

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3992]
July 1, 1953

TREASURY FINANCING

*To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was made public today:

Secretary of the Treasury Humphrey announced today that on Monday, July 6, the Treasury will offer for cash subscription \$5½ to \$6 billion Tax Anticipation certificates of indebtedness dated July 15, 1953, maturing March 22, 1954, and receivable at par plus accrued interest to maturity in payment of income taxes due on March 15, 1954. The new certificates may be paid for by credit in Treasury Tax and Loan Accounts.

The interest rate and other details of the offering will be announced later this week.

This offering is intended to take care of the Treasury's cash needs for the first quarter of the new fiscal year. Under present methods of collecting corporate income taxes, about 70 percent of the corporate tax payments this year were made in the January-June period, and only 30 percent will be received in the July-December period. Thus, the Treasury has to borrow substantial amounts in the current half year, which can be repaid out of tax payments next March and June. For the same reason, substantial amounts of corporate funds will be available this half year for investment in this security. The present issue of Tax Anticipation certificates is being sold in lieu of Tax Anticipation bills due next March.

ALLAN SPROUL,
President.