FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, July 27, 1962

OFFERING OF SECURITIES

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

Enclosed are Treasury Department Circulars, Public Debt Series Nos. 12-62, 13-62 and 14-62, governing the offering of three new issues of Treasury securities. The press statement issued by the Treasury Department concerning this offering is also enclosed.

SECURITIES OFFERED

3½ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1963 at par

4 PERCENT TREASURY BONDS OF 1969 at par

4¼ PERCENT TREASURY BONDS OF 1987-92 at 101 percent of their face value

PAYMENT

By Cash, or by surrender of the following securities:

4 percent Treasury Notes of Series B-1962

3¼ percent Treasury Notes of Series G-1962

Payment for either of the two issues of Treasury **bonds** may be made by credit in Treasury Tax and Loan Accounts.

DOWN PAYMENTS

Down payments of not less than 2 percent of the amount of certificates applied for and 10 percent of the amount of bonds applied for (in the form of cash or securities of the eligible issues) are required of all subscribers, except those specifically exempted in Section III of each of the official circulars. Down payments received by commercial banks from subscribers **should be held by commercial banks** until after allotment is made.

ALLOTMENTS

Allotments will be made in accordance with Section III of each of the official circulars. A form for furnishing delivery instructions and denominations of securities desired and method of payment for securities allotted will be forwarded promptly after the Treasury Department furnishes the basis for the allotment.

CLOSING OF SUBSCRIPTION BOOKS

The subscription books will be open only on **Monday, July 30, 1962,** and subscriptions placed in the mail before midnight on that date will be considered timely. Subscriptions will be received at this bank and its branches at El Paso, Houston and San Antonio. Additional circulars and forms will be furnished upon request.

Yours very truly,

Watrous H. Irons

President

TREASURY DEPARTMENT
Washington, D. C.

July 26, 1962

TREASURY'S NEW FINANCING

The Treasury announced today its first major borrowing operation of the new fiscal year. It will offer for cash \$6.5 billion of one-year 3½% certificates, at par; \$1.5 billion of 6½-year 4% bonds, at par; and up to \$750 million of 25-30 year 4¼% bonds at a price of 101 to yield 4.19%. The proceeds will be used to retire approximately \$7.5 billion of securities maturing on August 15, and to provide additional cash sufficient to complete the Treasury's needs until the end of September.

This offering, by covering the full maturity range, will provide attractive outlets for investors of all types, will maintain a balanced debt structure, and will help to activate presently accumulating long-term funds.

Books will be open for the cash subscriptions on Monday, July 30, and any subscriptions postmarked before midnight on that day will be accepted. The certificate is being offered for subscription without credit to tax and loan accounts in the commercial banks. Both of the bonds can be paid for through credit to such accounts. Payment for all of the new securities will be due August 15, 1962; however, payment for the longer bond by savings-type subscribers may be made in installments over a three-month period.

The maturing securities to be redeemed in cash are:

\$158 million of 4% Treasury Notes of Series B-1962, dated September 26, 1957, maturing August 15, 1962, and

\$7,325 million of 3¼% Treasury Notes of Series G-1962, dated February 15, 1961, maturing August 15, 1962.

The new cash to be borrowed will be obtained from the issue of:

\$6,500 million, or thereabouts, of 3½% Treasury Certificates of Indebtedness, to be dated August 15, 1962, and to mature August 15, 1963,

\$1,500 million, or thereabouts, of 4% Treasury Bonds, to be dated August 15, 1962, and to mature February 15, 1969, and

up to \$750 million, or thereabouts, of 4¼% Treasury Bonds of 1987-92, to be dated August 15, 1962, and to mature August 15, 1992, callable at the option of the United States on any interest date on and after August 15, 1987.

Subscriptions will be received subject to allotment. Payment for the new securities may be made in cash, or in 4% Treasury Notes of Series B-1962, or in 3¼% Treasury Notes of Series G-1962, which will be accepted at par, in payment or exchange, in whole or in part, for the new securities subscribed for, to the extent such subscriptions are allotted by the Treasury.

Subscriptions from commercial banks, for their own account, will be restricted in the case of the certificates to an amount not exceeding 50% of the combined capital, surplus, and undivided profits of the subscribing bank and in the case of both issues of bonds to an amount not exceeding 10% of the combined total of time and savings deposits, including time certificates of deposit, or 25% of the combined capital, surplus, and undivided profits of the subscribing bank, whichever is greater.

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, 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, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit.

Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Notes of Series B-1962, or Treasury Notes of Series G-1962, at par) in the case of the certificates and 10% in the case of both issues of bonds, of the amount of new securities applied for which will not be 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 securities applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions for the certificates from 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, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full. The bases of the allotment of all subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

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 new securities until after midnight July 30, 1962.

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.

Savings-type investors will be permitted to pay for the 4¼% Bonds of 1987-92 in installments up to October 15, 1962 (not less than 30% by August 15; 60% by September 15; and full payment by October 15). Amounts allotted to other classes of subscribers must be paid for in full on August 15.

Savings-type investors who may subscribe to the 4¼% bonds on a deferred payment basis are:

Pension and Retirement Funds — public and private
Endowment Funds
Common Trust Funds under Regulation F of the Board of Governors of the Federal Reserve System
Insurance Companies
Mutual Savings Banks
Fraternal Benefit Associations and Labor Unions' insurance funds
Savings and Loan Associations
Credit Unions
Other Savings Organizations (not including commercial banks)
States, political subdivisions or instrumentalities thereof, and Public Funds

Where subscribers in this group (except States, political subdivisions or instrumentalities thereof, and public pension and retirement and other public funds) elect to pay for such bonds in installments, delivery of 5% of the total par amount allotted will be withheld until payment for the total amount allotted has been completed.

The 4¼% bonds will be redeemable at par prior to maturity in payment of Federal estate taxes if owned by the decedent at time of death.

In addition to the amounts offered for public subscription, Government Investment Accounts will be allotted up to $100 million of the 4% bonds and up to $50 million of the 4¼% bonds.

UNITED STATES OF AMERICA

3½ PERCENT TREASURY CERTIFICATES OF INDEBTEDNESS OF SERIES C-1963

Dated and bearing interest from August 15, 1962 **Due August 15, 1963**

DEPARTMENT CIRCULAR

Public Debt Series — No. 12-62

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 30, 1962

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated 3½ percent Treasury Certificates of Indebtedness of Series C-1963. The amount of the offering under this circular is $6,500,000,000, or thereabouts. The following notes maturing August 15, 1962, will be accepted at par in payment or exchange, in whole or in part, for the certificates subscribed for, to the extent such subscriptions are allotted by the Treasury:

4 percent Treasury Notes of Series B-1962; or
3¼ percent Treasury Notes of Series G-1962.

The books will be open **only on July 30, 1962,** for the receipt of subscriptions for this issue.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 15, 1962, and will bear interest from that date at the rate of 3½ percent per annum, payable semiannually on February 15 and August 15, 1963. They will mature August 15, 1963, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates is subject to all taxes imposed under the Internal Revenue Code of 1954. The certificates 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 certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000 and $500,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington 25, D. C. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. 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, surplus and undivided profits of the subscribing bank. Subscriptions 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, Government Investment Accounts, and the Federal Reserve Banks. Subscriptions from all

others must be accompanied by payment (in cash or in notes of the two issues enumerated in Section I hereof, which will be accepted at par) of 2 percent of the amount of certificates applied for, not subject to withdrawal until after allotment. Registered notes submitted as deposits should be assigned as provided in Section V hereof. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of certificates allotted may be released upon the request of the subscribers.

2. 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 certificates of this issue, until after midnight July 30, 1962.

3. Commercial banks in submitting subscriptions will be required to certifiy 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.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of certificates applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions from 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, Government Investment Accounts, and the Federal Reserve Banks will be allotted in full. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before August 15, 1962, or on later allotment. In every case where payment is not so completed, the payment with application up to 2 percent of the amount of certificates allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Payment may be made for any certificates allotted hereunder in cash or by exchange of notes of the two series enumerated in Section I hereof, which will be accepted at par. Where payment is made with bearer notes, coupons dated August 15, 1962, should be detached and cashed when due by holders. In the case of registered notes, the final interest due on August 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury Notes of Series G-1962 in registered form tendered as deposits and in payment for certificates allotted hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for 3½ percent Treasury Certificates of Indebtedness of Series C-1963 to be delivered to______________," in accordance with the general regulations of the Treasury Department. Notes tendered in payment should be surrendered to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington 25, D. C. 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 subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

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.

DOUGLAS DILLON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

4¼ PERCENT TREASURY BONDS OF 1987-92

Dated and bearing interest from August 15, 1962 **Due August 15, 1992**

REDEEMABLE AT THE OPTION OF THE UNITED STATES AT PAR AND ACCRUED INTEREST ON AND AFTER AUGUST 15, 1987

Interest payable February 15 and August 15

DEPARTMENT CIRCULAR

Public Debt Series — No. 14-62

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 30, 1962

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at 101 percent of their face value and accrued interest, from the people of the United States for bonds of the United States, designated 4¼ percent Treasury Bonds of 1987-92. The amount of the offering under this circular is up to $750,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $50,000,000 of these bonds to Government Investment Accounts. The following notes maturing August 15, 1962, will be accepted at par in payment or exchange, in whole or in part, for the bonds subscribed for, to the extent such subscriptions are allotted by the Treasury:

4 percent Treasury Notes of Series B-1962; or
3¼ percent Treasury Notes of Series G-1962.

The books will be open **only on July 30, 1962**, for the receipt of subscriptions for this issue.

2. Deferred payment for bonds allotted hereunder may be made as provided in Section IV hereof by any of the following subscribers, who for this purpose are defined as savings-type investors:

Pension and Retirement Funds—public and private
Endowment Funds
Common Trust Funds under Regulation F of the Board of Governors of the Federal Reserve System
Insurance Companies
Mutual Savings Banks
Fraternal Benefit Associations and Labor Unions' insurance funds
Savings and Loan Associations
Credit Unions
Other Savings Organizations (not including commercial banks)
States, Political Subdivisions or instrumentalities thereof, and Public Funds

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1962, and will bear interest from that date at the rate of 4¼ 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, 1992, but may be redeemed at the option of the United States on and after August 15, 1987, 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.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of $500, $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. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,[1] **provided:**

(a) that the bonds were actually owned by the decedent at the time of his death; and
(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the District Director of Internal Revenue at______________________for credit on Federal estate taxes due from estate of____________________". Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;[2] bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by form PD 1782,[3] properly completed, signed and certified, and by proof of the representatives' authority in the form of a court certificate or a certified copy of the representatives' letters of appointment issued by the court. The certificate, or the certification to the letters, must be under the seal of the court, and except in the case of a corporate representative, must contain a statement that the appointment is in full force and be dated within six months prior to the submission of the bonds, unless the certificate or letters show that the appointment was made within one year immediately prior to such submission. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the District Director of Internal Revenue.

6. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington 25, D. C. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 10 percent of the combined amount of time and savings deposits, including time certificates of deposit, or 25 percent of the combined capital, surplus and undivided profits of the subscribing bank, whichever is greater. Subscriptions 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, Government Investment Accounts, and the Federal Reserve Banks. Subscriptions from all others must be accompanied by payment (in cash or in notes of the two issues enumerated in Section I hereof, which will be accepted at par) of 10 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Registered notes submitted as deposits should be assigned as provided in Section V hereof. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of bonds allotted may be released upon the request of subscribers.

2. 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 bonds of this issue, until after midnight July 30, 1962.

3. 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.

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[1] An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

[2] The transfer books are closed from January 16 through February 15, and from July 16 through August 15 (both dates inclusive) in each year.

[3] Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington 25, D. C.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at 101 percent of their face value and accrued interest for bonds allotted hereunder must be made or completed on or before August 15, 1962, or on later allotment, in cash or by exchange of notes of the two issues enumerated in Section I hereof, which will be accepted at par; provided, however, that where a subscriber eligible to defer payment under Section I hereof elects to defer payment for part of the bonds allotted, not less than 30 percent of the bonds allotted must have been paid for by August 15, 1962, not less than 60 percent must have been paid for by September 15, 1962, and full payment must be completed by October 15, 1962. All payments made subsequent to August 15, 1962, must be accompanied by accrued interest from that date, at the rate of $0.12 per $1,000 per day. In the event allotments are less than a rate of 10 percent of the amount subscribed for, the amount of the deposit in excess of the par amount of the bonds allotted hereunder will be returned to the subscriber. Where partial payment for bonds allotted is to be deferred beyond August 15, 1962, delivery of 5 percent of the total par amount of bonds allotted, adjusted to the next higher $500, will be withheld from all subscribers (except States, political subdivisions or instrumentalities thereof, and public penison and retirement and other public funds) until payment for the total amount allotted has been completed. In every case where payment is not so completed the 5 percent so withheld shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. In all other cases where payment is not completed on or before August 15, 1962, or on later allotment, the payment with 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. Any qualified depositary will be permitted to make payment in its Treasury Tax and Loan Account for bonds allotted to it for itself and its customers which are paid for in cash up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District. Where payment is made with bearer notes, coupons dated August 15, 1962, should be **detached** and cashed when due by holders. In the case of registered notes, the final interest due on August 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury Notes of Series G-1962 in registered form tendered as deposits and in payment for bonds allotted hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department, in one of the forms hereafter set forth. Notes tendered in payment should be surrendered to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington 25, D. C. The notes must be delivered at the expense and risk of the holder. If the bonds are desired registered in the same name as the notes surrendered, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury bonds of 1987-92"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury Bonds of 1987-92 in the name of______________"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for 4¼ percent Treasury Bonds of 1987-92 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 allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to 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.

DOUGLAS DILLON,
Secretary of the Treasury.

UNITED STATES OF AMERICA

4 PERCENT TREASURY BONDS OF 1969

Dated and bearing interest from August 15, 1962 **Due February 15, 1969**

Interest payable February 15 and August 15

DEPARTMENT CIRCULAR

Public Debt Series — No. 13-62

TREASURY DEPARTMENT
Office of the Secretary
Washington, July 30, 1962

I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, subject to allotment, at par and accrued interest, from the people of the United States for bonds of the United States, designated 4 percent Treasury Bonds of 1969. The amount of the offering under this circular is $1,500,000,000, or thereabouts. In addition to the amount offered for public subscription, the Secretary of the Treasury reserves the right to allot up to $100,000,000 of these bonds to Government Investment Accounts. The following notes maturing August 15, 1962, will be accepted at par in payment or exchange, in whole or in part, for the bonds subscribed for, to the extent such subscriptions are allotted by the Treasury:

4 percent Treasury Notes of Series B-1962; or
3¼ percent Treasury Notes of Series G-1962.

The books will be open **only on July 30, 1962**, for the receipt of subscriptions for this issue.

II. DESCRIPTION OF BONDS

1. The bonds will be dated August 15, 1962, and will bear interest from that date at the rate of 4 percent per annum, payable semiannually on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1969, 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 $500, $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 Treasury Department, now or hereafter prescribed, governing United States bonds.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington 25, D. C. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 10 percent of the combined amount of time and savings deposits, including time certificates of deposit, or 25 percent of the combined capital, surplus and undivided profits of the subscribing bank, whichever is greater. Subscriptions 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, Government Investment Accounts, and the Federal Reserve Banks. Subscriptions from all others must be accompanied by payment (in cash or in notes of the two issues enumerated in Section I hereof, which will be accepted at par) of 10 percent of the amount of bonds applied for, not subject to withdrawal until after allotment. Registered notes submitted as deposits should be assigned as provided in Section V hereof. Following allotment, any portion of the 10 percent payment in excess of 10 percent of the amount of bonds allotted may be released upon the request of the subscribers.

2. 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 bonds of this issue, until after midnight July 30, 1962.

3. 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.

4. The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of bonds applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before August 15, 1962, or on later allotment. In every case where payment is not so completed, the payment with 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 may be made for any bonds allotted hereunder in cash or by exchange of notes of the two issues enumerated in Section I hereof, which will be accepted at par. Any qualified depositary will be permitted to make payment by credit in its Treasury Tax and Loan Account for bonds allotted to it for itself and its customers which are paid for in cash up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District. Where payment is made with bearer notes, coupons dated August 15, 1962, should be **detached** and cashed when due by holders. In the case of registered notes, the final interest due on August 15, 1962, will be paid by check drawn in accordance with the assignments on the notes surrendered, or by credit in any account maintained by a banking institution with the Federal Reserve Bank of its District.

V. ASSIGNMENT OF REGISTERED NOTES

1. Treasury Notes of Series G-1962 in registered form tendered as deposits and in payment for bonds allotted hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department, in one of the forms hereafter set forth. Notes tendered in payment should be surrendered to a Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington 25, D. C. The notes must be delivered at the expense and risk of the holder. If the bonds are desired registered in the same name as the notes surrendered, the assignment should be to "The Secretary of the Treasury for 4 percent Treasury bonds of 1969"; if the bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for 4 percent Treasury Bonds of 1969 in the name of______________"; if bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for 4 percent Treasury Bonds of 1969 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 allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective Districts, to issue allotment notices, to receive payment for bonds allotted, to 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.

DOUGLAS DILLON,
Secretary of the Treasury.