

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 71-259  
October 27, 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:

The Treasury today announced that it is offering holders of 7.9 billion of notes and bonds maturing November 15, 1971, an opportunity to exchange their holdings for a 7-year 6% note or a 15-year 6-1/8% bond. 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.

The public holds \$3.7 billion of the securities eligible for exchange and about \$4.2 billion is held by Federal Reserve and Government accounts.

In addition, the same securities are being made available to holders of \$13.5 billion of securities maturing in May and August of 1972. Of these, \$8.0 billion are held by the public.

Details showing cash and interest adjustments applying in exchanges of securities due in 1972, appear in the table at the end of this release.

The Treasury also said that on Thursday, November 4, it will announce the amount and terms of a new short-term issue to be sold at auction for delivery November 15.

The securities eligible for exchange are as follows:

5-3/8% Treasury Notes of Series B-1971,  
maturing November 15, 1971,

7-3/4% Treasury Notes of Series G-1971,  
maturing November 15, 1971,

3-7/8% Treasury Bonds of 1971, maturing  
November 15, 1971,

4-3/4% Treasury Notes of Series B-1972,  
maturing May 15, 1972,

6-3/4% Treasury Notes of Series D-1972,  
maturing May 15, 1972,

5% Treasury Notes of Series E-1972, maturing  
August 15, 1972,

4% Treasury Bonds of 1972, maturing August 15,  
1972.

Interest will be adjusted as of November 15, 1972, for  
the securities due in 1972. The securities being offered  
in exchange are:

6% Treasury Notes of Series B-1978, dated  
November 15, 1971, due November 15, 1978  
(CUSIP No. 912827 CM2), at 99.75 to yield  
6.04%,

6-1/8% Treasury Bonds of 1986, dated Novem-  
ber 15, 1971, due November 15, 1986 (CUSIP  
No. 912810 BK3), at 99.75 to yield 6.15%.

Subscription books for the offering will be open until  
8:00 p.m., local time, Wednesday, November 3, 1972. 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, November 2, 1971, will be deemed  
to be timely.

The notes and bonds will be made available in regis-  
tered 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.

Any coupons dated November 15, 1971, on notes and  
bonds tendered in exchange should be detached and cashed  
when due. The November 15, 1971 interest due on registered  
notes and bonds will be paid by issue of interest checks in  
regular course to holders of record on October 15, 1971,  
the date the transfer books closed. Coupons dated February 15,  
May 15 and August 15, 1972, must be attached to the appropriate  
securities when they are surrendered.

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 therefor must be completed by Monday, November 15, 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, November 10, 1971, 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 payment and delivery date for the securities will be November 15.

The official circulars and subscription forms for the new issues will be mailed in time to reach you by Monday, November 1; however, should you not receive the forms by Tuesday, November 2, subscriptions may be entered by mail or telegram, subject to confirmation on official subscription blanks.

Yours very truly,

P. E. Coldwell

President

TABLE OF PAYMENTS TO OR BY SUBSCRIBERS IN EXCHANGES  
FOR THE 6% NOTES AND THE 6 1/8% BONDS  
(In Dollars Per \$100 Face Value)

<u>Securities to be Exchanged</u>	<u>Payment to or by (-) Subscriber to Adjust Exchange Values</u>	<u>Payment to Subscriber for Accrued Interest to November 15, 1971, on Securities Exchanged</u>	<u>Net Amount to be Paid to Subscriber</u>
<u>6% Notes of Series B-1978</u>			
4 3/4% Note 5/15/72	.236678	-	.236678
6 3/4% Note 5/15/72	1.211515	-	1.211515
5% Note 8/15/72	.386700	1.250000	1.636700
4% Bond 8/15/72	-.339353	1.000000	.660647
<u>6 1/8% Bonds of 1986</u>			
4 3/4% Note 5/15/72	.136678	-	.136678
6 3/4% Note 5/15/72	1.111515	-	1.111515
5% Note 8/15/72	.286700	1.250000	1.536700
4% Bond 8/15/72	-.439353	1.000000	.560647