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

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

The Treasury is offering holders of Treasury securities maturing May 15 and June 15, 1962, aggregating $11,683 million, the right to exchange them for any of the following securities:

- 3¼% Treasury Certificates of Indebtedness to be dated May 15, 1962, and to mature May 15, 1963, at par;
- 3½% Treasury notes to be dated May 15, 1962, and to mature February 15, 1966, at 99.80, to yield about 3.68 percent to maturity; or
- 3¾% Treasury bonds to be dated May 15, 1962, and to mature November 15, 1971, at 99.50, to yield about 3.94 percent to maturity.

Cash subscriptions for the new securities will not be received.

The maturing issues eligible for exchange are as follows:

- $2,211 million of 4 percent Treasury Notes of Series E-1962, dated April 14, 1960, maturing May 15, 1962; and

The subscription books will be open only on April 30 through May 2 for the receipt of subscriptions. Subscriptions for any issue 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 2, will be considered as timely. The new securities will be delivered May 15, 1962. Interest on the 2¼ percent bonds which are exchanged will be paid through May 15, as indicated below. The new certificates of indebtedness will be available only in bearer form. The new notes and bonds will be made available in registered as well as bearer form.

Interest on the 3¾ percent certificates of indebtedness will be paid on November 15, 1962, and May 15, 1963. Interest on the 3½ percent notes will be paid on August 15, 1962, and semiannually thereafter on February 15 and August 15. Interest on the 3¾ percent bonds will be paid on November 15, 1962, and semiannually thereafter on May 15 and November 15.

Exchanges of 3 percent certificates and 4 percent notes

Exchanges of the 3 percent certificates and 4 percent notes maturing May 15, 1962, may be made for a like face amount of any of the securities included in this exchange offering. Coupons dated May 15, 1962, on the maturing 3 percent certificates and 4 percent notes in bearer form should be detached by holders and cashed when due. Subscribers to the new 3½ percent notes and 3¾ percent bonds will be paid, respectively, $2.00 and $5.00 per $1,000, representing the discount on these securities.

Exchange of 2¼ percent bonds

Exchanges of the 2¼ percent bonds maturing June 15, 1962, may be made for a like face amount of any of the securities included in this exchange offering. Coupons dated June 15, 1962, must be attached to the maturing 2¼ percent bonds in bearer form when surrendered for exchange. Payments will be made to holders who exchange their 2¼ percent bonds as follows:

<table>
<thead>
<tr>
<th>2¼% bonds exchanged for</th>
<th>Accrued interest on 2¼% bonds to 6/15/62</th>
<th>Discount on new securities</th>
<th>Amount to be paid to subscriber</th>
</tr>
</thead>
<tbody>
<tr>
<td>3¼% Certificates 5/15/63</td>
<td>$9.33379</td>
<td></td>
<td>$9.33379</td>
</tr>
<tr>
<td>3½% Notes 2/15/66</td>
<td>9.33379</td>
<td>$2.00</td>
<td>11.33379</td>
</tr>
<tr>
<td>3¾% Bonds 11/15/71</td>
<td>9.33379</td>
<td>5.00</td>
<td>14.33379</td>
</tr>
</tbody>
</table>

Circulars and subscription forms for this offering will be mailed to reach you by Monday, April 30.

ALFRED HAYES,
President.