

FEDERAL RESERVE BANK OF NEW YORK
BOND ISSUE DIVISION
120 BROADWAY

ADDRESS ALL COMMUNICATIONS TO
BOND ISSUE DIVISION

TELEPHONE
RECTOR 5700

REFERRING TO
C-928-4

October 2, 1918.

FOURTH LIBERTY LOAN

UNITED STATES OF AMERICA 4¼% GOLD BONDS OF 1933-38

THIS CIRCULAR CONTAINS NECESSARY INFORMATION FOR BANKS IN CONNECTION WITH THE FOURTH LIBERTY LOAN. THE INFORMATION AND INSTRUCTIONS GIVEN ARE VERY IMPORTANT. ALL OFFICERS AND EMPLOYEES IN YOUR BANK HANDLING LIBERTY LOAN WORK SHOULD HAVE AN OPPORTUNITY TO FAMILIARIZE THEMSELVES WITH THESE INSTRUCTIONS AND BE GOVERNED ACCORDINGLY. ADDITIONAL COPIES WILL BE CHEERFULLY FURNISHED UPON REQUEST.

TO THE BANKS IN DISTRICT NO. 2:

This issue of bonds is authorized by an Act of Congress approved September 24, 1918, and offered for subscription in Treasury Department Circular No. 121, dated September 28, 1918, to which reference is made for more detailed information concerning the bonds.

Bonds will be dated October 24, 1918, and will bear interest from that date.

Due October 15, 1938.

Interest is payable April 15 and October 15 of each year.

Redeemable at the pleasure of the United States at par and accrued interest on and after October 15, 1933.

The campaign for subscriptions opens September 28, 1918 and closes at the close of business October 19, 1918.

DENOMINATIONS: COUPON BONDS, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000.

DENOMINATIONS: REGISTERED BONDS, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, \$50,000, \$100,000.

Bonds of this series are not entitled to any privilege of conversion into bonds bearing a higher rate of interest.

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DAILY REPORTS DURING THE CAMPAIGN

Postal card reports, Form 1, have been sent to all banks for use in reporting subscriptions daily during the campaign.

It is very essential that banks mail a card each night giving the amount of their subscriptions, the number of subscribers for the day and the totals to date, and it is equally essential that a card be mailed even though there are no new subscriptions to report. The proper tabulation of the subscription figures from day to day is dependent upon this being done.

No other reports will be required until after the close of the campaign.

Any bank placing its subscription with another bank and not direct with the Federal Reserve Bank, should not use the postal cards, nor send us reports of any kind as to the amount of its subscriptions, as to do so would result in a duplication. If banks intending to place their subscriptions through other banks advise us to that effect, it will be appreciated.

The Treasury Department requests that banks retain individual subscription blanks in their files in such manner that names, addresses, and amount of subscriptions can be furnished if requested.

FINAL REPORT OF SUBSCRIPTIONS

Final report, Form 2, of subscriptions received by your bank must be in our hands before the close of business October 24, 1918, accompanied by the required payment. Forms will be sent you before that date which will provide for reporting the number of subscribers, the amount of each subscription, and the total of your subscriptions in the following classes:

50	5,050 to 5,950 inclusive
100	6,000 to 6,950 "
150 to 450 inclusive	7,000 to 7,950 "
500	8,000 to 8,950 "
550 to 950 "	9,000 to 9,950 "
1,000	10,000
1,050 to 1,950 "	10,050 to 50,000 "
2,000 to 2,950 "	50,050 to 100,000 "
3,000 to 3,950 "	100,050 to 200,000 "
4,000 to 4,950 "	
5,000	above 200,000 in detail.

In order that we may be able to give you proper quota credit for your entire subscription and number of subscribers, provision will be made for reporting on this form the number of subscribers and amount of subscription represented by your applications previously filed, if any, for bonds paid in full by you during the campaign.

Final report, Form 2, must be accompanied by the initial payment of 10% of the amount of such report or payment in full may be made for all or any part of your subscription. Final report, Form 2, must also show number of bonds required of each denomination, both coupon and registered, and a separate list on form provided must accompany this report, giving names and addresses for registered bonds.

PAYMENTS

Payments on account of subscriptions are due as follows:

10% with subscription (to be remitted by banks with final report, **Form 2**, which must be in our hands before the close of business October 24, 1918.)

20% November 21, 1918.

20% December 19, 1918.

20% January 16, 1919.

30% January 30, 1919.

Full payment may be made on October 24, 1918, or on any other of the instalment dates but not between instalment dates. If full payment is made on any instalment date later than October 24, 1918, the accrued interest must be paid at the time of making such full payment.

HOW PAYMENT MAY BE MADE

Payment of all instalments, including initial 10%, or payment in full may be made as follows:

1: By **Treasury Certificates of Indebtedness**: payment of the first instalment of 10% or full payment on October 24, may be made in United States Treasury Certificates of Indebtedness of Series IV of any maturity, but not in Certificates of Tax Series of 1919. Payment on other instalment dates may be made in United States Certificates of Indebtedness of the issues, if any, maturing or called for redemption on said instalment dates, respectively. Such Certificates must not be presented in amounts larger than the amount to be paid. Certificates used to make payment for subscriptions will bear interest to the date of such payment and in the case of Certificates used to make the initial 10% payment or full payment on or before October 24, will draw interest until that date. Certificates will be received at their face amount. Interest will be remitted to you as a separate transaction.

2: By cash or bank draft (New York Funds).

3: By Advice of Credit on the books of incorporated banks or trust companies which have qualified as depositaries, to the extent that they cannot make payment by Treasury Certificates of Indebtedness.

4: By instructions by banks wishing to do so to any other bank or banks to make payment for their account. A bank doing this should send report **Form 2** direct to the Federal Reserve Bank indicating in spaces provided by whom any payments will be made.

DELIVERY OF BONDS FULL PAID DURING THE CAMPAIGN

Bonds will be available for delivery to subscribers who make payment in full in cash before October 19, 1918. These bonds may be obtained by banks upon filing application on blank **Form** provided and payment for these bonds may be made in the following ways:

By Advice of Credit by properly designated depositaries (using Form G. D. 10).

By cash or bank draft (New York Funds).

Banks desiring to obtain the bonds the same day payment is made, must pay either by Advice of Credit, check on the Federal Reserve Bank or cash.

Certificates of Indebtedness cannot be used in making payment for advance sales.

Subscribers paying in full during the campaign may request registered bonds and such bonds will be delivered as soon as possible.

The delivery of registered bonds cannot of course be made as expeditiously as coupon bonds, but the Treasury Department informs us that registered bonds of the Fourth Loan will be delivered promptly. The Treasury Department strongly advises subscribers to request registered bonds in order to protect themselves against the risk of loss, theft and destruction of their bonds. Coupon bonds cannot be exchanged for registered bonds until the original registration is complete.

CORRESPONDENCE

In order that all inquiries concerning Liberty Loan bonds may receive proper attention, may we impress upon you the importance of mentioning the name of the loan and the rate of interest in your letter.

In corresponding about Liberty Loan bonds, it will be appreciated if a separate letter is written concerning each issue.

In replying to letters, please mention reference number or initials, and address to Federal Reserve Bank of New York, Bond Issue Division, P. O. Box 58, New York City.

Very truly yours,

L. F. SAILER,

Deputy Governor.