

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 6889]
January 28, 1972]

Refunding of Certain Notes and Bonds
Maturing in 1972 and 1974 and Cash Offering

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

The subscription books are open until 5 p.m., Wednesday, February 2, for an offering of —
5¾ percent Treasury Notes of Series E-1976, at par, dated February 15, 1972,
maturing May 15, 1976; and
6¾ percent Treasury Bonds of 1982, at par, dated February 15, 1972,
maturing February 15, 1982.

The notes and bonds are being offered in exchange for notes and bonds maturing February 15, 1972. The above-described bonds are also being offered for cash to individuals in amounts not to exceed \$10,000 for any one person and in exchange for notes and bonds maturing in February and May of 1974. The terms of the offering are set forth in Treasury Department Circulars Nos. 1-72 and 2-72, Public Debt Series, both dated January 27, 1972; 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 5 p.m., Wednesday, February 2, 1972, except that subscriptions postmarked before midnight Tuesday, February 1, 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, February 1, may not receive a *timely postmark*.

The payment and delivery date for the securities will be February 15.

The minimum denomination of 6¾ percent Treasury Bonds of 1982 being offered is \$1,000.

Exchange subscriptions — 5¾% notes and 6¾% bonds

Coupons dated February 15, 1972 on the securities surrendered should be *detached* and cashed when due. Coupons dated subsequent to February 15, 1972 must be *attached* to the appropriate securities when they are surrendered.

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 — 6 $\frac{3}{8}$ % bonds

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 Tuesday, February 15, 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, February 9, will be considered timely, provided the check is drawn on a bank in the Second Federal Reserve District.

Banking institutions generally may submit subscriptions for account of customers, provided the customers are individuals and the names of the customers are set forth in such subscriptions. Individuals may submit subscriptions only for their own account. Banking institutions 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

5 $\frac{3}{4}$ PERCENT TREASURY NOTES OF SERIES E-1976

Dated and bearing interest from February 15, 1972

Due May 15, 1976

DEPARTMENT CIRCULAR
Public Debt Series — No. 1-72

DEPARTMENT OF THE TREASURY,
Office of the Secretary,
Washington, January 27, 1972.

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 5 $\frac{3}{4}$ percent Treasury Notes of Series E-1976, at par, in exchange for the following securities maturing February 15, 1972:

- (1) 4 $\frac{3}{4}$ percent Treasury Notes of Series A-1972;
 - (2) 7 $\frac{1}{2}$ percent Treasury Notes of Series C-1972;
- or

- (3) 4 percent Treasury Bonds of 1972, in amounts of \$1,000 or multiples thereof.

The amount of this offering will be limited to the amount of eligible securities tendered in exchange. The books will be open *until 5:00 p.m., local time, February 2, 1972*, 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 6 $\frac{3}{8}$ percent Treasury Bonds of 1982, which offering is set forth

in Department Circular, Public Debt Series—No. 2-72, issued simultaneously with this circular.

II. DESCRIPTION OF NOTES

1. The notes will be dated February 15, 1972, and will bear interest from that date at the rate of $5\frac{3}{4}$ percent per annum, payable on a semiannual basis on May 15 and November 15, 1972, and thereafter on May 15 and November 15 in each year until the principal amount becomes payable. They will mature May 15, 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. 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 February 15,

1972, 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. When payment is made with securities in bearer form, coupons dated February 15, 1972, should be *detached* and cashed when due. When payment is made with registered securities, the final interest due on February 15, 1972, will be paid by issue of interest checks in regular course to holders of record on January 14, 1972, 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 $5\frac{3}{4}$ percent Treasury Notes of Series E-1976"; if the notes are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for $5\frac{3}{4}$ percent Treasury Notes of Series E-1976 in the name of"; if notes in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for $5\frac{3}{4}$ percent Treasury Notes of Series E-1976 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
6¾ PERCENT TREASURY BONDS OF 1982

Dated and bearing interest from February 15, 1972

Due February 15, 1982

DEPARTMENT CIRCULAR
Public Debt Series — No. 2-72

DEPARTMENT OF THE TREASURY,
Office of the Secretary,
Washington, January 27, 1972.

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 6¾ percent Treasury Bonds of 1982, at par, in exchange for the following securities, singly or in combinations aggregating \$1,000 or multiples thereof:

- (1) 4¾ percent Treasury Notes of Series A-1972, dated February 15, 1967, due February 15, 1972;
- (2) 7½ percent Treasury Notes of Series C-1972, dated August 17, 1970, due February 15, 1972;
- (3) 4 percent Treasury Bonds of 1972, dated November 15, 1962, due February 15, 1972;
- (4) 7¾ percent Treasury Notes of Series C-1974, dated August 15, 1970, due February 15, 1974, with a cash payment of \$53.21583 per \$1,000 to subscribers;
- (5) 4⅛ percent Treasury Bonds of 1974, dated January 15, 1965, due February 15, 1974, with a cash payment of \$14.40167 per \$1,000 to the United States;
- (6) 7¼ percent Treasury Notes of Series D-1974, dated November 15, 1970, due May 15, 1974, with a cash payment of \$47.56228 per \$1,000 to subscribers;
- (7) 4¼ percent Treasury Bonds of 1974, dated May 15, 1964, due May 15, 1974, with a cash payment of \$15.04946 per \$1,000 to the United States;

Interest will be adjusted on the securities due in 1974 as of February 15, 1972. Payments on account of accrued interest and cash adjustments will be made as set forth in Section IV hereof. In addition, the Secretary of the Treasury offers the bonds to natural persons in their own right for cash, not to exceed \$10,000 to any one person. The books will be open until 5:00 p.m., local time, February 2, 1972, for the receipt of subscriptions.

2. In addition, holders of the securities maturing on February 15, 1972, enumerated in Paragraph 1 of this section are offered the privilege of exchanging all or any part of them for 5¾ percent Treasury Notes of Series E-1976, which offering is set forth in Department Circular, Public Debt Series No. 1-72, issued simultaneously with this circular.

3. *Optional recognition of gain or loss for Federal income tax purposes on securities due in 1974.*— Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954, the Secretary of the Treasury hereby declares that gain or loss for Federal income tax purposes upon the exchange with the United States of the securities due in 1974 enumerated in Paragraph 1 of this section solely for the 6¾ percent Treasury Bonds of 1982 may be recognized either —

- (1) in the taxable year of the exchange, or
- (2) in the taxable year of disposition or redemption of the new obligations.

In the case of either option, any gain realized on the exchange to the extent that money (other than as an interest adjustment) is received by the security holder in connection with the exchange must be recognized as gain for the taxable year of the exchange.

II. DESCRIPTION OF BONDS

1. The bonds will be dated February 15, 1972, and will bear interest from that date at the rate of 6¾ percent per annum, payable semiannually on August 15, 1972, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1982, 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. Only the Federal Reserve Banks and the Department of the Treasury are authorized to act as official agencies. Banking institutions generally may submit subscriptions for account of customers, provided the names of customers subscribing for cash are set forth in such subscriptions. Others than banking institutions will not be permitted to enter cash subscriptions except for their own account.

2. Cash subscriptions, which may not exceed \$10,000 from any one person, 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. Payment for the face amount of bonds allotted hereunder in exchange for securities of the issues

enumerated in Paragraph 1 of Section I hereof, must be made on or before February 15, 1972, or on later allotment, and may be made only in a like face amount of such securities, which should accompany the subscription. On cash subscriptions payment at par and accrued interest, if any, for bonds allotted hereunder, must be completed on or before February 15, 1972, in cash or other funds fully collectible by that date. 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. 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. Payments due to subscribers (paragraphs 3 and 5 below) 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 securities surrendered. In the case of registered securities, the payment will be made in accordance with the assignments thereon. Payments due from subscribers (paragraphs 4 and 6 below) should accompany the subscription.

2. $4\frac{3}{4}$ percent notes of Series A-1972, $7\frac{1}{2}$ percent notes of Series C-1972 and 4 percent bonds of 1972. — When payment is made with securities in bearer form, coupons dated February 15, 1972, should be *detached* and cashed when due.*

3. $7\frac{3}{4}$ percent notes of Series C-1974. — When payment is made with notes in bearer form, coupons dated August 15, 1972, and all subsequent coupons, must be *attached* (February 15, 1972, coupons should be *detached**) to the notes when surrendered. The cash payment of \$53.21583 per \$1,000 will be paid to subscribers.

4. $4\frac{1}{8}$ percent bonds of 1974. — When payment is made with bonds in bearer form, coupons dated August 15, 1972, and all subsequent coupons, must be *attached* (February 15, 1972, coupons should be *detached**) to the bonds when surrendered. The cash payment of \$14.40167 per \$1,000 due the United States must be paid by subscribers.

5. $7\frac{1}{4}$ percent notes of Series D-1974. — When payment is made with notes in bearer form, coupons dated May 15, 1972, and all subsequent coupons, must be *attached* to the notes when surrendered. Accrued interest from November 15, 1971, to February 15, 1972

* Interest due on February 15, 1972, on registered securities will be paid by issue of interest checks in regular course to holders of record on January 14, 1972, the date the transfer books closed.

(\$18.32418 per \$1,000), plus the cash payment (\$47.56228 per \$1,000), a total of \$65.88646 per \$1,000, will be paid to subscribers.

6. *4 1/4 percent bonds of 1974.* — When payment is made with bonds in bearer form, coupons dated May 15, 1972, and all subsequent coupons, must be *attached* to the bonds when surrendered. Accrued interest from November 15, 1971, to February 15, 1972 (\$10.74176 per \$1,000), will be credited, the cash payment (\$15.04946 per \$1,000) due the United States will be charged, and the difference of \$4.30770 per \$1,000 must be paid by subscribers.

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 6 3/8 percent

Treasury Bonds of 1982"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 6 3/8 percent Treasury Bonds of 1982 in the name of"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 6 3/8 percent Treasury Bonds of 1982 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.

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.

CASH SUBSCRIPTION (FOR INDIVIDUALS)

For United States of America 6 3/8 Percent Treasury Bonds of 1982
Dated February 15, 1972, Due February 15, 1982

IMPORTANT INSTRUCTIONS

General. 1. Subscriptions are limited to \$10,000 for any one person; subject to this limitation, subscriptions will be allotted in full. 2. Amount of securities applied for must be in multiples of \$1,000. 3. Separate subscription forms should be used for bearer bonds and for registered bonds desired. 4. Social Security account numbers or Employer Identification numbers of all purchasers of registered bonds must be furnished.

Payment. Payment at par must be completed by Tuesday, February 15, 1972, in cash or other funds immediately available by that date. Any check payable to the Federal Reserve Bank of New York, Fiscal Agent of the United States, received at this Bank by Wednesday, February 9, 1972 will be considered timely, provided the check is drawn on a bank in the Second Federal Reserve District. A member bank or nonmember clearing bank subscribing for account of customers may make payment by authorizing us to charge its reserve account or its clearing account.

Deposit. Subscriptions must be accompanied by payment of not less than 10% of the amount of bonds applied for; however, commercial banks subscribing for account of customers are urged to retain their customers' deposits until after allotment.

The subscription books will be open until 5 p.m., February 2, 1972

FEDERAL RESERVE BANK OF NEW YORK, Fiscal Agent of the United States, New York, N. Y. 10045

Dated at _____, 1972

Attention: Securities Operations Division

GENTLEMEN:

Pursuant to the provisions of Treasury Department Circular No. 2-72, Public Debt Series, dated January 27, 1972, the undersigned hereby subscribes at par for United States of America 6 3/8 percent Treasury Bonds of 1982 in the amount of \$.....*

Please issue, deliver, and accept payment for the bonds as indicated below.

* (If a commercial bank is subscribing for account of customers, please list the names of such customers, and the amounts desired by each, on the reverse side hereof.)

Table with 3 main columns: BEARER BONDS DESIRED (Use schedule on reverse side for REGISTERED bonds), DELIVERY INSTRUCTIONS, and PAYMENT. Includes sub-tables for bond denominations and delivery options.

(If a commercial bank is subscribing for account of customers, the following certifications are made a part of this subscription.)

WE HEREBY CERTIFY that we have received applications from our customers in the amounts set opposite the customers' names on the list which is made a part of this subscription; that there has been paid to us by each such customer as required by official offering circular, not subject to withdrawal until after allotment, not less than 10 percent of the amount applied for; that we have not made unsecured loans, or loans collateralized in whole or in part by the securities applied for, to supply the amounts of such payments to any of such customers; and that we have no beneficial interest in the applications of such customers.

WE FURTHER CERTIFY that applications received by us, if any, from other commercial banks for the account of their customers have been entered with us under the same conditions, agreements, and certifications as set forth in this subscription form.

TO SUBSCRIBER:

(Fill in all required spaces before signing)

Mark (X) in proper space to indicate if this is:

(Name of subscriber — Please print or typewrite)

Form fields for Address, Tel. No., and By (Official signature) with checkboxes for Original subscription, Confirmation of a telegram, and Confirmation of a letter.

