

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4065]
January 27, 1954]

TREASURY FINANCING

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

Treasury Secretary Humphrey made the following statement today:

Subscription books will open on Monday, February 1, for the exchange of the $2\frac{1}{4}$ percent Certificates of Indebtedness which will mature February 15, 1954, in the amount of \$8,114,165,000, and the $1\frac{3}{8}$ percent Treasury Notes which will mature March 15, 1954, in the amount of \$4,675,067,000.

Holder of the maturing securities will be offered the choice of one-year $1\frac{5}{8}$ percent Certificates of Indebtedness and 7-year and 9-month $2\frac{1}{2}$ percent Treasury Bonds in exchange for their present holdings.

In addition, holders of the 2 percent Bonds of 1952-54 which reach final maturity on June 15, 1954, in the amount of \$5,825,463,500, and holders of the $2\frac{1}{4}$ percent Bonds of 1952-55 and the $2\frac{1}{4}$ percent Bonds of 1954-56 which will be called for redemption on June 15, 1954, in the amounts of \$1,500,780,800 and \$680,691,850, respectively, will also be given an opportunity to exchange their holdings at this time for the new $2\frac{1}{2}$ percent Treasury Bonds, with interest adjustments as of February 15, 1954.

The new certificates will carry an interest coupon payable with the principal at maturity, and any premium paid on the acquisition of these certificates in the market may be amortized in accordance with Sec. 125 of the Internal Revenue Code.

While the amount of the public debt outstanding in relation to the statutory limitation of \$275 billion precludes the sale of a longer term bond for cash at this time, consideration is being given to such an offering at a later date.

The Treasury will issue calls on February 15 for the redemption on June 15, 1954, of the $2\frac{1}{4}$ percent Bonds of 1952-55 and the $2\frac{1}{4}$ percent Bonds of 1954-56. The option to call the 2 percent Bonds of 1951-55 and the 2 percent Bonds of 1952-54 (due December 15, 1954) for redemption on June 15, 1954, will not be exercised.

The subscription books will close at the close of business Wednesday, February 3, 1954. Any subscriptions addressed to a Federal Reserve Bank or Branch or to the Treasury Department and placed in the mail before midnight February 3 will be considered as timely.

Copies of the official exchange offering circular and subscription forms will be mailed to reach you on February 1, 1954.

ALLAN SPROUL,
President.