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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

December 15, 1917.

Dear Sir:

You have been advised that it is the plan of the Secretary of the Treasury to renew his offerings of certificates of indebtedness maturing June 25, 1918, bearing interest at the rate of 4%, the purchase price being payable between January 2 and January 15.

It is expected to leave the offer open for some time so as to enable the Federal reserve banks widely and properly to distribute these certificates.

I am addressing this letter to you in order to enlist your particular interest in this offering and to point out to you that in order to attain the results contemplated in this instance special efforts must be made to reach the tax payer, large and small, who wishes to anticipate or spread payments due in June. These certificates can not be used in payment of future Liberty Loan instalments and they are not designed ultimately as an investment for banks, and in addressing the banks of your district it might be well to point out to them that while the Treasury contemplates through these issues to raise money and welcomes subscriptions from other/tax payers, the ultimate object of the issue is to relieve the congestion of the money market such as would ensue if the two billions of tax payments were made by the tax payers in June. It is of the greatest importance, therefore, that, the largest possible number of tax payers, be reached and encouraged to purchase these certificates maturing June 25. A vigorous effort should be made not only to place these certificates in the first instance as far as possible among tax payers, but to the extent that they and the similar certificates dated November 30, are subscribed in the first instance by banks and other than tax payers, to continue the work with a view to obtaining a large secondary distribution among tax payers.

It might be well worth while to consider the advisability of creating in your district and in your bank a small special organization that will devote its efforts to this particular work.

Respectfully,

Vice Governor.

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