

FEDERAL RESERVE BANK
OF NEW YORK

Government Bond
Department

[Circular No. 657]
[February 28, 1925]

New Treasury Issue
Preliminary Notice of Offering and Methods of Filing Subscriptions

To all Member Banks, State Banks, and Trust Companies
in the Second Federal Reserve District:

From advices received from the Treasury Department of the United States, we are enabled to transmit to you the following information:

1. That a Treasury offering may be expected shortly.
2. That the subscription books may be closed by the Treasury without advance notice, and therefore,
3. That each subscribing bank, upon receipt of information as to the terms of the Treasury offering (either in the press, through the mails or by telegram) should promptly file with the Federal Reserve Bank any subscriptions for itself and its customers. This is important, as no guarantee can be given as to the period the subscription books may remain open, and subscribing banks, even before receipt of official subscription blanks, may file their subscriptions by telegram or by mail with the Federal Reserve Bank. Any subscriptions so filed by telegram or mail in advance of receipt by subscribing bank of subscription blanks furnished for the particular issue should be confirmed immediately by mail, and on the blank provided, when such blank shall have been received.
4. That if the terms of the offering when announced provide for both cash subscriptions and subscriptions for which payment may be tendered in other securities, the subscribing bank should prepare its subscriptions in such manner as to indicate the method by which it proposes to make payment and the respective par amounts of securities, if any, to be tendered in payment.

Also with regard to issues subscriptions to which the Treasury determines for the purpose of allotment shall be considered as on a cash basis irrespective of whether or not payment is to be made in cash or in securities, the following classification will be required of subscriptions made for account of customers, stating the number of subscriptions in each class.

- Class A—Subscriptions for \$1,000 or less for any one subscriber;
- Class B—Subscriptions for over \$ 1,000, but not exceeding \$ 10,000;
- Class C—Subscriptions for over \$ 10,000, but not exceeding \$ 50,000;
- Class D—Subscriptions for over \$ 50,000, but not exceeding \$ 100,000;
- Class E—Subscriptions for over \$ 100,000, but not exceeding \$ 500,000;
- Class F—Subscriptions for over \$ 500,000, but not exceeding \$1,000,000;
- Class G—Subscriptions for over \$1,000,000.

Subscription(s) for the bank's own account should not be included in the above classification of subscriptions for account of customers but should be clearly indicated as for the bank's own account and in addition to such subscriptions.

Where, however, under the terms of an offering or under instructions accompanying an offering, the Treasury agrees to allot new securities *in full* for any of its securities maturing on the date of the new issue or on any later date, subscriptions to be paid for in such securities *should not be classified*. Where the maturing securities are not by the instructions accompanying the offering given a preference they shall be treated as cash and subscriptions to be paid for in such securities should be included in the classification.

When the terms of the offering, preliminary notice of which is given above, are announced, notice thereof, together with subscription blanks will be mailed to you promptly by this bank. Should notice and subscription blanks for any reason be delayed in reaching you, this bank will nevertheless receive your subscriptions either by letter or telegraph and suggests that your subscriptions be promptly transmitted to this bank in order that delayed receipt of them may not mitigate against your receiving due allotment.

If you find it necessary to telegraph your subscriptions please confirm immediately either by letter or on subscription blank, setting forth the classifications indicated above and method of payment, clearly identifying the fact that it is a confirmation and not an original subscription that duplication may be avoided.

Very truly yours,

BENJ. STRONG,
Governor.