

FEDERAL RESERVE BANK OF CHICAGO

GOVERNMENT BOND DEPARTMENT

ROOM 361-209 SO. LA SALLE ST.

S. B. CRAMER, ASST. CASHIER
D. A. JONES, ASST. CASHIER
A. H. VOGT, ACTING ASST. CASHIER

ADDRESS ALL COMMUNICATIONS
RELATIVE TO GOVERNMENT BONDS
P. O. BOX 805

Circular No. 87.
June 24, 1918.

BOND CONVERSIONS.

TO THE BANK OR TRUST COMPANY ADDRESSED:

We have prepared forms for your use and instructions for your guidance in connection with conversion of the First and Second Liberty Loan Bonds into $4\frac{1}{2}\%$ bonds, with the expectation that the new bonds would be ready for delivery promptly on July 1, 1918.

In view of the fact that shipments of the new bonds from Washington have not yet commenced, it seems wise to defer sending out the forms and instructions until we know that coupon bonds are available for delivery, and we recommend that you persuade individuals to wait until say July 10, 1918, before turning in their bonds for conversion. They will suffer no loss on this account, because both of the 4% issues are convertible any time between July 1 and November 9, 1918, with automatic adjustment of interest from the last interest date, and the difference to the holders of $3\frac{1}{2}\%$ bonds in the amount of accrued interest required to be paid to the United States will be inconsiderable. Furthermore, it will probably be more convenient for you to receive bonds for conversion after the first few days in July are past.

Do not send us bonds for conversion until you receive the necessary forms and instructions.

FEDERAL RESERVE BANK OF CHICAGO
Government Bond Department.