

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 3813
January 24, 1952]

Offering of \$1,300,000,000 of 91-Day Treasury Bills

Dated January 31, 1952

Maturing May 1, 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, January 24, 1952.

TREASURY DEPARTMENT
Washington

The Secretary of the Treasury, by this public notice, invites tenders for \$1,300,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing January 31, 1952, in the amount of \$1,301,680,000, to be issued on a discount basis under competitive and non-competitive bidding as hereinafter provided. The bills of this series will be dated January 31, 1952, and will mature May 1, 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, January 28, 1952. 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 January 31, 1952, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 31, 1952. 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, January 28, 1952, 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 January 24, 1952, maturing April 24, 1952)

Total applied for	\$2,195,412,000		
Total accepted	\$1,200,705,000	(includes \$211,544,000 entered on a non-competitive basis and accepted in full at the average price shown below)	
Average price	99.596	Equivalent rate of discount approx. 1.599% per annum	
Range of accepted competitive bids:			
High	99.608	Equivalent rate of discount approx. 1.551% per annum	
Low	99.593	Equivalent rate of discount approx. 1.610% per annum	

<u>Federal Reserve District</u>	<u>Total Applied for</u>	<u>Total Accepted</u>
Boston	\$ 67,536,000	\$ 38,626,000
New York	1,472,677,000	674,076,000
Philadelphia	34,638,000	15,338,000
Cleveland	100,484,000	71,124,000
Richmond	24,917,000	19,857,000
Atlanta	35,411,000	28,921,000
Chicago	186,421,000	128,504,000
St. Louis	46,504,000	34,884,000
Minneapolis	11,545,000	10,703,000
Kansas City	51,842,000	46,638,000
Dallas	41,390,000	29,652,000
San Francisco	122,047,000	102,402,000
TOTAL	\$2,195,412,000	\$1,200,705,000

(24 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 January 31, 1952

Maturing May 1, 1952

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

Dated at
..... 1952

COMPETITIVE BID

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public notice on January 24, 1952, as issued by the Secretary of the Treasury, the undersigned offers.....*

(Rate per 100)

for a total amount of \$..... (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 January 24, 1952, 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 January 31, 1952, and are to mature on May 1, 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.

FEDERAL RESERVE BANK
OF NEW YORK

January 23, 1952.

*To all Member Banks in the
Second Federal Reserve District:*

It is with deep regret that I have to inform you of the death yesterday of ROBERT P. PATTERSON, a Class C director of this Bank since April 21, 1950.

ROBERT T. STEVENS,
Chairman of the Board.

**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.**

January 24, 1952.

To the Chief Executive Officer of the
Fraternal Insurance Association Addressed:

The National Voluntary Credit Restraint Committee has completed arrangements whereby the fraternal insurance associations of the country will be represented along with other important classes of financing institutions in the regional committee organization of the Voluntary Credit Restraint Program. Under this plan representatives of the fraternal associations have been appointed to the existing regional insurance committees, which have headquarters in New York, Chicago, Dallas, and San Francisco, respectively.

The national committee has appointed ERNEST R. DEMING, President, The Unity Life and Accident Insurance Association, 636 South Warren Street, Syracuse 1, New York, and NORMAN MAC KAY, Secretary, Order of Scottish Clans, 899 Boylston Street, Boston 15, Massachusetts, as members of the Eastern Insurance Voluntary Credit Restraint Committee to represent the fraternal insurance associations of the eastern area. The national committee has also appointed MICHAEL J. WARGOVICH, President, The First Catholic Slovak Union of the United States of America, 3289 East 55th Street, Cleveland 27, Ohio, as an alternate for Mr. Deming. With these additions, the members of the Eastern Insurance Voluntary Credit Restraint Committee are:

FRAZAR B. WILDE, *Chairman*

President, Connecticut General Life Insurance Company, Hartford, Connecticut

FREDERIC W. ECKER, *Vice Chairman*

Executive Vice President, Metropolitan Life Insurance Company, New York, New York

JULIAN D. ANTHONY, President, Columbian National Life Insurance Company, Boston, Massachusetts

W. W. BODINE, Chairman of the Board, The Penn Mutual Life Insurance Company, Philadelphia, Pennsylvania

E. A. CAMP, Jr., Vice President and Treasurer, Liberty National Life Insurance Company, Birmingham, Alabama

ERNEST R. DEMING, President, The Unity Life and Accident Insurance Association, Syracuse, New York

ROBERT E. HENLEY, President, Life Insurance Company of Virginia, Richmond, Virginia

NORMAN MAC KAY, Secretary, Order of Scottish Clans, Boston, Massachusetts

WILLIAM F. TREIBER, Vice President, Federal Reserve Bank of New York, New York, New York

(OVER)

The Eastern Insurance Voluntary Credit Restraint Committee is the regional committee designated to handle inquiries from life insurance companies and fraternal insurance associations located in the District of Columbia and the following states:

Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi.

Enclosed are copies of the Program for Voluntary Credit Restraint and of the six bulletins issued by the Voluntary Credit Restraint Committee. The basic purpose of the Program is to provide credit necessary to sustain essential production and services, and at the same time to restrain financing which will add to inflationary pressures.

As the Program is entirely voluntary, the primary function of this Committee is to serve the life insurance companies and fraternal insurance associations within its area in an advisory capacity to aid them in their efforts to observe the principles set forth in the Program governing the extension of credit. To facilitate the work of the Committee, please submit your request for consideration of a specific loan or investment in accordance with the form which is enclosed. Forms should be prepared in triplicate and sent to G. MORGAN BROWNE, Secretary of the Committee, 33 Liberty Street, New York 45, N. Y. Additional copies of the form, the Program, and the bulletins will be furnished by the Secretary upon request.

The Committee is confident that all fraternal insurance associations will cooperate to the fullest extent to make the Program successful.

Copies of this letter are being sent to all life insurance companies in the area served by this Committee for their information.

FRAZAR B. WILDE,
Chairman.