

Ref. Librarian

FEDERAL RESERVE BANK
OF NEW YORK

LIBRARY

Government Bond
Department

SEP 8 1926

[Circular No. 739]
September 7, 1926]

FEDERAL RESERVE BANK
OF NEW YORK

\$350,000,000

(or thereabouts)

September 15th Offering of 3½ Per Cent Treasury Certificates of Indebtedness

Subscription Books Open September 7

*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 a new series of 3½ per cent Treasury certificates of indebtedness running for nine months from September 15, 1926. In announcing the offering Acting Secretary Winston made the following statement:

The Treasury is today announcing its September financing which takes the form of an offering of nine months 3½ per cent Treasury certificates of indebtedness, dated and bearing interest from September 15, 1926, maturing June 15, 1927. The certificates are tax certificates and the amount of the offering is for \$350,000,000 or thereabouts. The Treasury will accept in payment for the new certificates Treasury 4¼ per cent notes of Series B-1926 maturing September 15, 1926. Subscriptions for which payment is made in notes maturing September 15, 1926 will be given preferred allotment.

About \$400,000,000 of Treasury 4¼ per cent notes will be retired on September 15, 1926.

The present offering is intended with the balances already on hand and the September tax receipts to cover the Treasury's further cash requirements until the December quarterly tax period.

The subscription books for this offering 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.

Federal Reserve Bank of New York

Offering of United States of America

Three and One-half Per Cent Treasury Certificates of Indebtedness

SERIES TJ-1927

Dated and Bearing Interest from September 15, 1926.

Due June 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, 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 of Series TJ-1927, dated and bearing interest from September 15, 1926, payable June 15, 1927, with interest at the rate of three and one-half per cent per annum, payable on a semiannual basis.

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 December 15, 1926 and June 15, 1927.

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 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 will be acceptable to secure deposits of public moneys, but will 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. 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 the allotment will be publicly announced.

Payment at par and accrued interest for certificates allotted must be made on or before September 15, 1926, 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 notes of Series B-1926, maturing September 15, 1926, will be accepted at par, in payment for any certificates of the series now offered which shall be subscribed for and allotted, with an adjustment of the interest accrued, if any, on the certificates of the series so paid for.

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.

Very truly yours,
BENJ. STRONG,
Governor.

New York, September 7, 1926.