

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 71-171  
July 21, 1971

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

There is quoted below the text of a press statement issued by  
the Treasury Department today in regard to current financing:

**TREASURY ANNOUNCES \$5.1 BILLION REFUNDING AND CASH OFFERING**

The Treasury today announced that it is offering holders of \$5.1 billion of the 4% Treasury Bonds of 1971 and 8-1/4% Treasury Notes of Series F-1971 maturing August 15, 1971, the right to exchange their holdings for a 7% 4-year-3-month Treasury note or a 10-year 7% Treasury Bond.

The Treasury also said that following this operation it will announce the amount and terms of a new issue of 18-month Treasury notes to be sold at auction. These notes will be dated August 16, 1971.

The securities being offered in the refunding are:

7% Treasury Notes of Series D-1975, dated August 15, 1971, due November 15, 1975, at 99.80 (to yield about 7.06%); and

7% Treasury Bonds of 1981, dated August 15, 1971, due August 15, 1981, at 99.20 (to yield about 7.11%).

The public holds \$4.1 billion of the securities eligible for exchange, and about \$1.0 billion is held by Federal Reserve Banks and Government accounts.

Subscription books for the offering will be open until 6:00 p.m., local time, Wednesday, July 28, 1971. To be timely subscriptions must be received by a Federal Reserve Bank or Branch or by the Office of the Treasurer of the United States by such time, except that subscriptions addressed to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States postmarked before midnight, Tuesday, July 27, 1971, will be deemed to be timely.

The notes and bonds will be made available in registered as well as bearer form in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. All subscribers requesting registered securities will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

The payment and delivery date for the securities will be August 16 except that in the case of cash subscriptions the payment must be completed by Friday, August 13.

Coupons dated August 15, 1971, on securities tendered in exchange should be detached and cashed when due. The August 15, 1971, interest due on registered securities will be paid by issue of interest checks in regular course to holders of record on July 15, 1971, the date the transfer books closed.

The bonds are also being offered for cash subscription to individuals in amounts not to exceed \$10,000 for any one person. Cash subscriptions for the notes will not be accepted.

Subscriptions for cash must be accompanied by payment of 10% of the amount of bonds applied for. Cash subscriptions will be allotted in full and payment therefore must be completed by Friday, August 13, 1971, in cash or other funds immediately available to the Treasury by that date. The Treasury will construe as timely payment any check payable to the Federal Reserve Bank or the Treasurer of the United States that is received at such bank or office by Wednesday, August 11, provided the check is drawn on a bank in the Federal Reserve District of the bank or office to which the subscription was submitted.

Banking institutions in submitting cash subscriptions for customers will be required to certify that they have no beneficial interest in any of the subscriptions they enter.

The official circulars and subscription forms for the new issues will be mailed in time to reach you by Monday, July 26; however, should you not receive the forms by Tuesday, July 27, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

P. E. Coldwell

President