

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 74-212  
August 1, 1974

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

Enclosed are combination Treasury Department Circulars/tender forms, Public Debt Series Nos. 8-74, 9-74, and 10-74 relating to the August refinancing.

**AUCTION**

**SECURITIES OFFERED**

Treasury Notes of Series D-1977  
Treasury Notes of Series B-1980  
8 1/2% Treasury Bonds of 1994-99

The coupon rates for the two issues of notes will be announced on Friday, August 2.

**CONDITIONS**

1. Tenders at prices less than the following amounts will not be accepted:  
  
99.51 - for Treasury Notes of Series D-1977  
98.51 - for Treasury Notes of Series B-1980  
94.01 - for 8 1/2% Treasury Bonds of 1994-99.
2. Noncompetitive tenders for \$500,000 or less for each issue (including the bonds) will be accepted in full at the average price (in two decimals) of accepted competitive tenders. Prices may be 100.00, or more or less than 100.00.
3. Tenders must be accompanied by a payment of at least 5% of the amount of notes and/or bonds applied for.
4. Payment for accepted tenders on bonds must include accrued interest from May 15 to August 15, 1974, in the amount of \$21.25 per \$1,000.

PAYMENT

Payment in the form of cash, a cashier's check or federal funds draft payable to this Bank, or 5 5/8% Treasury Notes of Series B-1974 (which will be accepted at par) for the total amount of notes and/or bonds applied for should accompany the tender. In the event a down payment of 5% is submitted with the tender, the remaining payment must be completed in cash or other immediately available funds by Thursday, August 15, 1974. In every case where payment is not completed, payment with the application up to 5% of the amount of securities allotted may be forfeited to the United States. Payments accompanying noncompetitive tenders for the bonds should be in the amount of \$1,021.25 per \$1,000 (see number 4 above).

CLOSING HOUR

Tenders will be received up until the following times for each issue as indicated:

Note, Series D-1977	12:30 p.m., C.D.S.T., Tuesday, August 6, 1974
Note, Series B-1980	12:30 p.m., C.D.S.T., Wednesday, August 7, 1974
8 1/2 Bond of 1994-99	12:30 p.m., C.D.S.T., Thursday, August 8, 1974

In each instance noncompetitive tenders will be considered timely received if they are mailed under a postmark no later than August 5 for the Note Series D-1977, August 6 for the Note Series B-1980, and August 7 for the bond.

Please note the appropriate closing times for each issue. Subscriptions and tenders 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

The below statement was issued by the Treasury Department yesterday pertaining to the weekly offering of Treasury bills covered by our Circular Nos. 74-206 and 74-207 dated July 30, 1974.

AMENDMENT TO TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, amends its invitation for tenders dated July 30, 1974, for weekly Treasury bills.

The aggregate amount of tenders invited for the two series shall be \$4,700,000,000 in place of the \$4,500,000,000 invited in the July 30 announcement. The amount of tenders invited for 91-day bills shall be \$2,700,000,000, or thereabouts, instead of \$2,600,000,000 and the amount of tenders invited for the 182-day bills shall be \$2,000,000,000, or thereabouts, instead of \$1,900,000,000.

This amendment will conform the invitation to the Treasury's announcement today that \$200 million would be added to the bills to be auctioned on August 5.



UNITED STATES OF AMERICA  
TREASURY NOTES OF SERIES D-1977

Dated and bearing interest from August 15, 1974

Due May 15, 1977

DEPARTMENT CIRCULAR  
Public Debt Series — No. 8-74

DEPARTMENT OF THE TREASURY  
Office of the Secretary  
Washington, August 1, 1974

I. INVITATION FOR TENDERS

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 99.51 percent of their face value for \$2,250,000,000, or thereabouts, of notes of the United States, designated Treasury Notes of Series D-1977. The interest rate for the notes will be publicly announced by the Secretary of the Treasury on August 2, 1974. An additional amount of the notes may be allotted by the Secretary of the Treasury to Government accounts and Federal Reserve Banks at the average price of accepted tenders in exchange for Treasury notes maturing August 15, 1974. Tenders will be received up to 1:30 p.m., Eastern Daylight Saving time, Tuesday, August 6, 1974, under competitive and noncompetitive bidding, as set forth in Section III hereof. The 5½ percent Treasury Notes of Series B-1974, maturing August 15, 1974, will be accepted at par in payment, in whole or in part, to the extent tenders are allotted by the Treasury.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 15, 1974, and will bear interest from that date, payable on a semiannual basis on November 15, 1974, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1977, 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. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to the closing hour, 1:30 p.m., Eastern Daylight Saving time, Tuesday, August 6, 1974. 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 tenders the term "noncompetitive" should be used in lieu of a price. In the case of competitive tenders, the price must be expressed on the basis of 100, with two decimals, e.g., 100.00. Tenders at a price less than 99.51 will not be accepted. Fractions may not be used. Noncompetitive tenders from any one bidder may not exceed \$500,000.

2. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and 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, may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others will not be permitted to submit tenders except for their own account. Tenders 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. Tenders from others must be accompanied by payment (in cash or 5½ percent Treasury Notes of Series B-1974 which will be accepted at par) of 5 percent of the face amount of notes applied for.

3. Immediately after the closing hour tenders 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 tenders will be advised of the acceptance or rejection thereof. In considering the acceptance of tenders, those at the highest prices will be accepted to the extent required to attain the amount offered. Tenders 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 tenders, in whole or in part, including the right to accept less than \$2,250,000,000 of tenders, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$500,000 or less without stated price from any one bidder will be accepted in full at the average price<sup>1</sup> (in two decimals) of accepted competitive tenders.

4. All bidders are required to agree not to purchase or 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 Daylight Saving time, Tuesday, August 6, 1974.

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

IV. PAYMENT

1. Settlement for accepted tenders in accordance with the bids must be made or completed on or before August 15, 1974, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D. C. 20226, in cash, 5½ percent Treasury Notes of Series B-1974 (interest coupons dated August 15, 1974, should be detached) 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. When payment is made with notes, a cash adjustment will be made to or required of the bidder for any difference between the face amount of notes submitted and the amount payable on the notes allotted.

V. ASSIGNMENT OF REGISTERED NOTES

1. Registered notes tendered as deposits and in payment for notes allotted hereunder are not required to be assigned if the notes are to be registered in the same names and forms as appear in the registrations or assignments of the notes surrendered. Specific instructions for the issuance and delivery of the notes, signed by the owner or his authorized representative, must accompany the notes presented. Otherwise, the notes should be assigned by the registered payees or assignees thereof in accordance with the general regulations governing United States securities, as hereinafter set forth. Notes to be registered in names and forms different from those in the inscriptions or assignments of the notes presented should be assigned to "The Secretary of the Treasury for Treasury Notes of Series D-1977 in the name of (name and taxpayer identifying number)." If notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for coupon Treasury Notes of Series D-1977 to be delivered to....." Notes tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D. C. 20226. The notes must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

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

William E. Simon,  
Secretary of the Treasury.

<sup>1</sup>Average price may be at, or more or less than 100.00.

(See reverse for tender form)

PLEASE OBSERVE CLOSING TIME OF 12:30 P.M., CENTRAL DAYLIGHT SAVING TIME, TUESDAY, AUGUST 6, 1974

UNITED STATES OF AMERICA  
TREASURY NOTES OF SERIES B-1980

Dated and bearing interest from August 15, 1974

Due August 15, 1980

DEPARTMENT CIRCULAR  
Public Debt Series — No. 9-74

DEPARTMENT OF THE TREASURY  
Office of the Secretary  
Washington, August 1, 1974.

I. INVITATION FOR TENDERS

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 98.51 percent of their face value for \$1,750,000,000, or thereabouts, of notes of the United States, designated Treasury Notes of Series B-1980. The interest rate for the notes will be publicly announced by the Secretary of the Treasury on August 2, 1974. An additional amount of the notes may be allotted by the Secretary of the Treasury to Government accounts and Federal Reserve Banks at the average price of accepted tenders in exchange for Treasury notes maturing August 15, 1974. Tenders will be received up to 1:30 p.m., Eastern Daylight Saving time, Wednesday, August 7, 1974, under competitive and noncompetitive bidding, as set forth in Section III hereof. The 5 $\frac{5}{8}$  percent Treasury Notes of Series B-1974, maturing August 15, 1974, will be accepted at par in payment, in whole or in part, to the extent tenders are allotted by the Treasury.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 15, 1974, and will bear interest from that date, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature August 15, 1980, 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. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to the closing hour, 1:30 p.m., Eastern Daylight Saving time, Wednesday, August 7, 1974. 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 tenders the term "noncompetitive" should be used in lieu of a price. In the case of competitive tenders, the price must be expressed on the basis of 100, with two decimals, e.g., 100.00. Tenders at a price less than 98.51 will not be accepted. Fractions may not be used. Noncompetitive tenders from any one bidder may not exceed \$500,000.

2. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and 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, may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others will not be permitted to submit tenders except for their own account. Tenders 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. Tenders from others must be accompanied by payment (in cash or 5 $\frac{5}{8}$  percent Treasury Notes of Series B-1974 which will be accepted at par) of 5 percent of the face amount of notes applied for.

3. Immediately after the closing hour tenders 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 tenders will be advised of the acceptance or rejection thereof. In considering the acceptance of tenders, those at the highest prices will be accepted to the extent required to attain the amount offered. Tenders 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 tenders, in whole or in part, including the right to accept less than \$1,750,000,000 of tenders, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$500,000 or less without stated price from any one bidder will be accepted in full at the average price<sup>1</sup> (in two decimals) of accepted competitive tenders.

4. All bidders are required to agree not to purchase or 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 Daylight Saving time, Wednesday, August 7, 1974.

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

IV. PAYMENT

1. Settlement for accepted tenders in accordance with the bids must be made or completed on or before August 15, 1974, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D. C. 20226, in cash, 5 $\frac{5}{8}$  percent Treasury Notes of Series B-1974 (interest coupons dated August 15, 1974, should be detached) 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. When payment is made with notes, a cash adjustment will be made to or required of the bidder for any difference between the face amount of notes submitted and the amount payable on the notes allotted.

V. ASSIGNMENT OF REGISTERED NOTES

1. Registered notes tendered as deposits and in payment for notes allotted hereunder are not required to be assigned if the notes are to be registered in the same names and forms as appear in the registrations or assignments of the notes surrendered. Specific instructions for the issuance and delivery of the notes, signed by the owner or his authorized representatives, must accompany the notes presented. Otherwise, the notes should be assigned by the registered payees or assignees thereof in accordance with the general regulations governing United States securities, as hereinafter set forth. Notes to be registered in names and forms different from those in the inscriptions or assignments of the notes presented should be assigned to "The Secretary of the Treasury for Treasury Notes of Series B-1980 in the name of (name and taxpayer identifying number)." If notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for coupon Treasury Notes of Series B-1980 to be delivered to \_\_\_\_\_." Notes tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D. C. 20226. The notes must be delivered at the expense and risk of the holder.

VI. GENERAL PROVISIONS

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

William E. Simon  
Secretary of the Treasury

<sup>1</sup>Average price may be at, or more or less than 100.00.

(See reverse for tender form)

PLEASE OBSERVE CLOSING TIME OF 12:30 P.M., CENTRAL DAYLIGHT SAVING TIME, WEDNESDAY, AUGUST 7, 1974



# TENDER FOR ADDITION TO 8½% TREASURY BONDS OF 1994-99

Dated May 15, 1974, with interest from August 15, 1974

Maturing May 15, 1999

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 Debt Series No. 10-74, as shown on the reverse side, the undersigned offers to purchase Treasury Bonds 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 \$500,000**

Noncompetitive tenders for \$500,000 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.

**COMPETITIVE TENDERS**

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

Prices should be expressed on the basis of 100, with two decimals, e.g., 100.00. Tenders at a price less than 94.01 will not be accepted. Fractions must not be used.

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

**METHOD OF PAYMENT**

Payment must include accrued interest from May 15 to August 15, 1974 at the rate of \$21.25 per \$1,000 allotted.

- Payment to be made by \_\_\_\_\_
- 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																																																																																
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**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 bonds 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 bonds of this issue at a specific rate or price, until after 1:30 p.m., Eastern Daylight Saving Time, Thursday, August 8, 1974.

Delivery Instructions:

- Hold in Custody — General Account
- Hold in Custody — Investment Account
- Hold in Custody — Trust Account
- Pledge to secure Treasury Tax and Loan Account
- Other \_\_\_\_\_

(Subscriber's full name or corporate title)

(Address)

By \_\_\_\_\_

(Authorized official signature and title)

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

(Address)

(See reverse for announcement)

PLEASE OBSERVE CLOSING TIME OF 12:30 P.M., CENTRAL DAYLIGHT SAVING TIME, THURSDAY, AUGUST 8, 1974



**UNITED STATES OF AMERICA**  
**8½ PERCENT TREASURY BONDS OF 1994-99**

Dated May 15, 1974, with interest from August 15, 1974

Due May 15, 1999

**REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER**

**May 15, 1994**

DEPARTMENT CIRCULAR  
Public Debt Series — No. 10-74

DEPARTMENT OF THE TREASURY  
Office of the Secretary  
Washington, August 1, 1974

**I. INVITATION FOR TENDERS**

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 94.01 percent of their face value for \$400,000,000, or thereabouts, of bonds of the United States, designated 8½ percent Treasury Bonds of 1994-99. An additional amount of the bonds may be allotted by the Secretary of the Treasury to Government accounts and Federal Reserve Banks at the average price in exchange for Treasury notes maturing August 15, 1974. Tenders will be received up to 1:30 p.m., Eastern Daylight Saving time, Thursday, August 8, 1974, under competitive and noncompetitive bidding, as set forth in Section III hereof. The 5½ percent Treasury Notes of Series B-1974 maturing August 15, 1974, will be accepted at par in payment, in whole or in part, to the extent tenders are allotted by the Treasury.

**II. DESCRIPTION OF BONDS**

1. The bonds now offered will be identical in all respects with the 8½ percent Treasury Bonds of 1994-99 issued pursuant to Department Circular, Public Debt Series — No. 7-74, dated May 2, 1974, except that interest will accrue from August 15, 1974. With this exception the bonds are described in the following quotation from Department Circular No. 7-74:

"1. The bonds will be dated May 15, 1974, and will bear interest from that date at the rate of 8½ percent per annum, payable semiannually on November 15, 1974, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 1999, but may be redeemed at the option of the United States on and after May 15, 1994, in whole or in part, at par and accrued interest on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption, the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

"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. TENDERS AND ALLOTMENTS**

1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. 20226, up to the closing hour, 1:30 p.m., Eastern Daylight Saving time, Thursday, August 8, 1974. Each tender must state the face amount of bonds bid for, which must be \$1,000 or a multiple thereof, and the price offered, except that in the case of noncompetitive tenders the term "noncompetitive" should be used in lieu of a price. In the case of competitive tenders, the price must be expressed on the basis of 100, with two decimals, e.g., 100.00. Tenders at a price less than 94.01 will not be accepted. Fractions may not be used. Noncompetitive tenders from any one bidder may not exceed \$500,000.

2. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and 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, may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others will not be permitted to submit tenders except for their own account. Tenders 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. Tenders from others must be accompanied by payment (in cash or the 5½ percent Treasury Notes of Series B-1974 which will be accepted at par) of 5 percent of the face amount of bonds applied for.

3. Immediately after the closing hour tenders 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 tenders will be advised of the acceptance or rejection thereof. In considering the acceptance of tenders, those at the highest prices will be accepted to the extent required to attain the amount offered. Tenders 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 tenders, in whole or in part, including the right to accept less than \$400,000,000, of tenders, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$500,000 or less without stated price from any one bidder will be accepted in full at the average price<sup>1</sup> (in two decimals) of accepted competitive tenders.

4. All bidders are required to agree not to purchase or sell, or to make any agreements with respect to the purchase or sale or other disposition of any bonds of this issue at a specific rate or price, until after 1:30 p.m., Eastern Daylight Saving time, Thursday, August 8, 1974.

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

**IV. PAYMENT**

1. Settlement for accepted tenders in accordance with the bids together with \$21.25 per \$1,000 for accrued interest from May 15 to August 15, 1974, must be made or completed on or before August 15, 1974, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, Washington, D. C. 20226, in cash, 5½ percent Treasury Notes of Series B-1974 (interest coupons dated August 15, 1974, should be detached) or other funds immediately available by that date. 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. In every case where full payment is not completed, the payment with the tender up to 5 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. When payment is made with notes, a cash adjustment will be made to or required of the bidder for any difference between the face amount of notes submitted and the amount payable on the bonds allotted.

**V. ASSIGNMENT OF REGISTERED NOTES**

1. Registered notes tendered as deposits and in payment for bonds allotted hereunder are not required to be assigned if the bonds are to be registered in the same names and forms as appear in the registrations or assignments of the notes surrendered. Specific instructions for the issuance and delivery of the bonds, signed by the owner or his authorized representative, must accompany the notes presented. Otherwise, the notes should be assigned by the registered payees or assignees thereof in accordance with the general regulations governing United States securities, as hereinafter set forth. Bonds to be registered in names and forms different from those in the inscriptions or assignments of the notes presented should be assigned to "The Secretary of the Treasury for 8½ percent Treasury Bonds of 1994-99 in the name of (name and taxpayer identifying number)." If bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for 8½ percent coupon Treasury Bonds of 1994-99 to be delivered to \_\_\_\_\_." Notes tendered in payment should be surrendered to the Federal Reserve Bank or Branch or to the Bureau of the Public Debt, Washington, D. C. 20226. The notes must be delivered at the expense and risk of the holder.

**VI. GENERAL PROVISIONS**

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

William E. Simon,  
Secretary of the Treasury.

<sup>1</sup>Average price may be at, or more or less than 100.00.

(See reverse for tender form)

Please Observe Closing Time of 12:30 P.M., Central Daylight Saving Time, Thursday, August 8, 1974