

**FEDERAL RESERVE BANK OF DALLAS**

**FISCAL AGENT OF THE UNITED STATES**

**DALLAS, TEXAS 75222**

Circular No. 74-351  
December 23, 1974

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

Quoted below is a press statement issued by the Department of the Treasury concerning an offering of two Treasury notes.

**TREASURY TO AUCTION \$2.0 BILLION OF NOTES**

The Treasury will auction to the public up to \$0.75 billion of 15-month notes and up to \$1.25 billion of 4-year 4-month notes. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities.

The notes to be auctioned will be:

an additional amount of the 8% Treasury Notes of Series H-1976 dated April 9, 1974, due March 31, 1976 (CUSIP No. 912827 DS8) with interest payable on March 31, 1975, September 30, 1975, and March 31, 1976, and

an additional amount of the 7-7/8% Treasury Notes of Series D-1979 dated November 6, 1974, due May 15, 1979 (CUSIP No. 912827 DY5) with interest payable on May 15 and November 15.

The notes will be issued in registered and bearer form in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. They will be issued in book-entry form to designated bidders. Delivery of the 15-month bearer notes will be made on January 9, 1975, and delivery of the 4-year 4-month bearer notes will be made on January 7, 1975.

Tenders for the 15-month notes will be received up to 1:30 p.m., Eastern Standard time, Thursday, January 2, and tenders for the 4-year 4-month notes will be received up to 1:30 p.m., Eastern Standard time, Monday, December 30 at any Federal Reserve Bank or Branch and at the Bureau of the Public Debt, Washington, D.C. 20226; provided, however, that noncompetitive tenders will be considered timely received if they are mailed to any such agency under a postmark no later than January 1 for the 15-month notes and December 29 for the 4-year 4-month notes. Each tender for the 4-year 4-month notes must be in the amount of \$1,000 or a multiple thereof. Each tender for the 15-month notes must be in the minimum amount of \$5,000. Tenders over \$5,000 must be in multiples of \$1,000. Each tender must state the price offered, if a competitive tender, or the term "noncompetitive", if a noncompetitive tender.

Competitive tenders must be expressed on the basis of price, with two decimals, e.g., 100.00. Tenders at a price less than 99.76 for the 15-month notes and 99.01 for the 4-year 4-month notes will not be accepted. Tenders at the highest prices will be accepted to the extent required to attain the amount offered. Successful competitive bidders will be required to pay for the notes at the price they bid. Noncompetitive bidders will be required to pay the average price of all accepted competitive tenders; the price may be 100.00, or more or less than 100.00.

Fractions may not be used in tenders. The notation "TENDER FOR TREASURY NOTES" should be printed at the bottom of envelopes in which tenders are submitted.

The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations noncompetitive tenders for \$500,000 or less for each issue of notes will be accepted in full at the average price of accepted competitive tenders.

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 the 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 commercial and other banks 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, Federal Reserve Banks, and Government accounts. Tenders from others must be accompanied by payment of 5 percent of the face amount of notes applied for. However, bidders who submit checks in payment on tenders submitted directly to a Federal Reserve Bank or the Treasury may find it necessary to submit full payment for the notes with their tenders in order to meet the time limits pertaining to checks as hereinafter set forth. Allotment notices will not be sent to bidders who submit noncompetitive tenders.

Payment for accepted tenders for the 4-year 4-month notes must be completed on Tuesday, January 7, 1975, and include accrued interest from November 6, 1974, to January 7, 1975, in the amount of \$13.45565 per \$1,000 of notes allotted. Payment for accepted tenders for the 15-month notes must be completed on Thursday, January 9, 1975, and include accrued interest from September 30, 1974, to January 9, 1975, in the amount of \$22.19780 per \$1,000 of notes allotted. Payment must be in cash, in other funds immediately available to the Treasury by the payment date or by check drawn to the order of the Federal Reserve Bank to which the tender is submitted, or the United States Treasury if the tender is submitted to it, which must be received at such bank or at the Treasury no later than: (1) Friday, January 3, 1975, for the 4-year 4-month notes and Monday, January 6, 1975, for the 15-month notes if the check is drawn on a bank in the Federal Reserve District of the Bank to which the check is submitted, or the Fifth Federal Reserve District in case of the Treasury, or (2) Tuesday, December 31, 1974, for the 4-year 4-month notes and Thursday, January 2, 1975, for the 15-month notes if the check is drawn on a bank in another district. Checks received after the dates set forth in the preceding sentence will not be accepted unless they are payable at a Federal Reserve Bank. Where full payment is not completed on time, the allotment will be canceled and the deposit with the tender up to 5 percent of the amount of notes allotted will be subject to forfeiture to the United States.

Commercial banks are prohibited from making unsecured loans, or loans collateralized in whole or in part by the notes bid for, to cover the deposits required to be paid when tenders are entered, and they will be required to make the usual certification to that effect. Other lenders are requested to refrain from making such loans.

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 the notes bid for under this offering at a specific

rate or price, until after the closing hour for the receipt of tenders for each particular issue.

There is a strong possibility that the average price for both of the issues will be above par. Noncompetitive bidders should note, therefore, that they may have to pay more than face value for the notes, and that if such is the case, their yield on the notes will be less than the stated interest rate. Combination tender forms/circular letters are enclosed. Additional circulars and forms will be furnished upon request.

Federal Reserve Bank of Dallas  
Fiscal Agent of the United States

Enclosures

CLOSING TIME

12:30 P.M. CENTRAL STANDARD TIME, THURSDAY, JANUARY 2, 1975

SECURITY OFFERED

TENDER FOR ADDITION TO 8% TREASURY NOTES OF SERIES H-1976

Dated April 9, 1974, with interest from January 9, 1975

Maturing March 31, 1976

Pursuant to the provision of Treasury Department Circular, Public Debt Series No. 17-74, 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.

TYPE OF BID

NONCOMPETITIVE TENDER \$ NOT TO EXCEED \$500,000

Noncompetitive tenders for \$500,000 or less from any one bidder, without stated yield, will be accepted in full at the average price (in two decimals) of accepted competitive tenders.

COMPETITIVE TENDERS table with columns for price and quantity.

Prices should be expressed on the basis of 100, with two decimals, e. g., 100.00. Tenders at a price less than 99.76 will not be accepted. Fractions must not be used.

METHOD OF PAYMENT

OTHER THAN BANKS:

\*Payment must include accrued interest from September 30, 1974, to January 9, 1975, at the rate of \$22.19780 per \$1,000 allotted.

- By Cashier's Check
By Certified Personal Check
By Federal Funds Draft
By Securities Submitted

(Description)

ALL CHECKS MUST BE PAYABLE TO THE FEDERAL RESERVE BANK

BANKS ONLY (\*See statement regarding accrued interest.):

- By charge to our reserve account on payment date
By draft enclosed.
By charge to our correspondent:

(A written authorization for such charge should be provided from your correspondent.)

DELIVERY INSTRUCTIONS

- Bearer Securities (will be shipped to address below unless indicated otherwise):
Registered Securities (Fill out below)

Form for Registered Securities with fields for Name, Social Security No., Second Name, Street Address, City, State, Zip Code.

ABOVE ADDRESS WILL BE USED IN THE MAILING OF INTEREST CHECKS.

\*Please note use of initials only should be avoided, and a married woman's own given name must be used.

Send to:
Minimum \$5,000 and multiples of \$1,000 thereafter.

Table with columns for \$1,000, \$5,000, \$10,000, \$100,000, \$1 Mil., and Total.

Book-entry (Banks only — indication of pieces not necessary)

- 01 General Account
02 Treasury Tax and Loan Collateral
04 Pledged to Secretary of Treasury
12 Investment Account
13 Trust Account

TOTAL \$

CERTIFICATIONS AND AUTHORIZATION

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 Standard time, Thursday, January 2, 1975.

PLEASE PRINT OR TYPE (The information below will be used in delivery of securities.)

Form for subscriber information with fields for Name, Street Address, City, State, Zip Code, and Signature.

BANKS ONLY:

For the account of, if tender is for another subscriber

FEDERAL RESERVE BANK ONLY:

COST:

DEPOSIT:

DUE TO SUBSCRIBER:

DUE FROM SUBSCRIBER:



UNITED STATES OF AMERICA  
8 PERCENT TREASURY NOTES OF SERIES H-1976

Dated April 9, 1974, with interest from January 9, 1975

Due March 31, 1976

DEPARTMENT CIRCULAR  
Public Debt Series — No. 17-74

DEPARTMENT OF THE TREASURY  
Office of the Secretary  
Washington, December 23, 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 99.76 percent of their face value for \$750,000,000, or thereabouts, of notes of the United States, designated 8 percent Treasury Notes, of Series H-1976. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities. Tenders will be received up to 1:30 p.m., Eastern Standard time, Thursday, January 2, 1975, under competitive and noncompetitive bidding, as set forth in Section III hereof.

II. DESCRIPTION OF NOTES

1. The notes now offered will be identical in all respects with the 8 percent Treasury Notes of Series H-1976 issued pursuant to Department Circular, Public Debt Series — No. 4-74, dated March 21, 1974, except that interest will accrue from January 9, 1975. With this exception the notes are described in the following quotation from that circular:

"1. The notes will be dated April 9, 1974, and will bear interest<sup>1</sup> from that date, payable on a semiannual basis on September 30, 1974, March 31 and September 30, 1975, and March 31, 1976. They will mature March 31, 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. This 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 Standard time, Thursday, January 2, 1975. Each tender submitted must be in the minimum amount of \$5,000. Tenders over \$5,000 must be in multiples of \$1,000. Each tender must state 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 99.76 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 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 competitive 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 more or less than the \$750,000,000 offered to the public, 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>2</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 Standard time, Thursday, January 2, 1975.

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 \$22.19780 per \$1,000 for accrued interest from September 30, 1974, to January 9, 1975, must be made or completed on or before Thursday, January 9, 1975, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt. Payment must be in cash, in other funds immediately available to the Treasury by January 9, or by check drawn to the order of the Federal Reserve Bank to which the tender is submitted, or the United States Treasury if the tender is submitted to it, which must be received at such bank or at the Treasury no later than: (1) Monday, January 6, 1975, if the check is drawn on a bank in the Federal Reserve District of the Bank to which the check is submitted, or the Fifth Federal Reserve District in case of the Treasury, or (2) Thursday, January 2, 1975, if the check is drawn on a bank in another district. Checks received after the dates set forth in the preceding sentence will not be accepted unless they are payable at a Federal Reserve Bank. Where full payment is not completed on time, the allotment will be canceled and the deposit with the tender up to 5 percent of the amount of notes allotted will be subject to forfeiture to the United States. Payments may not be made through Tax and Loan Accounts. 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.

V. 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> On March 27, 1974, the Secretary of the Treasury announced that the interest rate on the notes would be 8 percent per annum.

<sup>2</sup> Average price may be at, or more or less than 100.00.

(See reverse for tender form)

CLOSING TIME

12:30 P.M. CENTRAL STANDARD TIME, MONDAY, DECEMBER 30, 1974

SECURITY OFFERED

TENDER FOR ADDITION TO 7 7/8% TREASURY NOTES OF SERIES D-1979

Dated November 6, 1974, with interest from January 7, 1975

Maturing May 15, 1979

Pursuant to the provision of Treasury Department Circular, Public Debt Series No. 18-74, 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 \$500,000

Noncompetitive tenders for \$500,000 or less from any one bidder, without stated yield, will be accepted in full at the average price (in two decimals) of accepted competitive tenders.

COMPETITIVE TENDERS \$ @ \$ \$ @ \$ \$ @ \$ \$ @ \$

Prices should be expressed on the basis of 100, with two decimals, e. g., 100.00 Tenders at a price less than 99.01 will not be accepted. Fractions must not be used.

OTHER THAN BANKS:

\*Payment must include accrued interest from November 6, 1974, to January 7, 1975, at the rate of \$13.45565 per \$1,000 allotted.

- By Cashier's Check
By Certified Personal Check
By Federal Funds Draft
By Securities Submitted

BANKS ONLY (\*See statement regarding accrued interest.):

- By charge to our reserve account on payment date
By draft enclosed
By charge to our correspondent:

(A written authorization for such charge should be provided from your correspondent.)

ALL CHECKS MUST BE PAYABLE TO THE FEDERAL RESERVE BANK

Bearer Securities (will be shipped to address below unless indicated otherwise):

Registered Securities (Fill out below)

Send to: \_\_\_\_\_

(Name\*)

Social Security No.

(Second Name\* - if more than one)

If more than one name indicated, check one of these blocks:

(Street Address)

- With rights of survivorship
Without rights of survivorship

(City, State, Zip Code)

ABOVE ADDRESS WILL BE USED IN THE MAILING OF INTEREST CHECKS.

\*Please note use of initials only should be avoided, and a married woman's own given name must be used.

Table with columns: \$1,000, \$5,000, \$10,000, \$100,000, \$1 Mil, Total

Book-entry (Banks only - indication of pieces not necessary)

- 01 General Account
02 Treasury tax and Loan Collateral
04 Pledged to Secretary of Treasury
12 Investment Account
13 Trust Account
TOTAL \$

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, Monday, December 30, 1974.

PLEASE PRINT OR TYPE (The information below will be used in delivery of securities.)

(Name of Subscriber)
(Street Address)
(City, State, Zip Code)
(Signature and title, if applicable)

FEDERAL RESERVE BANK ONLY:

COST:

DEPOSIT:

DUE TO SUBSCRIBER:

DUE FROM SUBSCRIBER:

BANKS ONLY:

For the account of, if tender is for another subscriber

TYPE OF BID

METHOD OF PAYMENT

DELIVERY INSTRUCTIONS

CERTIFICATIONS AND AUTHORIZATION



**UNITED STATES OF AMERICA**  
**7<sup>7</sup>/<sub>8</sub> PERCENT TREASURY NOTES OF SERIES D-1979**

Dated November 6, 1974, with interest from January 7, 1975

Due May 15, 1979

DEPARTMENT CIRCULAR  
Public Debt Series — No. 18-74

DEPARTMENT OF THE TREASURY  
Office of the Secretary  
Washington, December 23, 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 99.01 percent of their face value for \$1,250,000,000, or thereabouts, of notes of the United States, designated 7<sup>7</sup>/<sub>8</sub> percent Treasury Notes of Series D-1979. Additional amounts of these notes may be issued at the average price of accepted tenders to Government accounts and to Federal Reserve Banks for themselves and as agents of foreign and international monetary authorities. Tenders will be received up to 1:30 p.m., Eastern Standard time, Monday, December 30, 1974, under competitive and noncompetitive bidding, as set forth in Section III hereof.

**II. DESCRIPTION OF NOTES**

1. The notes now offered will be identical in all respects with the 7<sup>7</sup>/<sub>8</sub> percent Treasury Notes of Series D-1979 issued pursuant to Department Circular, Public Debt Series — No. 12-74, dated October 15, 1974, except that interest will accrue from January 7, 1975. With this exception the notes are described in the following quotation from that circular:

"1. The notes will be dated November 6, 1974, and will bear interest<sup>1</sup> from that date, payable on a semiannual basis on May 15, 1975, and November 15, 1975, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 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. Book-entry notes will be available to eligible bidders in multiples of those amounts. Interchanges of notes of different denominations and of coupon and registered notes, and the transfer of registered notes will be permitted.

"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 Standard time, Monday, December 30, 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 99.01 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 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 competitive 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 more or less than the \$1,250,000,000 offered to the public, 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>2</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 Standard time, Monday, December 30, 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 \$13.45565 per \$1,000 for accrued interest from November 6, 1974, to January 7, 1975, must be made or completed on or before Tuesday, January 7, 1975, at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt. Payment must be in cash, in other funds immediately available to the Treasury by January 7, or by check drawn to the order of the Federal Reserve Bank to which the tender is submitted, or the United States Treasury if the tender is submitted to it, which must be received at such bank or at the Treasury no later than: (1) Friday, January 3, 1975, if the check is drawn on a bank in the Federal Reserve District of the bank to which the check is submitted, or the Fifth Federal Reserve District in case of the Treasury, or (2) Tuesday, December 31, 1974, if the check is drawn on a bank in another district. Checks received after the dates set forth in the preceding sentence will not be accepted unless they are payable at a Federal Reserve Bank. Where full payment is not completed on time, the allotment will be cancelled and the deposit with the tender up to 5 percent of the amount of notes allotted will be subject to forfeiture to the United States. Payment may not be made through Tax and Loan Accounts. 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.

**V. 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> On October 23, 1974, the Secretary of the Treasury announced that the interest rate on the notes would be 7<sup>7</sup>/<sub>8</sub> percent per annum.

<sup>2</sup> Average price may be at, or more or less than 100.00.

(See reverse for tender form)