

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 6531  
April 29, 1970

*To All Banking Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following statement was made public today by the Treasury Department:

**TREASURY ANNOUNCES \$16.6 BILLION REFUNDING  
AND \$3.5 BILLION NEW CASH OFFERING**

The Treasury announced today that it is offering holders of the \$16.6 billion of 5-5/8% Treasury Notes of Series B-1970 and 6-3/8% Treasury Notes of Series C-1970, maturing May 15, 1970, the right to exchange their holdings for a 3-year 7-3/4% Treasury note or a 6-year 9-month 8% Treasury note. The public holds about \$4.9 billion of the notes eligible for exchange, and about \$11.7 billion is held by Government accounts and Federal Reserve Banks. In addition the Treasury will borrow \$3.5 billion, or thereabouts, through the issuance of an 18-month 7-3/4% Treasury note to be dated May 15, 1970, and to mature November 15, 1971, at 99.95 (to yield about 7.79%). In addition to the amount offered to the public an additional amount of the 18-month notes will be allotted to Government accounts and Federal Reserve Banks.

EXCHANGE OFFERING

The notes now being offered are:

an additional amount of the 7-3/4% Treasury Notes of Series A-1973, dated October 1, 1969, due May 15, 1973, at 99.40 (to yield about 7.98%); and

an additional amount of the 8% Treasury Notes of Series A-1977, dated February 15, 1970, due February 15, 1977, at par and accrued interest from February 15, to May 15, 1970 (\$19.66851 per \$1,000).

There are now outstanding \$1,157 million of the 7-3/4% notes and \$1,856 million of the 8% notes.

The books for the receipt of subscriptions in the exchange offering will be open for three days, May 4 through May 6. The payment and delivery date for the notes will be May 15, 1970.

Cash subscriptions for the Series A-1973 and A-1977 notes will not be accepted. Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, and placed in the mail before midnight, May 6, will be considered as timely.

Interest will be payable on the Series A-1973 notes semiannually on November 15, 1970, and thereafter on May 15 and November 15 until maturity. Interest will be payable on the 8% notes on a semiannual basis August 15, 1970, and thereafter on February 15 and August 15 until maturity.

CASH OFFERING — 18-Month Notes

Payment for the 18-month notes may be made in cash, or in 5-5/8% notes or 6-3/8% notes maturing May 15, which will be accepted at par, in payment, in whole or in part, for the notes subscribed for, to the extent such subscriptions are allotted by the Treasury. Payment by credit in Treasury Tax and Loan Accounts may be made for 50% of the amount of notes allotted.

(Over)

The books for the receipt of subscriptions for the 18-month notes will be open one day only, Tuesday, May 5. Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, and placed in the mail before midnight, May 5, will be considered as timely.

Subscriptions from commercial banks, for their own account, will be restricted in each case to an amount not exceeding 50 percent of the combined capital (not including capital notes or debentures), surplus and undivided profits of the subscribing banks.

Subscriptions 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, 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 borrowing thereon, will be received without deposit.

Subscriptions from all others must be accompanied by payment of 10% (in cash, or Treasury notes maturing May 15, 1970, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers. Subject to these reservations, subscriptions in amounts up to and including \$200,000 will be allotted in full and subscriptions over \$200,000 will be allotted on a percentage basis but not less than \$200,000.

All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any of the notes subscribed for under this offering at a specific rate or price, until after midnight, May 5, 1970.

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

#### EXCHANGE AND CASH OFFERINGS

The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Coupons dated May 15, 1970, on notes tendered in exchange or payment should be detached and cashed when due. The May 15, 1970 interest due on registered notes will be paid by issue of interest checks in regular course to holders of record on April 15, 1970, the date the transfer books closed.

The official offering circulars and subscription forms for this offering will be mailed to reach you by Monday, May 4; however, if they do not reach you by that date, subscriptions may be entered by telegram or letter, subject to confirmation on the forms provided.

Alfred Hayes,  
President.