

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 6768]
[July 23, 1971]

Refunding of Treasury Notes and Bonds
Maturing August 15, 1971 and Cash Offering

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

The subscription books are open until 6 p.m., Wednesday, July 28, for an offering of—

7 percent Treasury Notes of Series D-1975, at 99.80, dated and bearing interest from August 15, 1971, maturing November 15, 1975, and

7 percent Treasury Bonds of 1981, at 99.20, dated and bearing interest from August 15, 1971, maturing August 15, 1981,

in exchange for the eligible series of Treasury notes and bonds maturing August 15, 1971 in the case of both of the above securities, and also for cash in the case of the above-described bonds, as set forth in Treasury Department Circulars Nos. 6-71 and 7-71, Public Debt Series, both dated July 22, 1971; a copy of each is printed on the following pages.

To be timely subscriptions must be received at this Bank or its Buffalo Branch by 6 p.m., Wednesday, July 28, 1971, except that subscriptions postmarked before midnight Tuesday, July 27, will be deemed timely. Subscribers who intend to mail their subscriptions should note that subscriptions placed in a post office or mail box before midnight Tuesday, July 27, may not receive a *timely postmark*.

The payment and delivery date for the securities will be August 16, except that in the case of cash subscriptions for the bonds the payment must be completed by August 13.

The minimum denomination of 7 percent Treasury Bonds of 1981 being offered is \$1,000.

Exchange subscriptions — 7% notes and 7% bonds

Coupons dated August 15, 1971 on the securities maturing on that date should be *detached* and cashed when due.

Only banking institutions may submit subscriptions for account of customers. On any subscription for account of an individual of more than \$200,000 for a specific security, the customer's name must be furnished. On subscriptions for \$200,000 or less for a specific security for account of an individual, banking institutions may consolidate the subscriptions and report the total number and amount. On subscriptions of any amount for account of customers other than individuals, their names and locations must be furnished. On subscriptions for account of customers of correspondent banks, the names of such customers and, if not individuals, their locations must be furnished.

Subscribers are required to certify that at the time the subscription is entered the securities surrendered were owned and delivery was accepted by the subscriber, or that such securities were contracted for purchase for value by the subscriber for delivery to the subscriber prior to the closing of the subscription books.

Cash subscriptions for the notes will not be received.

Cash subscriptions — 7% bonds

The 7 percent Treasury Bonds of 1981 are also being offered for cash subscription to individuals in amounts not to exceed \$10,000 for any one person.

Subscriptions for cash must be accompanied by payment of 10 percent of the amount of bonds applied for. Cash subscriptions will be allotted in full and payment therefor must be completed by Friday, August 13, in cash or other funds immediately available to the Treasury by that date. Any check payable to this Bank that is received at this Bank by Wednesday, August 11, will be considered timely, provided the check is drawn on a bank in the Second Federal Reserve District.

Only commercial banks may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions. Individuals may submit subscriptions only for their own account. Commercial banks are urged to enter subscriptions with the Federal Reserve Bank or Branch in the District in which they are located.

ALFRED HAYES,
President.

UNITED STATES OF AMERICA

7 PERCENT TREASURY NOTES OF SERIES D-1975

Dated and bearing interest from August 15, 1971

Due November 15, 1975

DEPARTMENT CIRCULAR
Public Debt Series — No. 6-71

DEPARTMENT OF THE TREASURY,

Office of the Secretary,

Washington, July 22, 1971

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 7 percent Treasury Notes of Series D-1975, at 99.80 percent of their face value, in exchange for the following securities maturing August 15, 1971:

(1) $8\frac{1}{4}$ percent Treasury Notes of Series F-1971;
or

(2) 4 percent Treasury Bonds of 1971, in amounts of \$1,000 or multiples thereof.

Cash payments due subscribers 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 6:00 p.m., local time, July 28, 1971*, for the receipt of subscriptions.

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 7 percent Treasury Bonds of 1981, which offering is set forth in Department Circular, Public Debt Series — No. 7-71, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated August 15, 1971, and will bear interest from that date at the rate of 7 percent per annum, payable on a semiannual basis on November 15, 1971, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature November 15, 1975, 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 16, 1971, 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. A cash payment of \$2.00 per \$1,000 will be made to subscribers on account of the issue price of the notes. The payment 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 maturing securities. In the case of registered securities, the payment will be made in accordance with the assignments thereon. When payment is made with

securities in bearer form, coupons dated August 15, 1971, should be *detached* and cashed when due. When payment is made with registered securities, the final interest due on August 15, 1971, will be paid by issue of interest checks in regular course to holders of record on July 15, 1971, the date the transfer books closed.

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 7 percent Treasury Notes of Series D-1975"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 7 percent Treasury Notes of Series D-1975 in the name of"; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 7 percent Treasury Notes of Series D-1975 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.

JOHN B. CONNALLY,
Secretary of the Treasury.

UNITED STATES OF AMERICA

7 PERCENT TREASURY BONDS OF 1981

Dated and bearing interest from August 15, 1971

Due August 15, 1981

DEPARTMENT CIRCULAR Public Debt Series — No. 7-71

DEPARTMENT OF THE TREASURY,

Office of the Secretary,

Washington, July 22, 1971

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 7 percent Treasury Bonds of 1981, at 99.20 percent of their face value, in exchange for the following securities maturing August 15, 1971:

(1) $8\frac{1}{4}$ percent Treasury Notes of Series F-1971; or

(2) 4 percent Treasury Bonds of 1971, in amounts of \$1,000 or multiples thereof.

Cash payments due subscribers will be made as set forth in Section IV hereof. In addition, the Secretary of the Treasury offers the bonds to individuals for cash, not to exceed \$10,000 to any one person. The books will be open *until 6:00 p.m., local time, July 28, 1971*, for the receipt of subscriptions.

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 7 percent Treasury Notes of Series D-1975, which offering is set forth in Department Circular, Public Debt Series — No. 6-71, issued simultaneously with this circular.

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1971, and will bear interest from that date at the rate of 7 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, 1981, 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 Office of the Treasurer of the United States, Washington, D.C. 20220. Banking institutions generally may submit subscriptions for account of customers, provided the names of customers subscribing for cash are set forth in such subscriptions. Only the Federal Reserve Banks and the Department of the Treasury are authorized to act as official agencies.

2. Cash subscriptions, which may not exceed \$10,000 from any one individual, 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. *Exchange subscriptions.* Payment for the face amount of bonds allotted hereunder must be made on or before August 16, 1971, or on later allotment, and may be made only in a like face amount of secu-

rities of the issues enumerated in Paragraph 1 of Section I hereof, which should accompany the subscription. A cash payment of \$8.00 per \$1,000 will be made to subscribers on account of the issue price of the bonds. The payment 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 maturing securities. In the case of registered securities, the payment will be made in accordance with the assignments thereon. When payment is made with securities in bearer form, coupons dated August 15, 1971, should be detached and cashed when due. When payment is made with registered securities, the final interest due on August 15, 1971, will be paid by issue of interest checks in regular course to holders of record on July 15, 1971, the date the transfer books closed.

2. *Cash subscriptions.* Payment at 99.20 percent of their face value and accrued interest, if any, for bonds allotted hereunder must be completed on or before August 13, 1971, in cash or other immediately available funds. 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.

3. *Cash and exchange subscriptions.* 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.

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 7 percent Treasury Bonds of 1981"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 7 percent Treasury Bonds of 1981 in the name of"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 7 percent Treasury Bonds of 1981 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.

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JOHN B. CONNALLY,
Secretary of the Treasury.

