

FEDERAL RESERVE BANK  
OF NEW YORK

*Certificates of Indebtedness  
Department*

[ Circular No. 522  
January 9, 1923 ]

\$300,000,000  
(or thereabouts)

New Issue of 5-Year 4½ Per Cent. Treasury Notes

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With the Right Reserved to Allot Additional Notes in Exchange  
for Victory Notes and Unregistered 1918 War-Savings Certificates

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*To all Banks, Trust Companies, Savings Banks, Bankers, Investment Dealers,  
Principal Corporations and Others Concerned in the Second Federal Reserve District:*

The Secretary of the Treasury offers for subscription today a new issue of 5-year Treasury notes bearing interest at 4½ per cent. In announcing the offering Secretary Mellon made the following statement:

“The Treasury is today announcing a new offering of 4½ per cent. Treasury notes, dated January 15, 1923, and maturing in a little less than five years, on December 15, 1927. The offering is for \$300,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to allot additional notes to the extent that 4¾ per cent. Victory notes, whether or not called for redemption, or unregistered War-Savings certificates of the series of 1918, are tendered in payment. Victory notes called for redemption on December 15, 1922, are still outstanding to the amount of about \$200,000,000 and War-Savings certificates which matured January 1, 1923, are still outstanding to the amount of nearly \$400,000,000. The new offering of notes affords a particularly favorable opportunity to holders of these Victory notes and War-Savings certificates, as well as to holders of uncalled Victory notes maturing May 20, 1923, to exchange their present holdings for new notes maturing in a little less than five years and yielding an attractive interest return.

“The present offering is intended, with the balances already on hand, to provide for the called Victory notes and 1918 War-Savings certificates which still remain to be presented, and at the same time, to cover the Treasury’s current cash requirements between now and the March installment of taxes. There are no large payments of interest on the public debt falling due in either January or February and no additional maturities of principal of the public debt until March 15th, so that in the ordinary course of events the proceeds of this offering of notes should carry the Treasury until that date.”

Your special attention is invited to the terms of subscription and allotment as stated in the official offering, the text of which will be found in full on the following page.

Very truly yours,  
BENJ. STRONG,  
Governor.

(New Issue)

# Federal Reserve Bank of New York

Offering of

## United States of America Four and One-Half Per Cent. Treasury Notes Series A-1927

Dated and bearing interest from January 15, 1923. Due December 15, 1927.

*To all Banks, Trust Companies, Savings Banks, Bankers, Investment Dealers,  
Principal Corporations and Others Concerned in the Second Federal Reserve District:*

The Secretary of the Treasury offers for subscription, at par and accrued interest, through the Federal Reserve Banks, Treasury notes of Series A-1927, of an issue of gold notes of the United States authorized by the Act of Congress approved September 24, 1917, as amended. The notes will be dated and bear interest from January 15, 1923, will be payable December 15, 1927, and will bear interest at the rate of four and one-half per cent. per annum payable June 15 and December 15 in each year on a semiannual basis.

Applications will be received at the Federal Reserve Banks.

Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The notes are not subject to call for redemption before maturity, and will not be issued in registered form. The principal and interest of the notes will be payable in United States gold coin of the present standard of value.

The notes of said series 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.

Notes 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 or within six months before the maturity of the notes. Any of the notes which have been owned by any person continuously for at least six months prior to the date of his death, and which upon such date constitute part of his estate, shall, under rules and regulations prescribed by the Secretary of the Treasury, be receivable by the United States at par and accrued interest in payment of any estate or inheritance taxes imposed by the United States, under or by virtue of any present or future law upon such estate or the inheritance thereof. The notes of this series will be acceptable to secure deposits of public moneys, but do not bear the circulation privilege.

The right is reserved to reject any subscription and to allot less than the amount of notes applied for and to close the subscriptions at any time without notice. The Secretary of the Treasury also reserves the right to make allotment in full upon applications for smaller amounts, and to make reduced allotments upon, or to reject, applications for larger amounts, and to make classified allotments and allotments upon a graduated scale; and his action in these respects will be final. Allotment notices will be sent out promptly upon allotment, and the basis of allotment will be publicly announced. Payment at par and accrued interest for notes allotted must be made on or before January 15, 1923, or on later allotment. After allotment and upon payment Federal Reserve Banks may issue interim receipts pending delivery of the definitive notes. Any qualified depository will be permitted to make payment by credit for notes 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. Unregistered War-Savings Certificates, Series of 1918, will be accepted at their maturity value, and Victory notes of the 4¾ per cent. series, whether or not called for redemption, will be accepted at the Federal Reserve Banks at par, with an adjustment of accrued interest, in payment for any Treasury notes of the Series A-1927 now offered, which shall be subscribed for and allotted. Unregistered War-Savings Certificates must be duly receipted in the name inscribed thereon. Victory notes in coupon form must have the May 20, 1923, coupon attached, and if in registered form must be duly assigned to the Secretary of the Treasury for redemption, in accordance with the general regulations of the Treasury Department governing assignments; in no event, however, will interest be allowed on called Victory notes surrendered in payment, interest on such notes having ceased on December 15, 1922.

The amount of the offering will be \$300,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to allot additional notes to the extent that payment is tendered in Victory notes or War-Savings Certificates pursuant to this circular. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions and to make allotments thereon on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts.

Very truly yours,

BENJ. STRONG,  
Governor.

New York, January 9, 1923.