

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

DALLAS, TEXAS 75222

Circular No. 74-123
May 3, 1974

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

Quoted below is the text of a statement issued by the Treasury Department today concerning the interest rates for the two notes to be auctioned Tuesday and Wednesday.

COUPON RATES ANNOUNCED FOR NEW TREASURY NOTE ISSUES

The Treasury has set a coupon rate of 8-3/4% for both the \$2.0 billion of 25-1/2 month notes and the \$1.75 billion of 4-1/4 year notes, the sale of which was announced on May 1. The series titles will be 8-3/4 percent Treasury Notes of Series I-1976 and 8-3/4 percent Treasury Notes of Series C-1978. The 4-1/4 year notes will be auctioned on Tuesday, May 7, and the 25-1/2 month notes will be auctioned on Wednesday, May 8.

The public should be aware that in an auction the prices bid are not necessarily at par. The average price at which noncompetitive tenders are awarded may therefore be more or less than par. Subscribers submitting noncompetitive tenders should understand that the yield they receive may be lower than the stated coupon rate.

Additional copies of this circular will be furnished upon request.

Yours very truly,

P. E. Coldwell

President