

TREASURY DEPARTMENT
WASHINGTON

AT 5285

January 14, 1963

NOTICE OF SALE OF 4 PERCENT TREASURY BONDS OF 1988-93

On January 8, 1963, the Treasury Department sold to a syndicate headed by C. J. Devine and Company, Salomon Bros. and Hutzler, Bankers Trust Company, Chase Manhattan Bank, First National City Bank of New York, Chemical Bank New York Trust Company, and the First National Bank of Chicago, and 68 others, the \$250 million Treasury Bonds of 1988-93 offered in the Secretary of the Treasury's Invitation to Bid dated December 20, 1962. This invitation appeared at page 12780 of the Federal Register for December 27, 1962. The price paid for the bonds was \$99.85111 per \$100 of face amount with a 4 percent coupon, resulting in a net basis cost of money to the Treasury of 4.00821 percent, calculated to maturity.

The bonds will be dated January 17, 1963, and will bear interest at the rate of 4 percent from that date payable on a semiannual basis on August 15, 1963, and thereafter on February 15 and August 15 in each year until the principal amount becomes payable. They will mature February 15, 1993, but may be redeemed at the option of the United States on and after February 15, 1988, at par and accrued interest, on any interest day, on four months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

If the bonds are owned by a decedent at the time of his death and thereupon constitute a part of his estate, they will be redeemed at par and accrued interest at the option of the representative of the estate, provided the Secretary of the Treasury is authorized by the decedent's estate to apply the entire proceeds of redemption to payment of the Federal estate taxes on such decedent's estate.

The bonds will be acceptable to secure deposits of public moneys.

The income derived from the bonds will be subject to all taxes imposed under the Internal Revenue Code of 1954. The bonds will be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but will be 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.

JOHN K. CARLOCK,
Fiscal Assistant Secretary.