

**FEDERAL RESERVE BANK OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3787  
November 29, 1951]

**Offering of \$1,100,000,000 of 91-Day Treasury Bills**

**Dated December 6, 1951**

**Maturing March 6, 1952**

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

Following is the text of a notice published today:

FOR RELEASE, MORNING NEWSPAPERS,  
Thursday, November 29, 1951.

TREASURY DEPARTMENT  
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,100,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing December 6, 1951, in the amount of \$1,102,785,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated December 6, 1951, and will mature March 6, 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, December 3, 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 December 6, 1951, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 6, 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, December 3, 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 November 29, 1951, maturing February 28, 1952)**

Total applied for.....	\$1,954,319,000		
Total accepted .....	\$1,100,013,000 (includes \$154,705,000 entered on a non-competitive basis and accepted in full at the average price shown below)		
Average price.....	99.593+	Equivalent rate of discount approx. 1.609% per annum	
Range of accepted competitive bids:			
High .....	99.611	Equivalent rate of discount approx. 1.539% per annum	
Low .....	99.591	Equivalent rate of discount approx. 1.618% per annum	
	(22 percent of the amount bid for at the low price was accepted)		

  

	<i>Federal Reserve District</i>	<i>Total Applied for</i>	<i>Total Accepted</i>
Boston .....		\$ 38,228,000	\$ 33,278,000
New York .....		1,368,505,000	668,305,000
Philadelphia .....		46,211,000	28,211,000
Cleveland .....		42,491,000	35,371,000
Richmond .....		13,322,000	12,322,000
Atlanta .....		16,867,000	15,867,000
Chicago .....		205,830,000	149,890,000
St. Louis .....		37,305,000	27,189,000
Minneapolis .....		7,140,000	7,140,000
Kansas City .....		49,488,000	46,928,000
Dallas .....		39,532,000	27,972,000
San Francisco .....		89,400,000	47,540,000
TOTAL .....		\$1,954,319,000	\$1,100,013,000

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 December 6, 1951

Maturing March 6, 1952

Dated at..... 1951

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 November 29, 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.

NON-COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on November 29, 1951, 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 indicated below:

- By surrender of maturing Treasury bills amounting to .....\$.....
- By cash or other immediately available funds

The Treasury bills for which tender is hereby made are to be dated December 6, 1951, and are to mature on March 6, 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:

- No tender for less than \$1,000 will be considered, and each tender must be for an even multiple of \$1,000 (maturity value).
- 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."
- 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.
- 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.

at 3787

**SECOND DISTRICT SAVINGS AND LOAN  
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.**

November 28, 1951.

*To the Chief Executive Officer of each Savings and Loan Association  
in the Second Federal Reserve District:*

On November 9, 1951, the National Voluntary Credit Restraint Committee released a digest of a sampling of opinions which had been expressed through September 1951 by the regional committees on typical cases referred to them by individual lending institutions. The National Committee believes that the release of information on typical cases will assist cooperating financing institutions in conducting their operations in accordance with the principles of the Program, and that the publication of these digests should also be of interest to borrowers in planning their operations and to the public at large.

For your information, a copy of the digest of opinions is printed on the following pages.

Although the digest of the cases is necessarily brief, we hope that it will be helpful to you in indicating the general approach of the regional committees to problems arising under the Program. It is still necessary, of course, for lenders to consider each proposed loan or investment on the basis of the facts of the particular case. We believe that you will want your lending and investment officers to be fully familiar with this material, and we shall be glad to furnish you with additional copies for this purpose upon request.

If you have any question as to whether a proposed loan or investment conforms with the principles of the Program as amplified by the various bulletins which have been sent you and by the digest of opinions, we shall be glad to review the case and let you know our views promptly. Please submit your request for consideration of a specific loan or investment on the special form devised for that purpose (Form CR-SL1). This form should be prepared in triplicate and sent to G. MORGAN BROWNE, Secretary of the Committee, 33 Liberty Street, New York 45, N. Y., to whom requests for additional copies of the form should be addressed.

Your continued cooperation in the Program will be greatly appreciated.

ERNEST A. MINIER,  
*Chairman.*

# VOLUNTARY CREDIT RESTRAINT PROGRAM

## Digest of Opinions Through September 1951

### SEASONAL AND INVENTORY LOANS

#### *Borrower and Purpose*

#### *Opinion*

<b>Wholesale seeds.</b> —To buy and clean seeds for resale to retailers of seed for use by farmers in necessary reseeding operations.	Favorable
<b>Retail dry goods.</b> —For normal seasonal inventory acquisition.	Favorable
<b>Retail hardware, lumber and building supplies.</b> —For normal inventory acquisition to care for summer and early fall trade.	Favorable
<b>Retail fuel oil.</b> —To purchase 1 million gallons of fuel oil (one-tenth of annual volume) for storage and sale during the 1951-2 season.	Favorable
<b>Public accountant.</b> —Seasonal loan for operating funds.	Favorable
<b>Retail hardware.</b> —To enable borrower to carry inventory disproportionate to his normal business operations.	Unfavorable
<b>Retail sewing machine.</b> —To increase inventory of imported machines in anticipation of future curtailment in domestic manufacture of sewing machines.	Unfavorable

### BUILDING PROGRAMS

<b>Machine tool company.</b> —To build new plant to take care of present needs. Present rental property too small and unsuitable for increased volume and employment.	Favorable
<b>Delicatessen.</b> —To build a new store building to serve a newly developed residential area.	Favorable
<b>Retail farm tractor and implement dealer.</b> —To erect sales and service building in order to retain franchise.	Unfavorable
<b>Grain elevator and feed mill—Sale of feeds and seeds to farmers.</b> —To erect a new building to replace present facilities which are not very convenient from standpoint of services to customers.	Unfavorable
<b>Municipality.</b> —To erect agricultural-live stock exhibition building.	Unfavorable
<b>Nursing home for aged.</b> —To buy existing building which is suitable for needed additional space for operations.	Favorable
<b>Mortuary.</b> —To build a new mortuary in replacement of present quarters which are inadequate for needs of community. This is the only mortuary serving the area.	Favorable
<b>Tourists' hotel.</b> —To construct 25-room motel in vacation and recreational area.	Unfavorable
<b>Educational institution.</b> —To finance partially construction of a library.	Unfavorable
<b>Municipality.</b> —For construction of needed school buildings. Committee deferred its opinion on financing for that part of program which extended beyond current fiscal year.	Favorable
<b>Church.</b> —To build a new church in replacement of present structure which is in unsafe and hazardous condition.	Favorable
<b>Church.</b> —To build a parish hall and an addition to Sunday School building.	Unfavorable

### NEW PLANT OR EQUIPMENT

<b>Publisher of daily newspaper.</b> —To purchase a printing press in replacement of outmoded press which does not take care of present requirements.	Favorable
<b>Tankship owners.</b> —To purchase oil tanker for charter to an oil company.	Favorable

## NEW PLANT OR EQUIPMENT (Continued)

<i>Borrower and Purpose</i>	<i>Opinion</i>
<b>Excavating contractor.</b> —To purchase diesel tractor shovel to replace worn and obsolete equipment now in use.	Favorable
<b>Wholesale petroleum.</b> —To buy tractor-tanker units necessary in operations—one replacement and one additional unit.	Favorable
<b>Public utility.</b> —For improvements to its gas distribution system.	Favorable
<b>Municipality.</b> —For needed fire-fighting equipment in rapidly expanding community.	Favorable
<b>Laundry.</b> —To purchase new machinery and equipment for expansion of plant. Deferrable unless program had been started and commitments made prior to inauguration of VCR Program.	Unfavorable
<b>Social club and recreation center.</b> —To purchase bar and equipment together with furnishings for social room. Present facilities not adequate to demand.	Unfavorable

## MODERNIZATION

<b>Farmer.</b> —To repair and remodel farm buildings on 176-acre producing farm.	Favorable
<b>Retail variety store.</b> —For modernization and enlargement of store building. Approval based on facts that architect's plans drawn and materials contracted for prior to inception of VCR Program.	Favorable
<b>Retail ladies ready-to-wear.</b> —To modernize store, add new front and increase floor capacity to maintain competitive position.	Unfavorable
<b>Gasoline service station.</b> —For purchase and modernization of equipment and facilities of two existing gas stations.	Unfavorable

## WORKING CAPITAL LOANS

<b>Woodworking—Manufacturer of business fixtures and equipment.</b> —For necessary and normal working capital in connection with contract work in process.	Favorable
<b>Metal stamping plant.</b> —For necessary and normal working capital. Sixty-five per cent of present volume is under defense contract.	Favorable
<b>Shoe manufacturer.</b> —For necessary and normal working capital.	Favorable

## DEBT RETIREMENT AND REFINANCING

<b>Retail automobile dealer.</b> —To repay existing bank loans.	Favorable
<b>Manufacturer of electrical appliances.</b> —For reduction of bank debt.	Favorable
<b>Retail milk dealer.</b> —To refinance existing indebtedness held by former owner of business.	Unfavorable
<b>Chain variety stores.</b> —To retire outstanding preferred stock.	Unfavorable

## ACQUISITION OF EXISTING BUSINESSES

<b>Hotel operator.</b> —To purchase building and equipment of hotel from owner who is retiring because of ill health. Failure to effect transfer might create hardship for community in having hotel closed. Approval based on assumption self-financing purchaser cannot be found or that seller is unable to accept a purchase-money mortgage.	Favorable
<b>Trucking.</b> —To purchase motor trucking company and equipment for expansion of present operations. Trucking business to be acquired is currently hauling foodstuffs but continued operation by present owner is assured until a sale can be made.	Unfavorable

(OVER)

## ACQUISITION OF EXISTING BUSINESSES (Continued)

<i>Borrower and Purpose</i>	<i>Opinion</i>
<b>Pharmacist.</b> —To purchase business, inventory and fixtures of an existing drug store.	Unfavorable
<b>Accountant.</b> —To purchase an established accounting business.	Unfavorable

### ACQUISITION OF STOCKHOLDERS' OR PARTNERS' INTERESTS

<b>Individual (officer and principal stockholder—machine tool manufacturer).</b> — To acquire one-third stock interest in company from widow of borrower's former partner. Proceeds of this loan, used to purchase the minority interest in the company, would preserve continuity of management and avoid the minority stock interest's getting into possibly unfriendly hands.	Favorable
<b>Retail novelty store.</b> —To buy other partner's interest in business to become sole owner.	Unfavorable
<b>Wholesale iron and steel.</b> —To purchase minority shareholders' interest.	Unfavorable
<b>Trucking company.</b> —Family group operating company wishes to buy back 51 per cent of stock now held by outside interests.	Unfavorable

### NEW VENTURES

<b>Retail grocer.</b> —To stock a new store to be opened in a new and expanding community now lacking a grocery.	Favorable
<b>Retail grocer.</b> —To stock a new grocery store which facility appears not to be necessary in the community.	Unfavorable
<b>Dentist.</b> —To purchase furnishings and equipment necessary to operate a dental office. Borrower recently graduated from dental school.	Favorable
<b>Retail men's clothing.</b> —To open new men's clothing store. City has sufficient retailers to satisfy the demand.	Unfavorable
<b>Retail gasoline distributor.</b> —To equip a new self-service station. Present facilities in community are adequate.	Unfavorable
<b>Amusement park.</b> —For erection of plant and purchase of equipment necessary for operations. Other amusement and recreational facilities are available in area.	Unfavorable

### LOANS TO FARMERS, ETC.

<b>Rancher.</b> —To purchase and carry cattle.	Favorable
<b>Farmer.</b> —To clear 50 additional acres of land for pasturage.	Favorable
<b>Farmer.</b> —To purchase 260-acre farm for purpose of putting it into production.	Favorable
<b>Farmer.</b> —To purchase farm land for lease as an investment. Considered speculative in character where the land is already in production and borrower desires simply to increase his holdings of real estate.	Unfavorable

### DEVELOPMENT OF LAND

<b>Individual.</b> —To purchase acreage for housing developments in a defense area.	Favorable
<b>Individual.</b> —To purchase and develop land for sale as building lots.	Unfavorable
<b>Municipality.</b> —To acquire unimproved land for erection of parking facilities.	Unfavorable

### OTHER LOANS

<b>Housewife.</b> —To buy single premium life insurance contract. To provide for purchase of discounted premium life insurance contract.	Unfavorable
<b>Individual.</b> —To purchase real estate for investment. Property is already financed on a long-term basis.	Unfavorable
<b>State Government.</b> —For payment of bonus to veterans of World War II.	Unfavorable