

(closed)

FEDERAL RESERVE BANK
OF NEW YORK

SECURITIES DEPARTMENT

December 10, 1918.

PREPAYMENT OF CERTIFICATES OF INDEBTEDNESS DUE JANUARY 2, 1919.

TO BANKS AND TRUST COMPANIES IN DISTRICT #2:

DEAR SIR:

In accordance with this bank's circular No. 129, the Treasury Department has called for prepayment on **December 19, 1918** United States $4\frac{1}{2}\%$ certificates of indebtedness dated **September 3, 1918**, due **January 2, 1919**.

In order that we may be advised as to what disposition owners of certificates of this issue wish made of certificates held in the various departments of this bank, we should appreciate it if you would furnish us as promptly as possible with the following information relative to any certificates belonging to your institution which we hold at present or which may be held by us on the 19th instant.

In the case of certificates held unpledged or as excess collateral, please advise us:

- (1) Will you apply all or any part of such certificates on the subscription payment of Liberty Loan bonds due December 19th or
- (2) Do you wish the certificates redeemed?
- (3) In case you desire the certificates redeemed, please indicate what disposition you will wish made of the proceeds.

Should all or any part of your certificates be pledged as collateral for Government deposits, we would request you promptly to substitute therefor eligible paper or securities unless such certificates represent excess collateral.

In the case of securities of member banks held by the Discount Department, we propose to credit the respective accounts with the proceeds thereof at maturity and charge a like amount on account of notes for which the certificates are pledged as collateral. In the event that you anticipate using such certificates now with our Discount Department in payment of Fourth Liberty Loan bonds on December 19th, please advise us promptly in order that we may be able to deliver them in advance to our Bond Issue Division. This latter plan will, of course, necessitate your paying off the loan or substituting as collateral a like amount of Liberty Loan bonds or certificates of indebtedness of another issue.

In case any of the certificates are held by us as above stated, kindly send us the instructions asked for, addressing your reply to the Securities Department. If none of the certificates are held by us now or by the nineteenth of December, it will, of course, not be necessary for you to reply to this letter.

Yours very truly,

R. H. TREMAN,
Deputy Governor.