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**william logan**  
chairman of the board

August 12, 1999

Cynthia L. Johnson, Director  
Cash Management Service  
Room 420, 401 14th Street SW  
Washington, D. C. 20227

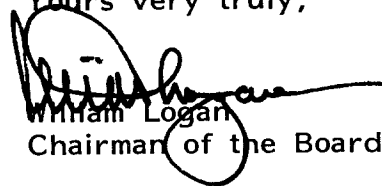
Dear Ms. Johnson:

The Treasury Tax and Loan Account was set up originally to expedite funds to the U. S. Treasury by using local depositories. Individuals and businesses throughout the country may use the private investment made by banks and bankers to facilitate their payments to the Treasury. Banks and bankers make no charge to the Treasury Department for this service and originally it was a sense of duty that created this relationship.

The .25% less than Fed Funds paid at the present time should be reviewed and increase this discount due to inflation, cost of investments, etc.

The assumption made that this is some type of overnight secured lending is completely wrong. This is a service provided to the U. S. Treasury Department by banks, and we certainly would not continue to provide it if there is less of a discount, and we would strenuously lobby for the item fees that will more than make up for the .25% discount from Fed Funds now received.

Yours very truly,

  
William Logan  
Chairman of the Board

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