

Federal Reserve Bank of New York *thead*

Offering of

UNITED STATES OF AMERICA 4 $\frac{3}{4}$ % TREASURY CERTIFICATES OF INDEBTEDNESS RECEIVABLE IN PAYMENT OF FEDERAL INCOME AND PROFITS TAXES

SERIES T D 1920

Dated and bearing interest from January 2, 1920

Due December 15, 1920

TO ALL BANKS, TRUST COMPANIES, SAVINGS BANKS, BANKERS, INVESTMENT DEALERS AND
PRINCIPAL CORPORATIONS IN THE SECOND FEDERAL RESERVE DISTRICT,

DEAR SIRS:

The Secretary of the Treasury, under the authority of the act approved September 24, 1917, as amended, offers for subscription, at par and accrued interest, through the Federal Reserve Banks, Treasury certificates of indebtedness, Series T D 1920, dated and bearing interest from January 2, 1920, payable December 15, 1920, with interest at the rate of four and three-quarters per cent per annum.

Applications will be received at the Federal Reserve Banks.

Bearer certificates will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The certificates will have two interest coupons attached payable June 15 and December 15, 1920.

Said certificates shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds and certificates authorized by said act approved September 24, 1917, and amendments thereto, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

Certificates of this series will be accepted at par with an adjustment of accrued interest, during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury, in payment of income and profits taxes payable at the maturity of the certificates. The certificates of this series do not bear the circulation privilege.

The right is reserved to reject any subscription and to allot less than the amount of certificates applied for and to close the subscriptions at any time without notice. Payment at par and accrued interest for certificates allotted must be made on or before January 2, 1920, or on later allotment. After allotment and upon payment Federal Reserve Banks may issue interim receipts pending delivery of the definitive certificates. Any qualified depository will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury certificates of indebtedness of any and all series now outstanding and not overdue, maturing on or before February 2, 1920, will be accepted at par with an adjustment of accrued interest in payment for any certificates of the Series T D 1920 now offered which shall be subscribed for and allotted.

As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions and to make allotment in full in the order of the receipt of applications up to amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts.

Yours very truly,

BENJ. STRONG,

Governor.

New York, December 29, 1919.

(See next page)

REPRINT OF STATEMENT BY SECRETARY GLASS

Washington, D. C.

December 29, 1919.

The Treasury is offering to-day an issue of $4\frac{3}{4}\%$ tax certificates dated January 2, 1920, and maturing December 15, 1920. The success of this issue should assure the consummation of the Treasury's plan for financing the unfunded portion of the war debt in such a way as to avoid the necessity for great refunding operations, by spreading maturities and meeting them so far as may be out of tax receipts.

The total amount of loan certificates, which on November 24th had been reduced to \$1,634,671,500, has been further reduced by purchase, exchange and optional redemption by \$236,703,500 net, and on December 24th was as follows:

Series A due January 2, 1920	\$ 348,446,000
Series B due January 15, 1920	451,844,500
Series C due February 2, 1920	493,153,500
Series D due February 16, 1920	104,524,000
Total	<u>\$1,397,968,000</u>

Of the \$1,397,968,000 loan certificates thus remaining about one-half have already been provided for, and the success of the issue of tax certificates now offered should provide for the retirement of the balance of the loan certificates and render the issue of any further certificates in January unnecessary, while leaving an important part of the tax payment due March 15, 1920, available for current purchases.

The total amount of tax certificates outstanding December 24, 1919, was approximately as follows:

Series T 8, T 9 and T M 3 due March 15, 1920	\$ 550,366,000
Series T J due June 15, 1920	728,130,000
Series T 10 due September 15, 1920	657,469,000
Total	<u>\$1,935,965,000</u>

On account of the income and profits tax installment paid in this month of December the operations of the month produced a net current surplus, excluding transactions in the principal of the public debt, of \$659,080,315.06 for the portion of the month ended December 24, 1919, on the basis of Treasury daily statements.