

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3767]  
October 4, 1951

Offering of \$1,200,000,000 of 91-Day Treasury Bills

Dated October 11, 1951

Maturing January 10, 1952

To all Incorporated Banks and Trust Companies in the  
Second Federal Reserve District and Others Concerned:

Following is the text of a notice published today:

FOR RELEASE, MORNING NEWSPAPERS,  
Thursday, October 4, 1951.

TREASURY DEPARTMENT  
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,200,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing October 11, 1951, in the amount of \$1,201,731,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated October 11, 1951, and will mature January 10, 1952, 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, October 8, 1951. 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.

Others than banking institutions will not be permitted to submit tenders except for their own account. 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 October 11, 1951, in cash or other immediately available funds or in a like face amount of Treasury bills maturing October 11, 1951. 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.

This Bank will receive tenders up to 2 p.m., Eastern Standard time, Monday, October 8, 1951, at the Securities Department of its Head Office and at its Buffalo Branch. Please use the form on the reverse side of this circular to submit a tender, and return it in an envelope marked "Tender for Treasury Bills." *Payment for the Treasury bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds or in maturing Treasury bills.*

ALLAN SPROUL, President.

Results of last offering of Treasury bills (91-day bills dated October 4, 1951, maturing January 3, 1952)

		Federal Reserve District	Total Applied for	Total Accepted
Total applied for.....	\$2,022,719,000			
Total accepted .....	\$1,201,445,000 (includes \$146,752,000 entered on a non-competitive basis and accepted in full at the average price shown below)	Boston .....	\$ 27,707,000	\$ 25,547,000
Average price.....	99.584 Equivalent rate of discount approx. 1.646% per annum	New York .....	1,465,046,000	746,154,000
Range of accepted competitive bids:		Philadelphia .....	31,417,000	16,417,000
High .....	99.612 Equivalent rate of discount approx. 1.535% per annum	Cleveland .....	34,807,000	32,027,000
Low .....	99.582 Equivalent rate of discount approx. 1.654% per annum	Richmond .....	19,147,000	18,317,000
		Atlanta .....	17,568,000	17,502,000
		Chicago .....	176,741,000	146,395,000
		St. Louis .....	27,933,000	21,673,000
		Minneapolis .....	17,813,000	17,813,000
		Kansas City .....	42,208,000	41,448,000
		Dallas .....	79,273,000	46,073,000
		San Francisco .....	83,059,000	72,079,000
		TOTAL .....	\$2,022,719,000	\$1,201,445,000

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

**IMPORTANT**—If you desire to bid on a *competitive* basis, fill in rate per 100 and maturity value in paragraph headed "Competitive Bid." If you desire 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, except that banks submitting bids on a competitive basis for their own and their customers' accounts may submit one tender for the total amount bid at each price, provided a list is attached showing the name of each bidder, the amount bid for his account, and method of payment. Forms for this purpose will be furnished upon request.

No. ....

**TENDER FOR 91-DAY TREASURY BILLS**

Dated October 11, 1951

Maturing January 10, 1952

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

Dated at .....  
.....1951

**COMPETITIVE BID**

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on October 4, 1951, 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 indicated below:

By surrender of maturing Treasury bills amounting to ..... \$.....

By cash or other immediately available funds

\*Price must be expressed on the basis of 100, with not more than three decimal places, for example, 99.925.

The Treasury bills for which tender is hereby made are to be dated October 11, 1951, and are to mature on January 10, 1952.

*This tender will be inserted in special envelope marked "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 by a bank 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)

**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).

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 Treasury Tax and Loan Account will not be permitted.**