

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 72-160

July 27, 1972

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

Enclosed are Treasury Department Circulars, Public Debt Series Nos. 7-72, 8-72, and 9-72, and subscription forms relating to the August financing.

EXCHANGE OFFERING

SECURITIES OFFERED

5-7/8% Treasury Notes of Series F-1976
6-1/4% Treasury Notes of Series A-1979
6-3/8% Treasury Bonds of 1984

SECURITIES ELIGIBLE FOR EXCHANGE FOR EITHER NOTES OR BONDS
(Multiples of \$1,000)

5% Treasury Notes of Series E-1972, maturing August 15, 1972
4% Treasury Bonds of 1972, maturing August 15, 1972
2-1/2% Treasury Bonds of 1967-72, maturing September 15, 1972
6% Treasury Notes of Series F-1972, maturing November 15, 1972
2-1/2% Treasury Bonds of 1967-72, maturing December 15, 1972

SECURITIES ELIGIBLE FOR EXCHANGE FOR 7-YEAR NOTES AND BONDS ONLY
(Multiples of \$1,000)

5-3/4% Treasury Notes of Series A-1974, maturing November 15, 1974
3-7/8% Treasury Bonds of 1974, maturing November 15, 1974
5-3/4% Treasury Notes of Series A-1975, maturing February 15, 1975
5-7/8% Treasury Notes of Series E-1975, maturing February 15, 1975

PAYMENT

Payment in the form of the eligible securities should be made before 5:00 p.m., August 2, 1972, and where possible, the securities should accompany the subscriptions. However, where this is not possible the securities should be received no later than August 7. Payment for the notes may not be made by cash (see page 2 regarding cash purchase of bonds).

CASH OFFERING

SECURITY OFFERED

6-3/8% Treasury Bonds of 1984

CONDITIONS

1. Available only to individuals.
2. Maximum subscription \$10,000 (in multiples of \$1,000).
3. Subscription must be accompanied by a payment of at least 10% of amount of bonds applied for.

PAYMENT

Payment in the form of a cashier's check or federal funds draft payable to this Bank (or in cash) should accompany the subscription for the total amount of bonds applied for. In the event a down payment of 10% is submitted with the subscription, the remaining payment must be completed in cash or other immediately available funds by Tuesday, August 15, 1972. In every case where payment is not completed, payment with the application up to 10% of the amount of bonds allotted may be forfeited to the United States.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will be open until 5:00 p.m., Central Daylight Saving Time, Wednesday, August 2, 1972, except subscriptions placed in the mail must be postmarked before midnight, Tuesday, August 1, 1972, to be considered timely. In addition, individuals exchanging registered securities or subscribing for cash will be permitted to submit subscriptions until 5:00 p.m., Central Daylight Saving Time, Friday, August 4, 1972, such subscriptions being considered timely if postmarked before midnight, Thursday, August 3, 1972. Subscriptions will be received at this Bank and its Branches at El Paso, Houston, and San Antonio, and should be submitted on the enclosed forms. Additional circulars and forms will be furnished upon request.

Yours very truly,

P. E. Coldwell

President

Enclosures

UNITED STATES OF AMERICA

5 $\frac{7}{8}$ PERCENT TREASURY NOTES OF SERIES F-1976

Dated and bearing interest from August 15, 1972

Due February 15, 1976

DEPARTMENT CIRCULAR
Public Debt Series No. 7-72

THE DEPARTMENT OF THE TREASURY
Office of the Secretary
Washington, July 27, 1972

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers notes of the United States, designated 5 $\frac{7}{8}$ percent Treasury Notes of Series F-1976, at 99.75 percent of their face value, in exchange for the following securities, singly or in combinations aggregating \$1,000 or multiples thereof:

- (1) 5 percent Treasury Notes of Series E-1972, due August 15, 1972;
- (2) 4 percent Treasury Bonds of 1972, due August 15, 1972;
- (3) 2 $\frac{1}{2}$ percent Treasury Bonds of 1967-72, due September 15, 1972, with a cash payment of \$1.12220 per \$1,000 to the United States;
- (4) 6 percent Treasury Notes of Series F-1972, due November 15, 1972, with a cash payment of \$4.20838 per \$1,000 to subscribers; or
- (5) 2 $\frac{1}{2}$ percent Treasury Bonds of 1967-72, due December 15, 1972, with a cash payment of \$6.00915 per \$1,000 to the United States.

Interest will be adjusted as of August 15, 1972, on the securities due September 15, November 15 and December 15, 1972. Payments on account of accrued interest and cash adjustments will be made as set forth in Section IV hereof. The amount of this offering will be limited to the amount of eligible securities tendered in exchange. The books will be open until 5:00 p.m., local time, August 2, 1972, for the receipt of subscriptions, except that individuals exchanging registered securities will be permitted to submit subscriptions until 5:00 p.m., local time, August 4, 1972.

2. In addition, holders of the securities enumerated in Paragraph 1 of this section are offered the privilege of exchanging all or any part of them for 6 $\frac{1}{4}$ percent Treasury Notes of Series A-1979, or 6 $\frac{3}{8}$ percent Treasury Bonds of 1984 which offerings are set forth in Department Circulars, Public Debt Series—Nos. 8-72 and 9-72, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 15, 1972, and will bear interest from that date at the rate of 5 $\frac{7}{8}$ percent per annum, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1976, 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. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington, D. C. 20220. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and The Department of the Treasury are authorized to act as official agencies.

2. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, and to allot less than the amount of notes applied for when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, all subscriptions will be allotted in full.

IV. PAYMENT

1. Payment for the face amount of notes allotted hereunder must be made on or before August 15, 1972, or on later allotment, and may be made only in a like face amount of securities of the issues enumerated in Paragraph 1 of Section I hereof, which should accompany the subscription. 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.

2. **5 percent notes of Series E-1972 and 4 percent bonds of 1972.**— When payment is made with securities in bearer form, coupons dated August 15, 1972, should be **detached** and cashed when due. When payment is made with registered securities, the final interest due on August 15, 1972, will be paid by issue of interest checks in regular course to holders of record on July 14, 1972, the date the transfer books closed. A cash payment of \$2.50 per \$1,000 on account of the issue price of the new notes will be made to subscribers.

3. **2½ percent bonds of September 15, 1967-72.**— When payment is made with bonds in bearer form, coupons dated September 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from March 15 to August 15, 1972 (\$10.39402 per \$1,000) plus the payment on account of the issue price of the new notes (\$2.50 per \$1,000) will be credited and the cash payment of (\$1.12220 per \$1,000), due the United States will be charged, and the difference of \$11.77182 per \$1,000 will be paid to subscribers.

4. **6 percent notes of Series F-1972.**— When payment is made with notes in bearer form, coupons dated November 15, 1972, must be **attached** to the notes when surrendered. Accrued interest from May 15 to August 15, 1972 (\$15.00000 per \$1,000) plus the payment on account of the issue price of the new notes (\$2.50 per \$1,000) and the cash payment (\$4.20838 per \$1,000), a total of \$21.70838 per \$1,000, will be paid to subscribers.

5. **2½ percent bonds of December 15, 1967-72.**— When payment is made with bonds in bearer form, coupons dated December 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from June 15 to August 15, 1972 (\$4.16667 per \$1,000) plus the payment on account of the issue price of the new notes (\$2.50 per \$1,000) will be credited, the payment due the United States (\$6.00915 per \$1,000) will be charged, and the difference (\$0.65752 per \$1,000) will be paid to subscribers.

6. Payments due subscribers will be made by check or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District, following acceptance of the securities surrendered. In the case of registered securities, the payment will be made in accordance with the assignments thereon.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Registered securities tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of The Department of the Treasury governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. 20220. The securities must be delivered at the expense and risk of the holder. If the notes are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 5⅞ percent Treasury Notes of Series F-1976"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 5⅞ percent Treasury Notes of Series F-1976 in the name of _____"; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 5⅞ percent Treasury Notes of Series F-1976 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, 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 subscriptions 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.

GEORGE P. SHULTZ,
Secretary of the Treasury.

UNITED STATES OF AMERICA

6¼ PERCENT TREASURY NOTES OF SERIES A-1979

Dated and bearing interest from August 15, 1972

Due August 15, 1979

DEPARTMENT CIRCULAR
Public Debt Series No. 8-72

THE DEPARTMENT OF THE TREASURY
Office of the Secretary
Washington, July 27, 1972

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers notes of the United States, designated 6¼ percent Treasury Notes of Series A-1979, at par, in exchange for the following securities, singly or in combinations aggregating \$1,000 or multiples thereof:

- (1) 5 percent Treasury Notes of Series E-1972, dated May 15, 1971, due August 15, 1972;
- (2) 4 percent Treasury Bonds of 1972, dated September 15, 1962, due August 15, 1972;
- (3) 2½ percent Treasury Bonds of 1967-72, dated October 20, 1941, due September 15, 1972, with a cash payment of \$1.12220 per \$1,000 to the United States;
- (4) 6 percent Treasury Notes of Series F-1972, dated June 29, 1971, due November 15, 1972, with a cash payment of \$4.20838 per \$1,000 to subscribers;
- (5) 2½ percent Treasury Bonds of 1967-72, dated November 15, 1945, due December 15, 1972, with a cash payment of \$6.00915 per \$1,000 to the United States;
- (6) 5¾ percent Treasury Notes of Series A-1974, dated November 15, 1967, due November 15, 1974, with a cash payment of \$6.10880 per \$1,000 to subscribers;
- (7) 3⅞ percent Treasury Bonds of 1974, dated December 2, 1957, due November 15, 1974, with a cash payment of \$30.23856 per \$1,000 to the United States;
- (8) 5¾ percent Treasury Notes of Series A-1975, dated February 15, 1968, due February 15, 1975, with a cash payment of \$3.06136 per \$1,000 to subscribers; or
- (9) 5⅞ percent Treasury Notes of Series E-1975, dated October 22, 1971, due February 15, 1975, with a cash payment of \$5.81659 per \$1,000 to subscribers.

Interest will be adjusted as of August 15, 1972, on the securities due subsequent to that date. Payments on account of accrued interest and cash adjustments will be made as set forth in Section IV hereof. The amount of this offering will be limited to the amount of eligible securities tendered in exchange. The books will be open until 5:00 p.m., local time, August 2, 1972, for the receipt of subscriptions, except that individuals exchanging registered securities will be permitted to submit subscriptions until 5:00 p.m., local time, August 4, 1972.

2. In addition,

- (a) holders of all of the securities enumerated in Paragraph 1 of this section are offered the privilege of exchanging all or any part of them for 6⅞ percent Treasury Bonds of 1984 which offering is set forth in Department Circular, Public Debt Series—No. 9-72, and
- (b) holders of the securities maturing in 1972, are offered the privilege of exchanging all or any part of them for 5⅞ percent Treasury Notes of Series F-1976, which offering is set forth in Department Circular, Public Debt Series—No. 7-72. These two circulars are being issued simultaneously with this circular.

3. **Optional recognition of gain or loss for Federal income tax purposes on securities due in 1974 and 1975.**—Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954, the Secretary of the Treasury hereby declares that gain or loss for Federal income tax purposes upon the exchange with the United States of the securities due in 1974 and 1975 enumerated in Paragraph 1 of this section solely for the 6¼ percent Treasury Notes of Series A-1979 may be recognized either—

- (1) in the taxable year of the exchange, or
- (2) in the taxable year of disposition or redemption of the new obligations.

In the case of either option, any gain realized on the exchange to the extent that money (other than as an interest adjustment) is received by the security holder in connection with the exchange must be recognized as gain for the taxable year of the exchange.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 15, 1972, and will bear interest from that date at the rate of 6¼ percent per annum, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1979, 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. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington, D. C. 20220. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and The Department of the Treasury are authorized to act as official agencies.

2. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, and to allot less than the amount of notes applied for when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, all subscriptions will be allotted in full.

IV. PAYMENT

1. Payment for the face amount of notes allotted hereunder must be made on or before August 15, 1972, or on later allotment, and may be made only in a like face amount of securities of the issues enumerated in Paragraph 1 of Section I hereof, which should accompany the subscription. 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. Payments due to subscribers (paragraphs 3, 4, 6, 8 and 9 below) will be made by check or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District, following acceptance of the securities surrendered. In the case of registered securities, the payment will be made in accordance with the assignments thereon. Payments due from subscribers (paragraphs 5 and 7 below) should accompany the subscription.

2. **5 percent notes of Series E-1972 and 4 percent bonds of 1972.**— When payment is made with securities in bearer form, coupons dated August 15, 1972, should be **detached** and cashed when due.*

3. **2½ percent bonds of September 15, 1967-72.**— When payment is made with bonds in bearer form, coupons dated September 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from March 15 to August 15, 1972 (\$10.39402 per \$1,000) will be credited, the payment due the United States (\$1.12220 per \$1,000) will be charged, and the difference (\$9.27182 per \$1,000) will be paid to subscribers.

4. **6 percent notes of Series F-1972.**— When payment is made with notes in bearer form, coupons dated November 15, 1972, must be **attached** to the notes when surrendered. Accrued interest from May 15 to August 15, 1972 (\$15.00000 per \$1,000), plus the cash payment (\$4.20838 per \$1,000), a total of \$19.20838 per \$1,000, will be paid to subscribers.

5. **2½ percent bonds of December 15, 1967-72.**— When payment is made with bonds in bearer form, coupons dated December 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from June 15 to August 15, 1972 (\$4.16667 per \$1,000) will be credited, the payment due the United States (\$6.00915 per \$1,000) will be charged, and the difference (\$1.84248 per \$1,000) must be paid to the United States.

6. **5¼ percent notes of Series A-1974.**— When payment is made with notes in bearer form, coupons dated November 15, 1972, and all subsequent coupons, must be **attached** to the notes when surrendered. Accrued interest from May 15 to August 15, 1972 (\$14.37500 per \$1,000), plus the cash payment (\$6.10880 per \$1,000), a total of \$20.48380 per \$1,000, will be paid to subscribers.

7. **3½ percent bonds of 1974.**— When payment is made with bonds in bearer form, coupons dated November 15, 1972, and all subsequent coupons, must be **attached** to the bonds when surrendered. Accrued interest from May 15 to August 15, 1972 (\$9.68750 per \$1,000) will be credited, the payment due the United States (\$30.23856 per \$1,000) will be charged, and the difference (\$20.55106 per \$1,000) must be paid to the United States.

8. **5¼ percent notes of Series A-1975.**— When payment is made with notes in bearer form, coupons dated February 15, 1973, and all subsequent coupons, must be **attached** (August 15, 1972, coupons should be **detached***) to the notes when surrendered. A cash payment of \$3.06136 per \$1,000 will be paid to subscribers.

9. **5 percent notes of Series E-1975.**— When payment is made with notes in bearer form, coupons dated February 15, 1973, and all subsequent coupons, must be **attached** (August 15, 1972, coupons should be **detached***) to the notes when surrendered. A cash payment of \$5.81659 per \$1,000 will be paid to subscribers.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Registered securities tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of The Department of the Treasury governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. 20220. The securities must be delivered at the expense and risk of the holder. If the notes are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 6¼ percent Treasury Notes of Series A-1979"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 6¼ percent Treasury Notes of Series A-1979 in the name of _____"; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 6¼ percent Treasury Notes of Series A-1979 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, 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 subscriptions 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.

GEORGE P. SHULTZ,
Secretary of the Treasury.

*Interest due on August 15, 1972, on registered securities will be paid by issue of interest checks in regular course to holders of record on July 14, 1972, the date the transfer books closed.

UNITED STATES OF AMERICA
6¾ PERCENT TREASURY BONDS OF 1984

Dated and bearing interest from August 15, 1972

Due August 15, 1984

DEPARTMENT CIRCULAR
Public Debt Series No. 9-72

THE DEPARTMENT OF THE TREASURY
Office of the Secretary
Washington, July 27, 1972

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers bonds of the United States, designated 6¾ percent Treasury Bonds of 1984, at 99.40 percent of their face value, in exchange for the following securities, singly or in combinations aggregating \$1,000 or multiples thereof:

- (1) 5 percent Treasury Notes of Series E-1972, dated May 15, 1971, due August 15, 1972;
- (2) 4 percent Treasury Bonds of 1972, dated September 15, 1962, due August 15, 1972;
- (3) 2½ percent Treasury Bonds of 1967-72, dated October 20, 1941, due September 15, 1972, with a cash payment of \$1.12220 per \$1,000 to the United States;
- (4) 6 percent Treasury Notes of Series F-1972, dated June 29, 1971, due November 15, 1972, with a cash payment of \$4.20838 per \$1,000 to subscribers;
- (5) 2½ percent Treasury Bonds of 1967-72, dated November 15, 1945, due December 15, 1972, with a cash payment of \$6.00915 per \$1,000 to the United States;
- (6) 5¾ percent Treasury Notes of Series A-1974, dated November 15, 1967, due November 15, 1974, with a cash payment of \$6.10880 per \$1,000 to subscribers;
- (7) 3¾ percent Treasury Bonds of 1974, dated December 2, 1957, due November 15, 1974, with a cash payment of \$30.23856 per \$1,000 to the United States;
- (8) 5¾ percent Treasury Notes of Series A-1975, dated February 15, 1968, due February 15, 1975, with a cash payment of \$3.06136 per \$1,000 to subscribers; or
- (9) 5¾ percent Treasury Notes of Series E-1975, dated October 22, 1971, due February 15, 1975, with a cash payment of \$5.81659 per \$1,000 to subscribers.

Interest will be adjusted as of August 15, 1972, on the securities due subsequent to that date. Payments on account of accrued interest and cash adjustments will be made as set forth in Section IV hereof. In addition, the Secretary of the Treasury offers the bonds to natural persons in their own right for cash, not to exceed \$10,000 to any one person. The books will be open until 5:00 p.m., local time, August 2, 1972, for the receipt of subscriptions, except that individuals subscribing for cash, or exchanging registered securities, will be permitted to submit subscriptions until 5:00 p.m., local time, August 4, 1972.

2. In addition,

- (a) holders of all of the securities enumerated in Paragraph 1 of this section are offered the privilege of exchanging all or any part of them for 6¼ percent Treasury Notes of Series A-1979, which offering is set forth in Department Circular, Public Debt Series — No. 8-72, and
- (b) holders of the securities maturing in 1972, are offered the privilege of exchanging all or any part of them for 5¾ percent Treasury Notes of Series F-1976, which offering is set forth in Department Circular, Public Debt Series — No. 7-72.

These two circulars are being issued simultaneously with this circular.

3. **Optional recognition of gain or loss for Federal income tax purposes on securities due in 1974 and 1975.**—Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954, the Secretary of the Treasury hereby declares that gain or loss for Federal income tax purposes upon the exchange with the United States of the securities due in 1974 and 1975 enumerated in Paragraph 1 of this section solely for the 6¾ percent Treasury Bonds of 1984 may be recognized either —

- (1) in the taxable year of the exchange, or
- (2) in the taxable year of disposition or redemption of the new obligations.

In the case of either option, any gain realized on the exchange to the extent that money (other than as an interest adjustment) is received by the security holder in connection with the exchange must be recognized as gain for the taxable year of the exchange.

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1972, and will bear interest from that date at the rate of 6¾ percent per annum, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1984, and will not be subject to call for redemption prior to maturity.

2. The income derived from the bonds is subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds 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 bonds will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer bonds with interest coupons attached, and bonds 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 bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

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

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve Banks and Branches and at the Treasurer of the United States, Washington, D. C. 20220. Only the Federal Reserve Banks and The Department of the Treasury are authorized to act as official agencies. Banking institutions generally may submit subscriptions for account of customers, provided the names of customers subscribing for cash are set forth in such subscriptions. Others than banking institutions will not be permitted to enter cash subscriptions except for their own account.

2. Cash subscriptions, which may not exceed \$10,000 from any one person, must be accompanied by payment of 10 percent of the face amount of bonds applied for.

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

4. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, and to allot less than the amount of bonds applied for when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to the exercise of that authority, all subscriptions will be allotted in full.

IV. PAYMENT

1. Payment for the face amount of bonds allotted hereunder in exchange for securities of the issues enumerated in Paragraph 1 of Section I hereof, must be made on or before August 15, 1972, or on later allotment, and may be made only in a like face amount of such securities, which should accompany the subscription. On cash subscriptions payment at 99.40 percent of their face value and accrued interest, if any, for bonds allotted hereunder, must be completed on or before August 15, 1972, in cash or other funds fully collectible by that date. In every case where full payment is not completed, the payment with the application up to 10 percent of the amount of bonds allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Payment will not be deemed to have been completed where registered bonds 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. Payments due to subscribers (paragraphs 2, 3, 4, 5, 6, 8 and 9 below) will be made by check or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District, following acceptance of the securities surrendered. In the case of registered securities, the payment will be made in accordance with the assignments thereon. Payments due from subscribers (paragraph 7 below) should accompany the subscription.

2. **5 percent notes of Series E-1972 and 4 percent bonds of 1972.**—When payment is made with securities in bearer form, coupons dated August 15, 1972, should be **detached** and cashed when due.* A cash payment of \$6.00 per \$1,000 on account of the issue price of the new bonds will be made to subscribers.

3. **2½ percent bonds of September 15, 1967-72.**—When payment is made with bonds in bearer form, coupons dated September 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from March 15 to August 15, 1972 (\$10.39402 per \$1,000) plus the payment on account of the issue price of the new bonds (\$6.00 per \$1,000) will be credited, the payment (\$1.12220 per \$1,000) due the United States will be charged, and the difference (\$15.27182 per \$1,000) will be paid to subscribers.

4. **6 percent notes of Series F-1972.**—When payment is made with notes in bearer form, coupons dated November 15, 1972, must be **attached** to the notes when surrendered. Accrued interest from May 15 to August 15, 1972 (\$15.00000 per \$1,000), the payment on account of the issue price of the new bonds (\$6.00 per \$1,000) and the cash payment (\$4.20838 per \$1,000), a total of \$25.20838 per \$1,000, will be paid to subscribers.

5. **2½ percent bonds of December 15, 1967-72.**—When payment is made with bonds in bearer form, coupons dated December 15, 1972, must be **attached** to the bonds when surrendered. Accrued interest from June 15 to August 15, 1972 (\$4.16667 per \$1,000) plus the payment on account of the issue price of the new bonds (\$6.00 per \$1,000) will be credited, the payment due the United States (\$6.00915 per \$1,000) will be charged, and the difference (\$4.15752 per \$1,000) will be paid to subscribers.

6. **5¾ percent notes of Series A-1974.**—When payment is made with notes in bearer form, coupons dated November 15, 1972, and all subsequent coupons, must be **attached** to the notes when surrendered. Accrued interest from May 15 to August 15, 1972 (\$14.37500 per \$1,000), the payment on account of the issue price of the new bonds (\$6.00 per \$1,000) and the cash payment (\$6.10880 per \$1,000), a total of \$26.48380 per \$1,000, will be paid to subscribers.

7. **3¾ percent bonds of 1974.**—When payment is made with bonds in bearer form, coupons dated November 15, 1972, and all subsequent coupons, must be **attached** to the bonds when surrendered. Accrued interest from May 15 to August 15, 1972 (\$9.68750 per \$1,000) plus the payment on account of the issue price of the new bonds (\$6.00 per \$1,000) will be credited, the payment (\$30.23856 per \$1,000) due the United States will be charged, the difference (\$14.55106 per \$1,000) must be paid by subscribers.

8. **5¾ percent notes of Series A-1975.**—When payment is made with notes in bearer form, coupons dated February 15, 1973, and all subsequent coupons, must be **attached** (August 15, 1972, coupons should be **detached***) to the notes when surrendered. The payment on account of the issue price of the new bonds (\$6.00 per \$1,000) and the cash payment (\$3.06136 per \$1,000), a total of \$9.06136 per \$1,000, will be paid to subscribers.

9. **5¾ percent notes of Series E-1975.**—When payment is made with notes in bearer form, coupons dated February 15, 1973, and all subsequent coupons, must be **attached** (August 15, 1972, coupons should be **detached***) to the notes when surrendered. The payment on account of the issue price of the new bonds (\$6.00 per \$1,000) and the cash payment (\$5.81659 per \$1,000), a total of \$11.81659 per \$1,000, will be paid to subscribers.

V. ASSIGNMENT OF REGISTERED SECURITIES

1. Registered securities tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of The Department of the Treasury governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be surrendered with the subscription to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, D. C. 20220. The securities must be delivered at the expense and risk of the holder. If the bonds are desired registered in the same name as the securities surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 6¾ percent Treasury Bonds of 1984"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 6¾ percent Treasury Bonds of 1984 in the name of _____"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 6¾ percent Treasury Bonds of 1984 in coupon form to be delivered to _____".

VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, 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 bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

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.

GEORGE P. SHULTZ,
Secretary of the Treasury.

*Interest due on August 15, 1972, on registered securities will be paid by issue of interest checks in regular course to holders of record on July 14, 1972, the date the transfer books closed.

EXCHANGE SUBSCRIPTION
 5 7/8 % Treasury Notes of Series F-1976
 At 99.75% of Face Value

Dated and bearing interest from August 15, 1972
 Due February 15, 1976

To: Federal Reserve Bank, Station K, Dallas, Texas 75222
 or —
 The _____ Branch
 El Paso 79999 Houston 77001 San Antonio 78295

EACH SUBSCRIPTION TO THIS ISSUE MUST BE IN A MULTIPLE OF \$1,000

Pursuant to the provisions of Treasury Department Circular, Public Debt Series No. 7-72, dated July 27, 1972, the undersigned hereby subscribes for \$ _____ 5 7/8 % Treasury Notes of Series F-1976, dated August 15, 1972, maturing February 15, 1976, and tenders the following securities in payment:

Table with 4 columns: Securities Tendered, Face Amount, Net Cash Adjustment* (per \$1,000 face amount) Payable to Subscriber, and Cash Adjustment Due to Subscriber. Rows include 4% Bonds of 1972 due 8-15-72, 5% Notes, Series E-1972, 2 1/2 % Bonds of 1972 due 9-15-72, 6% Notes, Series F-1972, 2 1/2 % Bonds of 1972 due 12-15-72, and a TOTAL row.

*See official circular for details
 METHOD OF PAYMENT FOR ADJUSTMENT:
☐ Reserve account... ☐ check... ☐ Otherwise...
 The securities to be applied in payment should be listed on the reverse side and should accompany this subscription. If the securities do not accompany this subscription, please attach a letter giving complete information regarding their location and approximate date of surrender.

SCHEDULE FOR ISSUE OF BEARER SECURITIES
 Fill in Number of Pieces by Denomination
 Table with columns: Number of Pieces, DO NOT USE THIS COLUMN, At, Amount. Rows for \$1,000, \$5,000, \$10,000, \$100,000, \$1,000,000, and TOTAL \$.
 INSTRUCTIONS FOR DELIVERY OF NEW SECURITIES
☐ Custody — Member bank for own account \$ _____
☐ As collateral — Treasury Tax and Loan account (Bank's own securities) \$ _____
☐ In joint safekeeping for own account and _____ \$ _____
 Deliver to _____ \$ _____
 (State whether free or against funds)

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
 Table with columns: No. of Pieces, Denomination, Amount. Rows for @ \$ _____ \$ _____, @ \$ _____ \$ _____, and Face Amount \$ _____.
 Social Security No. _____ or Employer Identification No. _____

We hereby certify that at the time this subscription was entered the above-described securities surrendered or to be surrendered in connection with this exchange were owned and delivery accepted by the subscriber, or were contracted for purchase for value by the subscriber for delivery to the subscriber prior to the closing of the subscription books.

☐ This is an original subscription ☐ This is a confirmation

 (Name of subscriber)

 (Address)

By _____
 (Authorized signature)

Dated _____

PLEASE FILL IN THE FORM BELOW WHICH WILL BE RETURNED TO YOU AS AN ACKNOWLEDGMENT OF YOUR SUBSCRIPTION (OVER)

72-160

This acknowledges your subscription for \$ _____
 5 7/8 % Treasury Notes of Series F-1976.

MAIL TO

Name _____
 Address _____

F.R.B. Subscription No.
 IMPORTANT — Please use the above number in all matters — whether payment or correspondence — relating to this subscription.

The Federal Reserve Bank or Branch will acknowledge by stamping below.

EXCHANGE SUBSCRIPTION
6 1/4 % Treasury Notes of Series A-1979
At Par

Dated and bearing interest from August 15, 1972
To: Federal Reserve Bank, Station K, Dallas, Texas 75222
or —
The.....

Due August 15, 1979

El Paso 79999 Houston 77001 San Antonio 78295 Branch

EACH SUBSCRIPTION TO THIS ISSUE MUST BE IN A MULTIPLE OF \$1,000

Pursuant to the provisions of Treasury Department Circular, Public Debt Series No. 8-72, dated July 27, 1972, the undersigned hereby subscribes for \$..... 6 1/4 % Treasury Notes of Series A-1979, dated August 15, 1972, maturing August 15, 1979, and tenders the following securities in payment:

Securities Tendered	Face Amount	Net Cash Adjustment*	Payable to Subscriber	Cash Adjustment	
		(per \$1,000 face amount)		Due from Subscriber	Due to Subscriber
4% Bonds of 1972, due 8-15-72	\$0				\$0
5% Notes, Series E-1972	\$0				\$0
2 1/2 % Bonds of 1972 due 9-15-72	\$0		9.27182		\$0
6% Notes, Series F-1972	\$0		19.20838		\$0
2 1/2 % Bonds of 1972 due 12-15-72	\$0	1.84248		\$	\$
5 3/4 % Notes, Series A-1974	\$0		20.48380		\$
3 3/4 % Bonds of 1974 due 11-15-74	\$0	20.55106		\$	\$
5 3/4 % Notes, Series A-1975	\$0		3.06136		\$
5 7/8 % Notes, Series E-1975	\$0		5.81659		\$
TOTAL				\$	\$

*See official circular for details

METHOD OF PAYMENT FOR ADJUSTMENT:

☐ Reserve account... ☐ check... ☐ Otherwise...

The securities to be applied in payment should be listed on the reverse side and should accompany this subscription. If the securities do not accompany this subscription, please attach a letter giving complete information regarding their location and approximate date of surrender.

SCHEDULE FOR ISSUE OF BEARER SECURITIES			
Fill in Number of Pieces by Denomination			
Number of Pieces	DO NOT USE THIS COLUMN	At	Amount
		\$1,000	
		\$5,000	
		\$10,000	
		\$100,000	
		\$1,000,000	
		TOTAL \$	

INSTRUCTIONS FOR DELIVERY OF NEW SECURITIES	
<input type="checkbox"/> Custody — Member bank for own account	\$
<input type="checkbox"/> As collateral — Treasury Tax and Loan account (Bank's own securities)	\$
<input type="checkbox"/> In joint safekeeping for own account and	\$
Deliver to	\$
(State whether free or against funds)	

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
	@ \$ \$
	@ \$ \$
	Face Amount \$

--	--	--	--	--	--	--	--	--	--

 Social Security No. or

--	--	--	--	--	--	--	--	--	--

 Employer Identification No.

We hereby certify that at the time this subscription was entered the above-described securities surrendered or to be surrendered in connection with this exchange were owned and delivery accepted by the subscriber, or were contracted for purchase for value by the subscriber for delivery to the subscriber prior to the closing of the subscription books.

☐ This is an original subscription ☐ This is a confirmation

(Name of subscriber)

(Address)

By..... (Authorized signature)

Dated.....

PLEASE FILL IN THE FORM BELOW WHICH WILL BE RETURNED TO YOU AS AN ACKNOWLEDGMENT OF YOUR SUBSCRIPTION (OVER)

72-160

This acknowledges your subscription for \$.....
6 1/4 % Treasury Notes of Series A-1979.

MAIL TO

Name

Address

F.R.B. Subscription No.

IMPORTANT — Please use the above number in all matters — whether payment or correspondence — relating to this subscription.

The Federal Reserve Bank or Branch will acknowledge by stamping below.

Please list name and address of each subscriber, indicating by number in the first column the class of investor, in accordance with the following schedule:

INVESTOR CLASSES AND NUMBERS

- | | |
|--|---|
| 1. Individuals, partnerships and personal trust accounts | 7. State and local government funds other than pension and retirement |
| 2. Mutual savings banks | 8. Commercial banks |
| 3. Insurance companies | 9. Corporations other than banks and insurance companies |
| 4. Dealers and brokers | 10. Savings and building and loan associations |
| 5. Pension and retirement funds of State and local governments | 11. All others |
| 6. Other pension and retirement funds | |

LIST OF SUBSCRIBERS

Investor Class	NAME OF SUBSCRIBER	ADDRESS	AMOUNT	DO NOT USE	
	Our own subscription				
		TOTAL \$			

LIST OF SECURITIES SURRENDERED IN PAYMENT

(COUPONS MATURING AUGUST 15, 1972, MUST BE DETACHED AND ALL COUPONS DATED SUBSEQUENT TO AUGUST 15, 1972 MUST BE ATTACHED.)

Description	No. Pieces	Denomination	Serial Nos.	Location	Amount
-------------	------------	--------------	-------------	----------	--------

EXCHANGE SUBSCRIPTION
6 3/8 % Treasury Bonds of 1984
At 99.40% of Face Value

Dated and bearing interest from August 15, 1972
To: Federal Reserve Bank, Station K, Dallas, Texas 75222

Due August 15, 1984

The _____ Branch
El Paso 79999 Houston 77001 San Antonio 78295

EACH SUBSCRIPTION TO THIS ISSUE MUST BE IN A MULTIPLE OF \$1,000

Pursuant to the Provisions of Treasury Department Circular, Public Debt Series No. 9-72, dated July 27, 1972, the undersigned hereby subscribes for \$ _____ 6 3/8 % Treasury Bond of 1984, dated August 15, 1972, maturing August 15, 1984, and tenders the following securities in payment:

Securities Tendered	Face Amount	Net Cash Adjustment* (per \$1,000 face amount)		Cash Adjustment	
		Payable by Subscriber	Payable to Subscriber	Due from Subscriber	Due to Subscriber
4% Bonds of 1972 due 8-15-72	\$ _____		6.00000		\$ _____
5% Notes, Series E-1972	\$ _____		6.00000		\$ _____
2 1/2 % Bonds of 1972 due 9-15-72	\$ _____		15.27182		\$ _____
6% Notes, Series F-1972	\$ _____		25.20838		\$ _____
2 1/2 % Bond of 1972 due 12-15-72	\$ _____		4.15752		\$ _____
5 3/4 % Notes, Series A-1974	\$ _____		26.48380		\$ _____
3 3/8 % Bonds of 1974 due 11-15-74	\$ _____	14.55106		\$ _____	
5 3/4 % Notes, Series A-1975	\$ _____		9.06136		\$ _____
5 7/8 % Notes, Series E-1975	\$ _____		11.81659		\$ _____
TOTAL				\$ _____	\$ _____

*See official circular for details

METHOD OF PAYMENT FOR ADJUSTMENT:

☐ Reserve account... ☐ check... ☐ Otherwise...

The securities to be applied in payment should be listed on the reverse side and should accompany this subscription. If the securities do not accompany this subscription, please attach a letter giving complete information regarding their location and approximate date of surrender.

SCHEDULE FOR ISSUE OF BEARER SECURITIES			
Fill in Number of Pieces by Denomination			
Number of Pieces	DO NOT USE THIS COLUMN	At	Amount
		\$1,000	
		\$5,000	
		\$10,000	
		\$100,000	
		\$1,000,000	
		TOTAL \$	

INSTRUCTIONS FOR DELIVERY OF NEW SECURITIES	
<input type="checkbox"/> Custody — Member bank for own account	\$ _____
<input type="checkbox"/> As collateral — Treasury Tax and Loan account (Bank's own securities)	\$ _____
<input type="checkbox"/> In joint safekeeping for own account and _____	\$ _____
Deliver to _____	\$ _____
(State whether free or against funds)	

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
	@ \$ \$
	@ \$ \$
	Face Amount \$

_____ or _____
Social Security No. Employer Identification No.

We hereby certify that at the time this subscription was entered the above-described securities surrendered or to be surrendered in connection with this exchange were owned and delivery accepted by the subscriber, or were contracted for purchase for value by the subscriber for delivery to the subscriber prior to the closing of the subscription books.

☐ This is an original subscription ☐ This is a confirmation

(Name of subscriber)

(Address)

By _____
(Authorized signature)

Dated _____

PLEASE FILL IN THE FORM BELOW WHICH WILL BE RETURNED TO YOU AS AN ACKNOWLEDGMENT OF YOUR SUBSCRIPTION
(OVER)

72-160

This acknowledges your subscription for \$ _____
6 3/8 % Treasury Bond of 1984.

MAIL
TO 

Name

Address

F.R.B. Subscription No.

IMPORTANT — Please use the above number in all matters — whether payment or correspondence — relating to this subscription.

The Federal Reserve Bank or Branch will acknowledge by stamping below.

Please list name and address of each subscriber, indicating by number in the first column the class of investor, in accordance with the following schedule:

INVESTOR CLASSES AND NUMBERS

- | | |
|--|---|
| 1. Individuals, partnerships and personal trust accounts | 7. State and local government funds other than pension and retirement |
| 2. Mutual savings banks | 8. Commercial banks |
| 3. Insurance companies | 9. Corporations other than banks and insurance companies |
| 4. Dealers and brokers | 10. Savings and building and loan associations |
| 5. Pension and retirement funds of State and local governments | 11. All others |
| 6. Other pension and retirement funds | |

LIST OF SUBSCRIBERS

Investor Class	NAME OF SUBSCRIBER	ADDRESS	AMOUNT	DO NOT USE	
	Our own subscription				
		TOTAL \$			

LIST OF SECURITIES SURRENDERED IN PAYMENT

(COUPONS MATURING AUGUST 15, 1972, MUST BE DETACHED AND ALL COUPONS DATED SUBSEQUENT TO AUGUST 15, 1972 MUST BE ATTACHED.)