. 331.28. *Loss, theft or destruction.*—In case of the loss, theft or destruction of a savings note immediate notice (which should include a full description of the note) should be given the agency which issued the note and instructions should be requested as to the procedure necessary to secure a duplicate.

Sec. 331.29. *Fiscal agents.*—Federal Reserve Banks and their Branches, as fiscal agents of the United States, are authorized to perform such services or acts as may be appropriate and necessary under the provisions of this circular and under any instructions given by the Secretary of the Treasury, and they may issue interim receipts pending delivery of the definitive notes.

Sec. 331.30. *Amendments.*—The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, and may at any time or from time to time prescribe amendatory rules and regulations governing the offering of the notes, information as to which will promptly be furnished to the Federal Reserve Banks.

E. H. FOLEY,

Acting Secretary of the Treasury.

TREASURY SAVINGS NOTES—SERIES A

TABLE OF TAX-PAYMENT OR REDEMPTION VALUES AND INVESTMENT YIELDS

The table below shows for each month from issue date to maturity date the amount of interest accrual; the principal amount with accrued interest added, for notes of each denomination; the approximate investment yield on the par value from issue date to the 15th of each month following the issue date; and the approximate investment yield on the current redemption value from the 15th of the month indicated to the maturity date.

Note: The word "month" as used in this table means the period from and including the 15th day of any one calendar month to but not including the 15th day of the next succeeding month.

Par value	$100.00	$500.00	$1,000.00	$5,000.00	$10,000.00	$100,000.00	$500,000.00	$1,000,000.00	Approximate investment yield on par value from issue date to beginning of each monthly period thereafter	Approximate investment yield on current tax-payment or redemption values from beginning of each monthly period to maturity
Amount of interest accrual each month *after* issue month	Tax-payment or redemption values during each monthly period *after* issue month[1]									
Interest accrues at rate of $1.20 per month per $1,000 par amount:									*Percent*	*Percent* 1.88[2]
First month	$100.12	$500.60	$1,001.20	$5,006.00	$10,012.00	$100,120.00	$500,600.00	$1,001,200.00	1.44	1.89
Second month	100.24	501.20	1,002.40	5,012.00	10,024.00	100,240.00	501,200.00	1,002,400.00	1.44	1.90
Third month	100.36	501.80	1,003.60	5,018.00	10,036.00	100,360.00	501,800.00	1,003,600.00	1.44	1.91
Fourth month	100.48	502.40	1,004.80	5,024.00	10,048.00	100,480.00	502,400.00	1,004,800.00	1.44	1.93
Fifth month	100.60	503.00	1,006.00	5,030.00	10,060.00	100,600.00	503,000.00	1,006,000.00	1.44	1.95
Sixth month	100.72	503.60	1,007.20	5,036.00	10,072.00	100,720.00	503,600.00	1,007,200.00	1.44	1.96
Interest accrues at rate of $1.50 per month per $1,000 par amount:										
Seventh month	100.87	504.35	1,008.70	5,043.50	10,087.00	100,870.00	504,350.00	1,008,700.00	1.49	1.97
Eighth month	101.02	505.10	1,010.20	5,051.00	10,102.00	101,020.00	505,100.00	1,010,200.00	1.53	1.97
Ninth month	101.17	505.85	1,011.70	5,058.50	10,117.00	101,170.00	505,850.00	1,011,700.00	1.56	1.98
Tenth month	101.32	506.60	1,013.20	5,066.00	10,132.00	101,320.00	506,600.00	1,013,200.00	1.58	1.99
Eleventh month	101.47	507.35	1.014.70	5,073.50	10,147.00	101,470.00	507,350.00	1,014,700.00	1.60	2.00
Twelfth month	101.62	508.10	1,016.20	5,081.00	10,162.00	101,620.00	508,100.00	1,016,200.00	1.61	2.01
Interest accrues at rate of $1.60 per month per $1,000 par amount:										
Thirteenth month	101.78	508.90	1,017.80	5,089.00	10,178.00	101,780.00	508,900.00	1,017,800.00	1.64	2.01
Fourteenth month	101.94	509.70	1,019.40	5,097.00	10,194.00	101,940.00	509,700.00	1,019,400.00	1.65	2.02
Fifteenth month	102.10	510.50	1,021.00	5,105.00	10,210.00	102,100.00	510,500.00	1,021,000.00	1.67	2.02
Sixteenth month	102.26	511.30	1,022.60	5,113.00	10,226.00	102,260.00	511,300.00	1,022,600.00	1.68	2.03
Seventeenth month	102.42	512.10	1,024.20	5,121.00	10,242.00	102,420.00	512,100.00	1,024,200.00	1.70	2.04
Eighteenth month	102.58	512.90	1,025.80	5,129.00	10,258.00	102,580.00	512,900.00	1,025,800.00	1.71	2.05
Interest accrues at rate of $1.70 per month per $1,000 par amount:										
Nineteenth month	102.75	513.75	1,027.50	5,137.50	10,275.00	102,750.00	513,750.00	1,027,500.00	1.72	2.05
Twentieth month	102.92	514.60	1,029.20	5,146.00	10,292.00	102,920.00	514,600.00	1,029,200.00	1.73	2.05
Twenty-first month	103.09	515.45	1,030.90	5,154.50	10,309.00	103,090.00	515,450.00	1,030,900.00	1.75	2.06
Twenty-second month	103.26	516.30	1,032.60	5,163.00	10,326.00	103,260.00	516,300.00	1,032,600.00	1.76	2.06
Twenty-third month	103.43	517.15	1,034.30	5,171.50	10,343.00	103,430.00	517,150.00	1,034,300.00	1.77	2.07
Twenty-fourth month	103.60	518.00	1,036.00	5,180.00	10,360.00	103,600.00	518,000.00	1,036,000.00	1.78	2.07
Interest accrues at rate of $1.80 per month per $1,000 par amount:										
Twenty-fifth month	103.78	518.90	1,037.80	5,189.00	10,378.00	103,780.00	518,900.00	1,037,800.00	1.79	2.07
Twenty-sixth month	103.96	519.80	1,039.60	5,198.00	10,396.00	103,960.00	519,800.00	1,039,600.00	1.80	2.07
Twenty-seventh month	104.14	520.70	1,041.40	5,207.00	10,414.00	104,140.00	520,700.00	1,041,400.00	1.81	2.07
Twenty-eighth month	104.32	521.60	1,043.20	5,216.00	10,432.00	104,320.00	521,600.00	1,043,200.00	1.82	2.07
Twenty-ninth month	104.50	522.50	1,045.00	5,225.00	10,450.00	104,500.00	522,500.00	1,045,000.00	1.83	2.07
Thirtieth month	104.68	523.40	1,046.80	5,234.00	10,468.00	104,680.00	523,400.00	1,046,800.00	1.84	2.06
Thirty-first month	104.86	524.30	1,048.60	5,243.00	10,486.00	104,860.00	524,300.00	1,048,600.00	1.85	2.06
Thirty-second month	105.04	525.20	1,050.40	5,252.00	10,504.00	105,040.00	525,200.00	1,050,400.00	1.85	2.06
Thirty-third month	105.22	526.10	1,052.20	5,261.00	10,522.00	105,220.00	526,100.00	1,052,200.00	1.86	2.06
Thirty-fourth month	105.40	527.00	1,054.00	5,270.00	10,540.00	105,400.00	527,000.00	1,054,000.00	1.86	2.06
Thirty-fifth month	105.58	527.90	1,055.80	5,279.00	10,558.00	105,580.00	527,900.00	1,055,800.00	1.87	2.05
Maturity	105.76	528.80	1,057.60	5,288.00	10,576.00	105,760.00	528,800.00	1,057,600.00	1.88	

[1] Not acceptable in payment of taxes until after the second month from issue date, and not redeemable for cash until after the fourth month from issue date.
[2] Approximate investment yield for entire period from issue date to maturity.

G.B. 499A

APPLICATION FOR
UNITED STATES OF AMERICA
TREASURY SAVINGS NOTES, SERIES A

TO: FEDERAL RESERVE BANK OF NEW YORK,
FISCAL AGENT OF THE UNITED STATES,
33 LIBERTY STREET, NEW YORK 45, N. Y.
(GOVERNMENT BOND DEPARTMENT)

Date:

Pursuant to the terms of Treasury Department Circular No. 889, dated May 10, 1951, the undersigned submits this application for the purchase of Treasury Savings Notes, Series A.

PAR AMOUNT AND PAYMENT

Par amount of notes.............................. $........................

Accrued interest (*See reverse side*)

......................days @ $........................ per $1,000 $........................

TOTAL AMOUNT OF PAYMENT............. $........................

Payment is being made in the manner indicated below:

☐ By credit to Treasury Tax and Loan Account
(For use by "Qualified Special Depositaries" only.)

The election to pay by credit to Treasury Tax and Loan Account will be deemed a certification by the undersigned Special Depositary that the full amount of payment due on this application has been deposited on the date hereof to the credit of the Federal Reserve Bank of New York, as fiscal agent of the United States, Treasury Tax and Loan Account, under the terms of Treasury Department Circular No. 92 as amended.

☐ By charge to our Reserve Account, which is hereby authorized
(For use by member banks only)

☐ By cash herewith

☐ By check herewith

INSCRIPTION

(Please type or print below the name and address to be inscribed on the notes.)

(For information concerning forms of inscription, see reverse side.)

DENOMINATIONS

The notes are to be issued in the denominations indicated below:

Number of Pieces	*Denominations*	*Total Par Amount*	*Do Not Use*
	$ 100		
	500		
	1,000		
	5,000		
	10,000		
	100,000		
	500,000		
	1,000,000		
	TOTALS		

DISPOSITION

The notes are to be delivered as indicated below:

☐ Mail to owner at address inscribed on notes

☐ Mail to the bank or security dealer submitting this application

☐ Deliver over counter to the bank or security dealer submitting this application

☐ (Special instructions)

(Not part of application)

DELIVERY RECEIPT

Received from FEDERAL RESERVE BANK OF NEW YORK Treasury Savings Notes, Series A, of the description and in the amount indicated above.

Subscriber..

By..

Date..

G.B. 499A-50M-5-51

Signature of Purchaser..
(Not required when application is submitted on behalf of the purchaser by a bank or security dealer.)

Application Submitted by..
(Name of Bank or Security Dealer)

....
(Street address)

....
(City and State)

By..
(Official Signature Required) *(Title)*

Received	*Checked*	*Recorded*	*Note(s) Examined*

PERIOD FOR WHICH ACCRUED INTEREST MUST BE PAID

Every application must be accompanied by payment in full, at par and accrued interest, if any. The amount of accrued interest payable by the purchaser will be computed at the rate at which interest accrues on the notes ($1.20 per month per $1,000 par amount) for the actual number of days from but not including the issue date to and including the date on which payment is made in cash or other funds immediately available to the Federal Reserve Bank of New York. For example, if the funds for payment are to be available to the Federal Reserve Bank of New York on the 20th day of January, the issue date will be January 15, and 5 days' accrued interest must be paid by the purchaser. If a purchase is made and the funds are to be available on the 15th day of a month (the issue date), there is no accrued interest to be included in the payment.

If payment is made by a check drawn to the order of the Federal Reserve Bank of New York, the funds will be deemed available, for the purpose of computing the period for which accrued interest must be paid, on the day on which credit would have been given for the check under our time schedules (Operating Circulars Nos. 5 and 6) if the check had been sent to us for collection.

RATE OF INTEREST ACCRUAL

The following tabulation sets forth the daily rates per $1,000 of par value which the Treasury Department has prescribed for use in calculating the accrued interest to be paid in connection with purchases of Treasury Savings Notes, Series A:

Number of days in the period in which purchase is made	Rate per day per $1,000 to be collected
31	$0.03871
30	0.04
29	0.04138
28	0.04286

FORMS OF INSCRIPTION

Treasury Savings Notes, Series A, may be inscribed in the name of an individual, corporation, unincorporated association or society, or a fiduciary (including trustees under a duly established trust where the notes would not be held as security for the performance of a duty or obligation), whether or not the inscribed owner is subject to taxation under the Internal Revenue Code, or laws amendatory or supplementary thereto. They may also be inscribed in the name of a town, city, county or State or other governmental body and in the name of a partnership, but notes in the name of a partnership are not acceptable in payment of taxes, since a partnership is not a taxpaying entity under the Internal Revenue Code. The notes will not be inscribed in the names of two or more persons as joint owners or coowners; or in the name of a public officer, whether or not named as trustee, where the notes would in effect be held as security for the performance of a duty or obligation.

a/ 3704

EASTERN INSURANCE
VOLUNTARY CREDIT RESTRAINT COMMITTEE

Created pursuant to the Program for Voluntary Credit Restraint
authorized by the Defense Production Act of 1950

33 LIBERTY STREET
NEW YORK 45, N. Y.

May 14, 1951.

*To the Chief Executive Officer of the
Life Insurance Company Addressed:*

We wish to call your attention to Bulletin No. 3 of the national Voluntary Credit Restraint Committee regarding the postponement of State and local government borrowing, released May 7, 1951, and to the letter by Mr. Charles E. Wilson, Director, Office of Defense Mobilization, sent May 7, 1951 to the Governors of all States and to officials of municipalities, seeking their cooperation in postponing State and local government borrowing.

We heartily endorse the principles set forth in the bulletin and letter.

We wish to emphasize the following paragraphs of the bulletin:

> It is sometimes difficult in individual cases to differentiate essential from nonessential expenditures and to sort out those programs which should be undertaken immediately from those which it would be desirable to postpone. Therefore, certain tests are suggested to financing institutions cooperating in the Voluntary Credit Restraint Program to be used in arriving at financing decisions in discussions with municipal authorities.
>
> Soldiers' bonus issues are inflationary under today's conditions. They add to the spending power of the public through the creation of credit. It would seem desirable to postpone such issues until a time when immediate purchasing power is needed to counteract unemployment and when it might be more beneficial to the veteran.
>
> Among the types of State and local government capital outlays for which, in the judgment of the Committee, the financing should be postponed are:
>
> 1. Replacement of any existing facilities that can continue to perform their function during the emergency period.
> 2. Construction of facilities of the types not recommended by the Defense Production Administration—such as recreational facilities and war memorials.
> 3. Acquisition of sites or rights-of-way not immediately needed.
> 4. Purchase of privately-owned utilities by municipalities, which involves borrowing to replace equity capital.

Frazar B. Wilde,
Chairman.