

FEDERAL RESERVE BANK
OF NEW YORK

*Certificates of Indebtedness
Department*

[Circular No. 581]
[December 10, 1923]

\$300,000,000
(or thereabouts)

December 15th Offering of 4 and 4¼ Per Cent. Treasury Certificates
Maturing in Six Months and One Year

Subscription Books Open December 10

*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 today offers for subscription two series of Treasury certificates of indebtedness; one bearing interest at 4 per cent. and maturing in six months, the other bearing interest at 4¼ per cent. and maturing in one year. In announcing the offering Secretary Mellon made the following statement:

The Treasury is today announcing its December financing which takes the form of an offering of Treasury certificates of indebtedness in two series, both dated and bearing interest from December 15, 1923, the first series at 4 per cent. interest being for six months, maturing June 16, 1924, and the second series at 4¼ per cent. interest being for one year, maturing December 15, 1924. The combined offering of certificates is for \$300,000,000, or thereabouts. The Treasury will accept in exchange for the new certificates at par with adjustment of accrued interest any Treasury certificates maturing December 15, 1923.

About \$350,000,000 of certificates of indebtedness will become payable on December 15, 1923, together with interest on the public debt of approximately \$75,000,000, but there are no heavy interest payments to be met next January and February. On January 1, 1924, about \$60,000,000 of War Savings certificates of the Series of 1919 mature, a part of which will undoubtedly be exchanged for the new Treasury Savings certificates. The Treasury expects to receive \$330,000,000 in income tax payments during the December period.

The present offering of certificates is intended with the balances already on hand to provide for the payments coming due in December over and above tax receipts and to cover the Treasury's further cash requirements. It is expected that no additional financing will be necessary before March 15, 1924.

The subscription books for this issue are now open and applications will be received by this bank. The terms of the offering are given in full on the following page.

Very truly yours,

BENJ. STRONG,
Governor.

(New Issues)

Federal Reserve Bank of New York

Offering of \$300,000,000 (or thereabouts)

United States of America Treasury Certificates of Indebtedness
Dated and Bearing Interest from December 15, 1923.

Series TJ-1924, 4 Per Cent. Due June 16, 1924.

Series TD-1924, 4¼ Per Cent. Due December 15, 1924.

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

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, in two series, both dated and bearing interest from December 15, 1923, the certificates of Series TJ-1924 being payable on June 16, 1924, with interest at the rate of four per cent. per annum, and the certificates of Series TD-1924 being payable on December 15, 1924, with interest at the rate of four and one-quarter per cent. per annum, payable semiannually.

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 of Series TJ-1924 will have one interest coupon attached, payable June 16, 1924, and the certificates of Series TD-1924 two interest coupons attached, payable June 15, 1924, and December 15, 1924.

The certificates 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. 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.

The certificates of these 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 these 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 certificates of either or both series applied for and to close the subscriptions as to either or both series 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 certificates allotted must be made on or before December 15, 1923, 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 Series TD-1923 and TD2-1923, both maturing December 15, 1923, will be accepted at par, with an adjustment of accrued interest, in payment for any certificates of the Series TJ-1924 or TD-1924 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 allotments on the basis and up to the 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 10, 1923