

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 24, 1947

## WEEKLY TREASURY BILL OFFERINGS

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

There is quoted below press statement issued by the Treasury Department announcing that beginning with the issue of Treasury Bills to be dated May 1 the Treasury will invite tenders for bills in exchange for maturing bills as well as for cash:

“Secretary of the Treasury Snyder announced today that beginning with the issue of Treasury bills to be dated May 1, 1947, and until further notice, the Treasury will invite tenders for bills in exchange for maturing bills as well as for cash, with equal treatment accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. 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 bills to be dated May 1 will be in the amount of \$1.1 billion, about \$200,000,000 less than the amount maturing on that date.

“The procedure for accepting exchange as well as cash tenders is being adopted to facilitate weekly refunding operations in bills. The bill holdings of the Federal Reserve banks recently were \$15 billion out of a total of \$17 billion outstanding. Under existing procedure, the Federal Reserve banks replace their weekly maturing bill issues, in large part, by purchasing new issues from security dealers, who ordinarily bid for amounts greatly in excess of market needs. This is done solely to facilitate the bill operation, as the dealers charge no commission for this service, and obtain only the nominal profit from the transaction which is available to anyone. Under the new procedure the Federal Reserve banks will be in a position to bid directly on an exchange basis for new issues in amounts not in excess of those required to replace maturing issues of bills originally acquired in the market.

“Any addition to Federal Reserve holdings of bills would be purchased in the open market as at present.”

Yours very truly,

R. R. GILBERT,

President.

# FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, April 24, 1947.

## NEW OFFERING—TREASURY BILLS

91 DAYS

To Be Dated May 1, 1947

\$1,100,000,000

Maturing July 31, 1947

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

Your attention is invited to the following statement giving details of a new issue of Treasury Bills:

"The Secretary of the Treasury, by this public notice, invites tenders for \$1,100,000,000, or thereabouts, of ninety-one-day Treasury bills, for cash and in exchange for Treasury bills maturing May 1, 1947, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated May 1, 1947, and will mature July 31, 1947, 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, April 28, 1947. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and 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.

"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 per cent 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, tenders for \$200,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve bank on May 1, 1947, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 1, 1947. Equal treatment will be accorded all tenders, whether the bidders offer to exchange maturing bills or to pay cash for the new bills bid for. 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 Federal tax Acts now or hereafter enacted. 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."

In accordance with the above announcement, tenders will be received at this bank and its branches at El Paso, Houston and San Antonio, up to one o'clock P.M., Monday, April 28, 1947, Central Standard Time.

Yours very truly,  
R. R. GILBERT  
President

### LAST PREVIOUS OFFERING OF TREASURY BILLS

91 Days

Dated April 24, 1947	Due July 24, 1947
Total applied for.....	\$1,665,272,000.00
Total accepted .....	1,100,390,000.00*

Range of accepted bids:

High . . . . . 99.907	Equivalent rate approximately 0.368 percent per annum.
Low . . . . . 99.905	Equivalent rate approximately 0.376 percent per annum.
Average . . . . . 99.905 plus	Equivalent rate approximately 0.376 percent per annum.

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

\*Includes \$17,557,000.00 entered on a fixed price basis of 99.905 and accepted in full.

(Over)

**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

# TENDER FOR TREASURY BILLS

To Be Dated May 1, 1947

91 DAYS

Maturing July 31, 1947

To:

- Federal Reserve Bank, Dallas 13, Texas
- Federal Reserve Bank Branch, El Paso, Texas
- Federal Reserve Bank Branch, Houston 1, Texas
- Federal Reserve Bank Branch, San Antonio 6, Texas

.....  
(Date)

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on April 25, 1947, by the Secretary of the Treasury, the undersigned offers to purchase Treasury bills of the above described issue, and agrees to pay for the amount allotted in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 1, 1947, on or before the issue date at the rate indicated below:

**FIXED PRICE TENDER** \$.....@ 99.905 \$.....

Tenders for \$200,000 or less from any one bidder at the fixed-price rate of 99.905 will be accepted in full.

<b>COMPETITIVE TENDERS</b>	}	\$.....@.....\$.....	Prices should be expressed on the basis of 100, with not more than three decimal places, e. g., 99.925. Fractions must not be used.
		\$.....@.....\$.....	
		\$.....@.....\$.....	

Number of Pieces	Denominations Desired	Maturity Value	Payment for Amount Allotted to Be Made as Follows:
..... @ \$	1,000 \$	.....	<input type="checkbox"/> By draft enclosed (collectible by date of issue)
..... @ \$	5,000 \$	.....	<input type="checkbox"/> By charge to our reserve account
..... @ \$	10,000 \$	.....	<input type="checkbox"/> By Treasury bills maturing May 1, 1947, submitted in exchange
..... @ \$	100,000 \$	.....	<input type="checkbox"/> Payment to be made by.....
..... @ \$	500,000 \$	.....	<input type="checkbox"/> .....
..... @ \$	1,000,000 \$	.....	(Name of Bank)

Payment for this issue of bills cannot be made by credit to War Loan Deposit Account.

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.....

.....  
(Subscriber's full name or corporate title)

By.....  
(Authorized official signature and title)

.....  
(Address)

### IMPORTANT

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. Tenders should be forwarded in an envelope clearly addressed to this bank or appropriate branch as Fiscal Agent of the United States, with notation on the envelope reading "TENDER FOR TREASURY BILLS." Since envelopes received with this legend will not be opened until after the closing time specified in the public announcement, communications relating to other matters should not be enclosed. Envelopes for submitting tenders are mailed with the announcing circulars.
3. Any qualified or conditional tender will be rejected.
4. If a corporation makes the tender the form should be signed by an officer of the corporation authorized to make the tender and the 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."
5. Tenders from those 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 per cent of the total amount (maturity value) of the Treasury bills applied for, or unless the tenders are accompanied by an express guaranty of full payment by an incorporated bank or trust company.
6. 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.