

FEDERAL RESERVE BANK OF CHICAGO

GOVERNMENT BOND DEPARTMENT CERTIFICATES OF INDEBTEDNESS DIVISION

ROOM 361-209 SO. LA SALLE ST.

M. A. TRAYLOR
DIRECTOR OF SALES
TREASURY CERTIFICATES OF INDEBTEDNESS

ADDRESS ALL COMMUNICATIONS
RELATIVE TO GOVERNMENT BONDS

Circular No. 650. BOX 805
February 22, 1918.

TO ALL BANKS IN THE SEVENTH FEDERAL RESERVE DISTRICT:

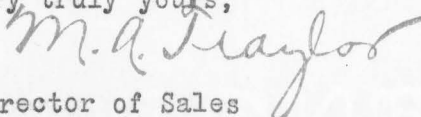
Referring to our Circular #64, dated February 21, which we trust you have read carefully, we now advise you of a new offering of \$500,000,000 United States Treasury Certificates of Indebtedness to be dated February 27 and maturing May 28, to which subscriptions close March 5.

We enclose full details of offering and call your attention especially to two important features. This issue bears $4\frac{1}{2}\%$ interest and certificates will be issued in denomination of \$500 in addition to the usual denominations of \$1000 and up. We also enclose subscription and payment form and we sincerely trust you will note instructions and immediately fill out properly your subscription and enclose check to cover. If you will do this and avoid telegraphing on the last day the work will be greatly simplified for us and results will be more satisfactory to you.

Mr. McAdoo's telegram announcing this offering says: "the amount of subscriptions to the last issue from the country at large was distinctly disappointing. *** This was partly due because some banks subscribed on the basis of one percent of their resources, not understanding that the request to set aside one per cent a week carried with it the request to subscribe to an amount equal to at least two percent of their resources for each bi-weekly issue of certificates."

From this quotation it is clearly evident that the desire of the Secretary is that banks subscribe two percent of resources to each offering. This is doubly necessary in view of the fact that some banks cannot or do not subscribe for any amount, and we trust that every bank in the district will subscribe in no event less than one percent and that those who can do so will subscribe a full two percent of their resources or more, if possible.

Very truly yours,



Director of Sales
Treasury Certificates of Indebtedness