

FEDERAL RESERVE BANK OF CHICAGO

GOVERNMENT BOND DEPARTMENT

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Circular No. 121.
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EXPIRATION OF CONVERSION PRIVILEGE

TO THE BANK OR TRUST COMPANY ADDRESSED:

The Secretary of the Treasury today made the following announcement:

"The privilege of converting four percent bonds of the First Liberty Loan converted and four percent bonds of the Second Liberty Loan into four and a quarter percent bonds expires on November ninth, 1918, and cannot under existing law be extended. The Treasury has done all in its power to call the attention of the bond-holders to the existence of this valuable privilege and the date of its expiration. It is safe to assume that upon the expiration of the conversion privilege that fact will reflect itself unfavorably in the market price of unconverted four percent bonds which have heretofore been maintained substantially on a parity with the converted four and a quarter percent bonds by the existence of the privilege of conversion. The Treasury now asks the newspapers of the United States, bankers, brokers and others to do what they can to bring these facts before the attention of the bond-holders."

Please make a special effort at once to bring this announcement to the attention of bond-holders.

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Government Bond Department