

(Closed)

FEDERAL RESERVE BANK  
OF NEW YORK

CERTIFICATES OF INDEBTEDNESS  
DEPARTMENT

September 27, 1919

RESALE OF CERTIFICATES OF INDEBTEDNESS  
OF PRESENT OUTSTANDING ISSUES

TO ALL BANKS, TRUST COMPANIES AND SAVINGS BANKS IN THE  
SECOND FEDERAL RESERVE DISTRICT,

DEAR SIRs:

The great demand for United States Treasury Certificates of Indebtedness as evidenced by the large subscriptions to the recent issues has put a premium upon this character of Government security so that individual and corporate investors are making frequent inquiry concerning the certificates in their desire to purchase and own these short term Government obligations.

The general plan and theory of the Treasury contemplate that the bulk of these Government securities shall be placed with the banks and that the banks shall act as channels through which the certificates will pass to private investors. The advantages of a broad distribution are, of course, self-evident. As the certificates are re-absorbed by customers the credit extended by the banks is to that extent released and they are relieved of carrying all of the burden of such financing.

The issues of certificates of indebtedness at present outstanding, held principally by banking institutions, are:

Series	Issued	Mature
T 5	June 3, 1919	December 15, 1919
T 7	July 1, 1919	December 15, 1919
T 8	July 15, 1919	March 15, 1920
T 9	September 15, 1919	March 15, 1920
T 10	September 15, 1919	September 15, 1920
A 1920	August 1, 1919	January 2, 1920
B 1920	August 15, 1919	January 15, 1920
C 1920	September 2, 1919	February 2, 1920

If these issues are brought through advertising and other ways to the attention of large taxpayers and to individual and corporate investors by the officials of each bank the certificates will naturally, because of their high investment character, appeal to these investors as a most attractive short term Government obligation.

Banking institutions with unswerving loyalty to the Government have subscribed liberally to the various issues, and as Secretary Glass has asked that each banking institution "use its best efforts to distribute these certificates as widely as may be among investors," the Federal Reserve Bank of New York, as Fiscal Agent of the United States, urges the banks to stimulate and accomplish, as far as they possibly can, the resale of certificates in order that these debts of the nation may be distributed proportionately where in the end and in the largest measure they properly belong.

If any prospective purchasers apply to banking institutions for certificates which cannot be supplied, it is suggested that the banking institution communicate with us in order that we may have the opportunity of locating and purchasing them if they are available.

Yours very truly,

R. H. TREMAN,  
Deputy Governor.

