

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, May 6, 1943

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

There is quoted below press statement issued today by the Secretary of the Treasury announcing certain changes in the procedure to be followed in bidding for Treasury Bills:

"Secretary of the Treasury Morgenthau today announced a change in procedure with respect to bidding for the weekly issues of Treasury Bills, in the interest of wider distribution of these securities. The offering of Treasury Bills to be dated May 12, and future weekly offerings until further notice, will include a provision for the receipt of tenders for \$100,000 or less from any one bidder at a fixed price of 99.905, in addition to the conventional bidding on a competitive basis. The decision to accept bids on a fixed-price basis was made in recognition of the fact that many of the smaller banks and other investors who have not been interested in competitive bidding for Treasury Bills will submit tenders at a fixed price, which assures them a return of about three-eighths of one percent on an annual basis. Subject to the usual reservation with respect to the acceptance or rejection of tenders, the Secretary plans to accept in full all tenders entered on a fixed-price basis.

"For a number of years the Treasury has ordinarily opened bids on Treasury Bills on Monday of each week, with payment the following Wednesday. It has been found that with the increasing congestion in communication facilities the two-day period is hardly sufficient in which to notify successful bidders and obtain payment. To meet this difficulty, the Secretary announced that for thirteen weeks 92-day Treasury Bills will be offered. At the end of this cycle, Treasury Bills will be maturing on Thursdays, and an additional day will have been provided between the opening of tenders and the payment date."

In this connection, we invite your attention to Treasury Bill Circular issued by this bank today, a copy of which is enclosed.

Yours very truly,

R. R. GILBERT

President



Cash Tender Form for Fixed-Price Tenders at 99.905

92-DAY TREASURY BILLS

To the Federal Reserve Bank of Dallas
 Fiscal Agent of the United States
 Station "K"
 Dallas, Texas

IMPORTANT

Subject to reservations contained in Treasury Department Circular No. 418, as amended, tenders for \$100,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full.

For use of Federal Reserve Bank

Number - - _____

Amount - - \$ _____

Premium - - _____

Discount - - _____

Net Cost - - \$ _____

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on May 7, 1943, issued by the Secretary of the Treasury the undersigned agrees to pay **99.905** for a total amount of \$_____ (maturity value) of the Treasury bills therein described on a fixed-price basis, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public announcement.

Treasury bills for which tender is hereby made are to be dated May 12, 1943, and are to mature August 12, 1943. They are to be issued in the following denominations:

DO NOT USE THIS COLUMN	NUMBER OF PIECES OF TREASURY BILLS	DENOMINATION (Maturity Value)	TOTAL AMOUNTS
		\$ 1,000	
		5,000	
		10,000	
		100,000	
		TOTAL - - - - -	

Treasury bills allotted to us under this tender will be paid for in the following manner:

By debit to our reserve account hereby authorized \$

Otherwise (describe) \$

It is requested that delivery of the Treasury Bills allotted to the undersigned be made as follows:

- Hold in Custody Account
 - Pledge to Secure War Loan Deposits
 - Ship to
- By.....
(Name of Subscriber or Bank)
-
(President-Cashier)
-
(Address)

Date....., 1943

IMPORTANT INSTRUCTIONS:

1. No tender for less than \$1,000 will be considered and each tender must be for an amount in multiples of \$1,000 (maturity value).
2. If the person making the tender is a corporation, the form should be signed by an officer of the corporation authorized to make the tender, and signing of the form 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 from persons other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 percent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guarantee of full payment by an incorporated bank or trust company.
4. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

(See reverse side)

Cash Tender Form for Bidding on a Competitive Basis

92-DAY TREASURY BILLS

To the Federal Reserve Bank of Dallas
 Fiscal Agent of the United States
 Station "K"
 Dallas, Texas

IMPORTANT

Subject to reservations contained in Treasury Department Circular No. 418, as amended, tenders on this form will be accepted only on a competitive bid basis subject to allotment.

For use of Federal Reserve Bank

Number - - - - -

Amount - - - \$ - - -

Premium - - - - -

Discount - - - - -

Net Cost - - - \$ - - -

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on May 7, 1943, issued by the Secretary of the Treasury the undersigned agrees to pay.....*
 (on a competitive bid basis) for a total amount of \$..... (maturity value) of the Treasury bills therein described or for any less amount that may be allotted, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public announcement.

Treasury bills for which tender is hereby made are to be dated May 12, 1943, and are to mature August 12, 1943. They are to be issued in the following denominations:

DO NOT USE THIS COLUMN	NUMBER OF PIECES OF TREASURY BILLS	DENOMINATION (Maturity Value)	TOTAL AMOUNTS
		\$ 1,000	
		5,000	
		10,000	
		100,000	
		500,000	
		1,000,000	
		TOTAL - - - - -	

Any Treasury bills that may be allotted to us under this tender will be paid for in the following manner:
 By debit to our reserve account hereby authorized..... \$
 Otherwise (describe)..... \$

It is requested that delivery of the Treasury Bills allotted to the undersigned be made as follows:

Hold in Custody Account

Pledge to Secure War Loan Deposits

.....
(Name of Subscriber or Bank)

Ship to

By.....
(President-Cashier)

.....
(Address)

Date, 1943

- IMPORTANT INSTRUCTIONS:**
1. No tender for less than \$1,000 will be considered and each tender must be for an amount in multiples of \$1,000 (maturity value). Also, if more than one price is offered, a separate form must be executed at each price.
 2. If the person making the tender is a corporation, the form should be signed by an officer of the corporation authorized to make the tender, and signing of the form 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 from persons other than incorporated banks and trust companies or responsible and recognized dealers in investment securities will be disregarded, unless accompanied by a deposit of 2 percent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guarantee of full payment by an incorporated bank or trust company.
 4. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

*Price should be expressed on the basis of 100 with not more than three decimal places, e.g., 99.925. Fractions must not be used.
 (See reverse side)

**BID PRICES ON THE BASIS OF 100 CALCULATED TO YIELD RATES SHOWN
IN FIRST AND LAST COLUMNS—360 DAY BASIS**

Dis- count Rates	89 days	90 days	91 days	92 days	93 days	Dis- count Rates
.01	99.998	99.998	99.997	99.997	99.997	.01
.02	99.995	99.995	99.995	99.995	99.995	.02
.03	99.993	99.993	99.992	99.992	99.992	.03
.04	99.990	99.990	99.990	99.990	99.990	.04
.05	99.988	99.988	99.987	99.987	99.987	.05
.06	99.985	99.985	99.985	99.985	99.985	.06
.07	99.983	99.983	99.982	99.982	99.982	.07
.08	99.980	99.980	99.980	99.980	99.979	.08
.09	99.978	99.978	99.977	99.977	99.977	.09
.10	99.975	99.975	99.975	99.974	99.974	.10
.11	99.973	99.973	99.972	99.972	99.972	.11
.12	99.970	99.970	99.970	99.969	99.969	.12
.13	99.968	99.968	99.967	99.967	99.966	.13
.14	99.965	99.965	99.965	99.964	99.964	.14
.15	99.963	99.963	99.962	99.962	99.961	.15
.16	99.960	99.960	99.960	99.959	99.959	.16
.17	99.958	99.958	99.957	99.957	99.956	.17
.18	99.956	99.955	99.955	99.954	99.954	.18
.19	99.953	99.953	99.952	99.951	99.951	.19
.20	99.951	99.950	99.949	99.949	99.948	.20
.21	99.948	99.948	99.947	99.946	99.946	.21
.22	99.946	99.945	99.944	99.944	99.943	.22
.23	99.943	99.943	99.942	99.941	99.941	.23
.24	99.941	99.940	99.939	99.939	99.938	.24
.25	99.938	99.938	99.937	99.936	99.935	.25
.26	99.936	99.935	99.934	99.934	99.933	.26
.27	99.933	99.933	99.932	99.931	99.930	.27
.28	99.931	99.930	99.929	99.928	99.928	.28
.29	99.928	99.928	99.927	99.926	99.925	.29
.30	99.926	99.925	99.924	99.923	99.923	.30
.31	99.923	99.923	99.922	99.921	99.920	.31
.32	99.921	99.920	99.919	99.918	99.917	.32
.33	99.918	99.918	99.917	99.916	99.915	.33
.34	99.916	99.915	99.914	99.913	99.912	.34
.35	99.913	99.913	99.912	99.911	99.910	.35
.36	99.911	99.910	99.909	99.908	99.907	.36
.37	99.909	99.908	99.906	99.905	99.904	.37
.38	99.906	99.905	99.904	99.903	99.902	.38
.39	99.904	99.903	99.901	99.900	99.899	.39
.40	99.901	99.900	99.899	99.898	99.897	.40
.41	99.899	99.898	99.896	99.895	99.894	.41
.42	99.896	99.895	99.894	99.893	99.892	.42
.43	99.894	99.893	99.891	99.890	99.889	.43
.44	99.891	99.890	99.889	99.888	99.886	.44
.45	99.889	99.888	99.886	99.885	99.884	.45
.46	99.886	99.885	99.884	99.882	99.881	.46
.47	99.884	99.883	99.881	99.880	99.879	.47
.48	99.881	99.880	99.879	99.877	99.876	.48
.49	99.879	99.878	99.876	99.875	99.873	.49
.50	99.876	99.875	99.874	99.872	99.871	.50
Dis- count Rates	89 days	90 days	91 days	92 days	93 days	Dis- count Rates

LAST PREVIOUS OFFERING OF TREASURY BILLS
91 days

Dated May 5, 1943

Due August 4, 1943

Total applied for	\$1,388,528,000
Total accepted	901,706,000

Range of accepted bids:

High 99.935	Equivalent rate approximately	0.257	percent
Low 99.905	"	"	"
Average 99.906	"	"	"

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

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