

Office Correspondence

FEDERAL RESERVE BOARD

Date March 14, 1935. 311/1

Governor Eccles

To _____

Subject: Information on the called

From Mr. Edmiston *Edm.*

First Liberty Loan Bonds. 10

16-852

All of the outstanding First Liberty Loan Bonds of 1932-47 are called for redemption on June 15. Three months notice was required.

Below is the detailed on the amount of bonds outstanding and the amount held by the Federal Reserve banks:

Call for redemption of First Liberty Loan Bonds on June 15, 1934

<u>Names</u>	<u>Amount Outstanding</u> (In millions of dollars)	<u>Held by Federal Reserve</u>
First Liberty Loan 3-1/2 per cent bonds of 1932-47 (First 3-1/2's), dated June 15, 1917;	1392	25
First Liberty Loan Converted 4 per cent bonds of 1932-47 (First 4's), dated November 15, 1917;	5	
First Liberty Loan Converted 4-1/4 per cent bonds of 1932-47 (First 4-1/4's), dated May 9, 1918; and	533	29
First Liberty Loan Second Converted 4-1/4 per cent bonds of 1932-47 (First-Second 4-1/4's), dated October 24, 1918	3	
Total	1,933	54

In addition \$417 millions of Treasury notes fall due June 15, 1935.

If refunded on a 2 and 7/8 basis the saving in interest is estimated at 17 million a year.

Municipal Bond Men *Wall St*
Interested in Call *3/14/35*

Municipal bond dealers are especially interested in any plans the Treasury Department may have for refunding the First Liberty 3 1/2 % bonds.

Estates and trusts which are large holders of this issue because of the tax feature would probably be attracted to municipal securities if it were called. While the 3 1/2 s are entirely tax-free just like municipals, other long-term government issues are subject to surtax.



TREASURY DEPARTMENT

WASHINGTON

March 14, 1935.

My dear Governor:

With this I am enclosing a copy of the official notice of the call of First Liberty Loan Bonds for redemption on June 15, 1935.

Very truly yours,

A handwritten signature in cursive script, appearing to read "T. J. Coolidge".

Under Secretary of the Treasury.

Honorable Marriner S. Eccles,

Governor, Federal Reserve Board.

Enclosure.

FIRST LIBERTY LOAN BONDS

NOTICE OF CALL FOR REDEMPTION BEFORE MATURITY

10

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

Public notice is hereby given:

1. All outstanding First Liberty Loan bonds of 1932-47 are hereby called for redemption on June 15, 1935. The various issues of First Liberty Loan bonds (all of which are included in this call) are as follows:

First Liberty Loan 3-1/2 percent bonds of 1932-47 (First 3-1/2's),
dated June 15, 1917; 25

First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's),
dated November 15, 1917; 28

First Liberty Loan Converted 4-1/4 percent bonds of 1932-47 (First
4-1/4's), dated May 9, 1918; and 29

First Liberty Loan Second Converted 4-1/4 percent bonds of 1932-47
(First-Second 4-1/4's), dated October 24, 1918.

2. Interest on all such outstanding First Liberty Loan bonds will cease on said redemption date, June 15, 1935.

3. Full information regarding the presentation and surrender of First Liberty Loan bonds for redemption under this call will be given in a Treasury Department circular to be issued later.

4. Holders of First Liberty Loan bonds now called for redemption on June 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

Treasury Department,
Washington, March 14, 1935.

Handwritten: s. c. 304