

FEDERAL RESERVE BANK
OF NEW YORK

Government Bond
Department

[Circular No. 438]
[February 9, 1922]

3 $\frac{3}{4}$ Per cent. Victory Notes

Called for Redemption on June 15, 1922, or Earlier at Holder's Option

To be Paid at Par and Accrued Interest

Convertibility into 4 $\frac{3}{4}$ Per Cent. Series Suspended

*To all Banks, Trust Companies, Savings Banks, Bankers, Investment Dealers,
Principal Corporations and others concerned in the Second Federal Reserve District :*

As announced by the Secretary of the Treasury all 3 $\frac{3}{4}$ per cent. Victory notes are called for redemption on June 15, 1922 at par and accrued interest or they may be redeemed earlier at the holder's option at par and accrued interest to the date of optional redemption. The privilege of converting Victory notes of either series into Victory notes of the other series is suspended, effective February 9.

The 3 $\frac{3}{4}$ per cent. notes may be presented and surrendered to us in either coupon or registered form and should be accompanied in either case by appropriate written advice. (Reference to forms 590 and 591 enclosed). Full details governing the redemption will be found in Treasury Department Circular No. 277, a copy of which you will find herewith. The particulars covering presentation and surrender are contained in section 3.

In his statement to the press announcing the redemption before maturity, Secretary Mellon said:

"The amount of 3 $\frac{3}{4}$ per cent. Victory notes outstanding is about \$400,000,000 and the Treasury is calling them for redemption before maturity in pursuance of the plans which it has already announced for the refunding of the Victory Liberty Loan. The call for redemption is thus a part of the refunding operations which, as indicated in my letter of January 24, 1922, to the Chairman of the Committee on Ways and Means, will have to be carried on during the next year and a half in order to refinance the 6 $\frac{1}{2}$ billions of short dated debt outstanding."

Additional copies of Treasury Department Circular No. 277 will be furnished upon request.

Very truly yours,

BENJ. STRONG,
Governor

REDEMPTION OF $3\frac{3}{4}$ PER CENT VICTORY NOTES BEFORE MATURITY.

1922.
Department Circular No. 277.

Public Debt.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,

Washington, February 9, 1922.

To Holders of Victory Notes and Others Concerned:

The Secretary of the Treasury hereby gives notice that, in order to facilitate the refunding of the Victory Liberty Loan, all Victory notes of the $3\frac{3}{4}$ per cent series are called for redemption on June 15, 1922, and may be redeemed before that date at the option of the holder, upon the terms and conditions and subject to the rules and regulations hereinafter prescribed:

1. *Call for Redemption of $3\frac{3}{4}$ per cent Victory Notes.*—All of the $3\frac{3}{4}$ per cent series of United States of America Convertible Gold Notes of 1922-23, otherwise known as $3\frac{3}{4}$ per cent Victory notes, are hereby called for redemption on June 15, 1922, pursuant to the provision for redemption contained in the notes and in Treasury Department Circular No. 138, dated April 21, 1919, under which the notes were originally issued. Interest on all Victory notes of the $3\frac{3}{4}$ per cent series will cease on said redemption date, June 15, 1922. Holders of the notes hereby called for redemption, upon presentation and surrender thereof as hereinafter provided, will be entitled to have the notes redeemed and paid at par, with an adjustment of accrued interest, on said redemption date. Accrued interest to said date will be covered as to coupon notes by the coupons due June 15, 1922, which should be detached and collected in ordinary course when due, and as to registered notes will be covered by interest checks in the usual manner.

2. *Suspension and Termination of Victory Note Conversion Privilege.*—In view of the call for the redemption of all $3\frac{3}{4}$ per cent Victory notes on June 15, 1922, and pursuant to the provisions of said Treasury Department Circular No. 138, the privilege of conversion of Victory notes of either series into Victory notes of the other series is hereby suspended from February 9, 1922, to June 15, 1922, both inclusive, and on June 15, 1922, will terminate. Victory notes accordingly cease to be interconvertible, effective February 9, 1922, and on and after that date no conversions of the notes may be made.

3. *Presentation and Surrender for Redemption.*—(a) *Coupon Notes.* Any $3\frac{3}{4}$ per cent Victory notes in coupon form should be presented and surrendered for redemption to the Treasurer of the United States in Washington, or to any Federal Reserve Bank or branch, and must have the coupons due December 15, 1922, and May 20, 1923, attached. The notes must be delivered in every case at the expense and risk of the holder, and should be accompanied by appropriate written advice (see Form P. D. 590, hereto attached). In the event that notes are presented for redemption with the December 15, 1922, or May 20, 1923, coupons detached, the notes will nevertheless be redeemed, but the full face amount of any missing coupons will be deducted. The amounts so deducted will be held in the Treasury to provide for the redemption of such missing coupons as may subsequently be presented.

(b) *Registered Notes.* Any $3\frac{3}{4}$ per cent Victory notes in registered form must be duly assigned to the Secretary of the Treasury for redemption, in accordance with the general regulations of the Treasury Department governing assignments, and should be presented to the

Secretary of the Treasury, Division of Loans and Currency, Washington, or to any Federal Reserve Bank or branch thereof. The notes must be delivered at the expense and risk of the holder, and should be accompanied by appropriate written advice (see Form P. D. 591, hereto attached). Unless instructions are received to the contrary, remittance covering payment will be sent to the last address of record of the registered holder of the surrendered notes. In case it is desired to have payment of registered notes thus presented for redemption made to anyone other than the registered holder, the notes may be assigned to "The Secretary of the Treasury for redemption for account of....."

(Here insert the name and address of the payee desired.)

(c) *Presentation Prior to June 15, 1922.* In order to facilitate payment of the notes hereby called for redemption, any 3½ per cent Victory notes may be presented and surrendered in the manner herein prescribed at any time in advance of June 15, 1922, for redemption and payment on that date.

4. *Redemption of 3½ per cent Victory Notes Before June 15, 1922, at Holder's Option.*—In order to meet the convenience of Victory note holders and facilitate the redemption of 3½ per cent Victory notes, the Federal Reserve Banks and the Treasurer of the United States have been authorized, effective this date, to redeem before June 15, 1922, at the option of the holder, at par and accrued interest to the date of optional redemption, any of the 3½ per cent Victory notes hereby called for redemption. Any holder who desires to effect redemption in accordance herewith prior to June 15, 1922, should make written request therefor and should present and surrender the notes in the manner provided in paragraph 3 hereof, except that coupon notes must in that event have all unmatured coupons attached, including the coupons due June 15, 1922. Appropriate forms of written request will be found in Forms P. D. 590 and 591, hereto attached.

5. *Miscellaneous.*—Any further information which may be desired as to the redemption of Victory notes under this circular may be obtained from the Treasury Department, Division of Loans and Currency, or from any Federal Reserve Bank or branch. The Secretary of the Treasury may at any time or from time to time prescribe supplemental or amendatory rules and regulations on the matters covered by this circular.

A. W. MELLON,
Secretary of the Treasury.

TREASURY DEPARTMENT.
 Division of Loans and Currency.
 Form P. D. 590.

FORM OF ADVICE TO ACCOMPANY 3½ PER CENT VICTORY NOTES IN COUPON FORM PRESENTED FOR REDEMPTION.

To the FEDERAL RESERVE BANK OF.....,

OR

To the TREASURER OF THE UNITED STATES, *Washington, D. C.:*

Pursuant to Department Circular No. 277, dated February 9, 1922, the undersigned presents and surrenders herewith for redemption \$....., face amount, 3½ per cent Victory notes in coupon form, with coupons due December 15, 1922, and May 20, 1923, attached, as follows:

| Number of notes. | Denomination. | Serial numbers of notes. | Face amount. |
|------------------|---------------|--------------------------|--------------|
| ..... | \$50 | ..... | ..... |
| ..... | 100 | ..... | ..... |
| ..... | 500 | ..... | ..... |
| ..... | 1,000 | ..... | ..... |
| ..... | 5,000 | ..... | ..... |
| ..... | 10,000 | ..... | ..... |
| Total..... | ..... | ..... | ..... |

and requests that remittance covering payment therefor be forwarded to the undersigned at the address indicated below.

(Signature)

(Address in full)

(Date)

REQUEST FOR REDEMPTION PRIOR TO JUNE 15, 1922.

[To be used only in the event applicant elects to exercise option of prior redemption.]

In connection with the foregoing, the undersigned requests immediate redemption of the above-described Victory notes prior to June 15, 1922, at par and accrued interest to date of such optional redemption. In addition to the coupons dated December 15, 1922, and May 20, 1923, the notes surrendered have attached thereto coupons dated June 15, 1922.

(Signature)

TREASURY DEPARTMENT,
Division of Loans and Currency.
Form P. D. 591.

FORM OF ADVICE TO ACCOMPANY 3½ PER CENT VICTORY NOTES IN REGISTERED FORM PRESENTED FOR REDEMPTION.

To the FEDERAL RESERVE BANK OF
OR

To the SECRETARY OF THE TREASURY,
Division of Loans and Currency,
Washington, D. C.:

Pursuant to Department Circular No. 277, dated February 9, 1922, the undersigned presents and surrenders herewith for redemption \$....., face amount, 3½ per cent Victory notes in registered form, duly assigned to the "Secretary of the Treasury for redemption," as follows:

| Number of notes. | Denomination. | Serial numbers of notes. | Face amount. |
|------------------|---------------|--------------------------|--------------|
| ..... | \$50 | ..... | ..... |
| ..... | 100 | ..... | ..... |
| ..... | 500 | ..... | ..... |
| ..... | 1,000 | ..... | ..... |
| ..... | 5,000 | ..... | ..... |
| ..... | 10,000 | ..... | ..... |
| ..... | 50,000 | ..... | ..... |
| ..... | 100,000 | ..... | ..... |
| Total..... |  | ..... | ..... |

and requests that remittance covering payment therefor be forwarded to the undersigned at the address indicated below.

(Signature).....

(Address in full).....

(Date).....

REQUEST FOR REDEMPTION PRIOR TO JUNE 15, 1922.

[To be used only in the event applicant elects to exercise option of prior redemption.]

In connection with the foregoing, the undersigned requests immediate redemption of the above-described Victory notes prior to June 15, 1922, at par and accrued interest to the date of such optional redemption.

(Signature).....