

FEDERAL RESERVE BANK
OF NEW YORK

*Certificates of
Indebtedness Department*

Circular No. 645
December 15, 1924

4 Per Cent. Treasury Bonds of 1944-54

Exchange Subscription Books to Close Saturday, December 20

Adjustment of Accrued Interest as of December 15 on All Securities Received
in Exchange Between December 15 and December 20

Definitive Bonds Now Ready

*To all Banks, Trust Companies, Savings Banks, Bankers, Investment Dealers,
Principal Corporations and Others Concerned in the Second Federal Reserve District:*

According to a public announcement by the Secretary of the Treasury, the exchange subscription books for the current offering of 20-30 year 4 per cent. Treasury bonds of 1944-54, dated December 15, 1924, will close at the close of business Saturday, December 20, 1924.

Statement by Secretary Mellon

Secretary Mellon's statement follows in full:

The Secretary of the Treasury announced that the total cash subscriptions for the Treasury 4 per cent. bonds of 1944-54 amounted to over \$1,400,000,000, of which about \$325,000,000 were subscriptions for \$10,000 or less. In accordance with the Treasury's announced intention that the cash offering would be restricted to around \$200,000,000 cash subscriptions were closed December 4, 1924, but all subscriptions in the mail before midnight, December 4th and received by Federal Reserve Banks by 10 A. M., December 6th, were treated as being presented before the closing of the books.

The two elements controlling the method of allotting cash subscriptions were (1) the cash requirements of the Treasury until its next probable time of financing, in March 1925, and (2) the Treasury's desire to give preference to subscribers for small amounts. Accordingly, the allotment for cash subscriptions was on the following basis: Cash subscriptions in the amount \$1,000 or less were allotted in full. Cash subscriptions for amounts over \$1,000 and up to and including \$10,000 were allotted 65 per cent. with a minimum of \$1,000. Cash subscriptions for amounts over \$10,000 were declined. On this basis, the allotment on cash subscriptions will be \$224,513,500.

Subscriptions for which 4 per cent. Treasury certificates of indebtedness maturing March 15th next, 4¾ per cent. Treasury notes maturing March 15th, and Third Liberty Loan 4¼ per cent. bonds are tendered in payment, and which will be allotted in full, now total about \$500,000,000. These exchange subscriptions will be closed on Saturday, December 20th. Exchange subscriptions which were in the mail or otherwise in transit before midnight, December 20th, will, however, be accepted. Interest on such exchange subscriptions will be adjusted as of December 15, 1924.

It is expected that the definitive bonds will be ready for delivery on December 15th.

Very truly yours,

BENJ. STRONG,
Governor.