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FEDERAL RESERVE BANK  
OF NEW YORKCERTIFICATES OF INDEBTEDNESS  
DEPARTMENT

November 6, 1918

## NEW ISSUE OF U. S. 4½% CERTIFICATES OF INDEBTEDNESS

DEAR SIR:

✓ <sup>to</sup> <sup>encl.?</sup> We wish to call to your special attention the enclosed circular descriptive of the Series T Certificates of Indebtedness, dated November 7th, 1918 and due March 15th, 1919.

These certificates are acceptable in payment for income and profits taxes in accordance with the terms of the circular. They bear 4½% interest and certificates of the 4% tax series of 1919 as well as unmatured and uncalled 4½% certificates will be accepted in payment for them at par with an adjustment of interest.

The Treasury Department states that it would prefer to have the banks invest their surplus funds in these certificates rather than that they should increase their borrowings, but the banks may well exchange certificates of existing issues for them and then devote themselves vigorously to the resale of the new certificates to their customers for use in payment of taxes.

Banks which are able to make liberal subscription to these certificates and pay for them by any of the methods indicated, will perform a service of great importance to the Government both in providing the Treasury with necessary funds for its requirements and in encouraging their customers to make payment for these certificates from their savings, thereby relieving the inevitable stress and strain which would result from failure to make provision for these tax payments. It is suggested that banks give serious consideration to taking substantial amounts of these certificates with the definite object of reselling them to their customers, thus assisting materially in the Government's War financing.

Yours very truly,



Director of Sales.