

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 72-57
March 22, 1972

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

The following release was given to the press by the Treasury and is provided for your information:

TREASURY ANNOUNCES FINANCING PLANS

The Treasury Department announced today that it is discontinuing for the time being the additions to the weekly bills which had been initiated on February 17. A total of \$1.8 billion of new cash has been raised through these additions.

The Department also announced that it is offering for auction on Tuesday, March 28, \$1-3/4 billion or thereabouts of a 3-year 5-7/8 percent note maturing on May 15, 1975. Payment for the notes, to be issued on April 3, 1972, may be made through Treasury Tax and Loan Accounts.

The sale of the note is expected to meet cash requirements through at least mid-May, when there is a regular quarterly refunding.

The reduction in the Treasury's cash requirements from earlier projections primarily reflects larger current revenue collections than previously anticipated. The improvement in the revenues appears related to some over-withholding of personal income taxes following the change in withholding schedules required by the Revenue Act of 1971 and made effective in January. Overwithholding can be eliminated by actions by taxpayers themselves. In particular, taxpayers with only one wage earner in the family or in higher income brackets with larger than normal itemized deductions may find it desirable to adjust the number of their exemptions for withholding

purposes, as permitted by law, to bring the amounts withheld into close relation to their ultimate tax liability.

The Treasury also noted it is reviewing the possibility of introducing some changes in its financing techniques to identify ways its routine debt management operations, including both its refunding and new cash raising operations, might be facilitated. Pending completion of this review, no announcement of changes are anticipated over the next month.

Also enclosed is the Treasury release pertaining to the new note as well as the official offering Circular No. 4-72 and tender form.

Yours very truly,

P. E. Coldwell

President

Enclosures

UNITED STATES OF AMERICA
5⁷/₈ PERCENT TREASURY NOTES OF SERIES F-1975

Dated and bearing interest from April 3, 1972

Due May 15, 1975

DEPARTMENT CIRCULAR
Public Debt Series No. 4-72

DEPARTMENT OF THE TREASURY
Office of the Secretary
Washington, March 22, 1972

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites tenders at a price not less than 99.26 percent of their face value for \$1,750,000,000, or thereabouts, of notes of the United States, designated 5⁷/₈ percent Treasury Notes of Series F-1975. Tendere will be received up to 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972. The notes will be issued under competitive and noncompetitive bidding, as set forth in Section III hereof.

II. DESCRIPTION OF NOTES

1. The notes will be dated April 3, 1972, and will bear interest from that date at the rate of 5⁷/₈ percent per annum, payable on a semi-annual basis on November 15, 1972, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1975, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are 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.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Department of the Treasury, now or hereafter prescribed, governing United States notes.

III. TENDERS AND ALLOTMENTS

1. Tendere will be received at Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington, D. C. 20220, up to the closing hour, 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972. Each tender must state the face amount of notes bid for, which must be \$1,000 or a multiple thereof, and the price offered, except that in the case of noncompetitive tendere the term "noncompetitive" should be used in lieu of a price. In the case of competitive tendere, the price must be expressed on the basis of 100, with two decimals, e.g., 100.00. Tendere at a price less than 99.26 will not be accepted. Fractions may not be used. Noncompetitive tendere from any one bidder may not exceed \$200,000. It is urged that tendere be made on the printed forms and forwarded in the special envelopes marked "Tender for Treasury Notes", which will be supplied by Federal Reserve Banks on application therefor.

2. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit tendere for account of customers provided the names of the customers are set forth in such tendere. Others than commercial banks will not be permitted to submit tendere except for their own account. Tendere will be received without deposit from banking institutions for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, and Government accounts. Tendere from others must be accompanied by payment of 5 percent of the face amount of notes applied for.

3. Immediately after the closing hour tendere will be opened, following which public announcement will be made by the Department of the Treasury of the amount and price range of accepted bids. Those submitting tendere will be advised of the acceptance or rejection thereof. In considering the acceptance of tendere, those at the highest prices will be accepted to the extent required to attain the amount offered. Tendere at the lowest accepted price will be prorated if necessary. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tendere, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tendere for \$200,000 or less without stated price from any one bidder will be accepted in full at the average price* (in two decimals) of accepted competitive tendere.

4. All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any notes of this issue at a specific rate or price, until after 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972.

5. Commercial banks in submitting tendere will be required to certify that they have no beneficial interest in any of the tendere they enter for the account of their customers, and that their customers have no beneficial interest in the banks' tendere for their own account.

IV. PAYMENT

1. Settlement for accepted tendere in accordance with the bids must be made or completed on or before April 3, 1972, at the Federal Reserve Bank or Branch or at the office of the Treasurer of the United States, Washington, D. C. 20220, in cash or other funds immediately available by that date. Payment will not be deemed to have been completed where registered notes are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. In every case where full payment is not completed, the payment with the tender up to 5 percent of the amount of notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make settlement by credit in its Treasury Tax and Loan Account for notes allotted to it for itself and its customers.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive tendere, to make such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and make delivery of notes on full-paid tendere allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

JOHN B. CONNALLY,
Secretary of the Treasury.

*Average price may be at, or more or less than 100.00.

Please Observe Closing Time of 12:30 P.M., Central Standard Time, Tuesday, March 28, 1972

TENDER

5 7/8% TREASURY NOTES OF SERIES F-1975

Dated April 3, 1972

Maturing May 15, 1975

To: Federal Reserve Bank, Station K, Dallas, Texas 75222

or —
The _____ Branch
El Paso 79999 Houston 77001 San Antonio 78295

(Date)

Pursuant to the provision of Treasury Department Circular, Public Dept Series No. 4-72, as shown on the reverse side, the undersigned offers to purchase Treasury notes in the amount shown below, and agrees to pay for the amount allotted, on or before the issue date, by the method and at the rate indicated.

NONCOMPETITIVE TENDER \$ _____ NOT TO EXCEED \$200,000

Noncompetitive tenders for \$200,000 or less from any one bidder, without stated price, will be accepted in full at the average price (in two decimals) of accepted competitive bids.

Prices should be expressed on the basis of 100, with two decimals, e. g., 100.00. Fractions must not be used. Tenders at a price less than 99.26 will not be accepted.

COMPETITIVE TENDERS

\$ _____ @ _____ \$ _____
\$ _____ @ _____ \$ _____
\$ _____ @ _____ \$ _____

Denominations Desired	
Number of Pieces	Maturity Value
_____ @ \$ 1,000	\$ _____
_____ @ \$ 5,000	\$ _____
_____ @ \$ 10,000	\$ _____
_____ @ \$ 100,000	\$ _____
_____ @ \$1,000,000	\$ _____

METHOD OF PAYMENT

- By charge to our Treasury Tax and Loan Account
- Payment to be made by _____
(Name of Bank)
- By charge to our reserve account on payment date.
- By draft enclosed (effectual delivery of enclosed draft shall be on latest day which will permit presentment in order to obtain irrevocably collected funds on payment date).

SCHEDULE FOR ISSUE OF REGISTERED SECURITIES

Name or names in which securities are to be registered, tax account number of owner and mailing address for interest checks.		Denominations Desired		
		No. of Pieces	Denomination	Amount
_____ or _____		_____ @ \$ _____	\$ _____	\$ _____
		_____ @ \$ _____	\$ _____	\$ _____
		Face Amount	\$ _____	\$ _____

CERTIFICATION BY COMMERCIAL BANKS

We hereby certify that we have received tenders from our customers in the amounts set opposite the customers' names on the list which is made a part of this tender; that there has been paid to us by each such customer as required by the official offering circular, not subject to withdrawal until after allotment, not less than 5 percent of the amount bid for; that we have not made unsecured loans, or loans collateralized in whole or in part by the notes bid for, to supply the amounts of such payments to any of such customers; that we have no beneficial interest in the tenders of such customers; and that none of our customers has any beneficial interest in the amount bid for our own account.

We further certify that tenders received by us, if any, from other commercial banks for their own account and for the account of their customers have been entered with us under the same conditions, agreements and certifications as set forth in this form.

CERTIFICATION BY ALL SUBSCRIBERS

We certify that all subscribers listed hereon have agreed not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any of the notes of this issue at a specific rate or price, until after 1:30 p.m., Eastern Standard Time, Tuesday, March 28, 1972.

Delivery Instructions:

- Hold in Custody Account—Member banks for own account only
- Pledge to secure Treasury Tax and Loan Account
- Ship to _____

(Subscriber's full name or corporate title)

(Address)

By _____
(Authorized official signature and title)

(For the account of, if tender is for another subscriber)