

(Closed)

Federal Reserve Bank of New York

OFFERING OF

UNITED STATES OF AMERICA 4½% TREASURY CERTIFICATES OF INDEBTEDNESS

(NO FIXED MINIMUM AMOUNT)

SERIES C 1920

Dated and bearing interest from September 2, 1919.

Due February 2, 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 C 1920, dated and bearing interest from September 2, 1919, payable February 2, 1920, with interest at the rate of four and one-half per cent per annum.

Applications will be received at the Federal Reserve Banks.

Bearer certificates, without coupons, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, and \$100,000.

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.

If any notes should be offered for subscription by the United States after the offering and before the maturity of such certificates and the subscription price of such notes or the first installment thereof be payable on a date occurring at or before the maturity of such certificates then on and after such date (a) such certificates will be accepted at par with an adjustment of accrued interest in payment on the subscription price when payable at or before the maturity or redemption of such certificates of any such notes subscribed for by and allotted to holders of such certificates; (b) upon ten days public notice given in such manner as may be determined by the Secretary of the Treasury the certificates of this series may be redeemed as a whole at par and accrued interest. The certificates of this series do not bear the circulation privilege, and will not be accepted in payment of taxes or on Victory Loan subscriptions.

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 September 2, 1919, 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 VJ, maturing September 9, and VK, maturing October 7, 1919, and of Series T4 and T6, maturing September 15, 1919, (with any unmatured interest coupons attached), will be accepted at par with an adjustment of accrued interest in payment for any certificates of the Series C 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,

R. H. TREMAN,

Deputy Governor.

New York, August 25, 1919

(For your convenient reference the statement of the Treasury Department respecting the financial plan of the Treasury for the next few weeks is attached.)

**STATEMENT BY THE TREASURY DEPARTMENT ANNOUNCING THE TREASURY'S
FINANCIAL PROGRAM FOR THE NEXT FEW WEEKS**

*Washington, D. C.
August 22, 1919.*

"The second semi-monthly issue of Treasury certificates of indebtedness, Series B 1920, in pursuance of the program for financing the current necessities of the government set forth in Secretary Glass' letter of July 25, 1919, to all banks and trust companies, was oversubscribed.

"The splendid response of the banking institutions of the country to the Treasury's plan for financing the current needs of the government as set out in the Secretary's letter of July 25, gives assurance that the Treasury may count upon unqualified and ample support whenever needed. The success of the first two issues, which realized a total of \$1,065,953,500, has placed the Treasury in a very satisfactory cash position. This makes it possible to make the following announcement as to the program for the next few weeks:

"1. There will be no fixed minimum amount for the issue of loan certificates dated September 2, and maturing February 2, Series C, 1920. The issue will not remain open for any stated period but will be closed without notice. Federal Reserve Banks will not assign quota in respect to this issue to the banking institutions of their districts.

"2. There will be no issue of loan certificates upon September 15. An issue or issues of tax certificates of longer maturity may be substituted.

"3. The Secretary of the Treasury has authorized the Federal Reserve Banks on and after Tuesday, September 2, to redeem in cash before maturity at the holder's option, at par and accrued interest to the date of such optional redemption, Treasury certificates of indebtedness of Series V J, dated April 10, 1919, and maturing September 9, 1919.

"The minimum amount of subscriptions for Series B certificates asked for was \$500,000,000 and the total subscriptions aggregate \$532,152,000. Payment for certificates of this issue was made in certificates of other series in the approximate amount of \$14,300,000. All Federal Reserve Districts except Richmond equalled or exceeded their quotas.

"The results for Series B, 1920, by Federal Reserve Districts which are ranked in the order of the percentage of their aggregate subscriptions to aggregate quotas for both issues of the 1920 series to date are as follows:

District	Quota this issue	Subscriptions this issue	Percent both issues.
Dallas	\$ 12,000,000	14,429,000	127.5
New York	169,600,000	201,904,500	116.2
Chicago	70,000,000	70,582,000	107.3
San Francisco	35,300,000	37,300,000	106.9
St. Louis	20,000,000	20,569,000	105.6
Atlanta	14,600,000	15,427,500	103.7
Philadelphia	35,300,000	36,276,000	102.7
Minneapolis	17,300,000	17,300,000	100.6
Kansas City	20,000,000	20,238,500	100.5
Cleveland	45,300,000	45,319,000	100.0
Boston	43,300,000	43,855,500	99.0
Richmond	17,300,000	8,951,000	54.1
Total	\$500,000,000	\$532,152,000'	

Announcement of new issue Series C, 1920, forms part of this statement and is given in full on the first and second pages.