

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

Securities Department

[Circular No. 793
June 16, 1927]

Purchase of a Limited Amount of Second Liberty Loan Bonds

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

According to an announcement made public today the Government intends to purchase a limited amount of Second Liberty Loan bonds **at the lowest prices offered**, plus accrued interest from May 15, 1927, provided such prices are acceptable to the Secretary of the Treasury. In announcing this purchase Secretary Mellon made the following statement:

Holdings of Second Liberty Loan bonds, both Second 4s and Second 4 $\frac{1}{4}$ s who may not desire to exchange them for the new 3 $\frac{3}{8}$ per cent Treasury Bonds of 1943-47, are now given the opportunity, until the close of business on June 22nd, to sell their bonds direct to the Government with the understanding that the lowest offers may be accepted, if satisfactory to the Secretary of the Treasury. This procedure will save commission charges to the seller and to the Treasury.

Accordingly, the Treasury invites all holders of Second Liberty Loan bonds to submit proposals for the sale of these bonds. From the lowest proposals received the Treasury expects to purchase a limited amount of such bonds. All proposals should be handled through a bank, trust company or recognized dealer, who will deal with the Federal Reserve Banks, which are the official agencies for the Treasury in these transactions. Full information with respect to the tender of bonds may be obtained from such banks, trust companies, or recognized dealers. Proposals should reach a Federal Reserve Bank before the close of business on June 22, 1927. In the event of a proposal being accepted bonds must be delivered to a Federal Reserve Bank on or before June 28th. Payment in the case of coupon bonds, will be made on June 28, 1927, and, in the case of registered bonds, on June 28, 1927, or as soon thereafter as registration may be cleared. Second Liberty Loan bonds have been called for redemption on November 15th next. The Treasury reserves the right to reject any or all proposals.

As all proposals for this sale of Second Liberty Loan bonds must be in writing sellers are requested to use form P. D. 1216 appearing on the reverse side of Department Circular 384 containing the provisions governing the purchase. A supply is enclosed herewith, and additional copies, if necessary, will be furnished upon request.

Very truly yours,

BENJ. STRONG,
Governor.

PURCHASE OF SECOND LIBERTY LOAN BONDS

1927
Department Circular No. 384

Public Debt

TREASURY DEPARTMENT.

OFFICE OF THE SECRETARY.

Washington, June 16, 1927.

To Holders of Second Liberty Loan Bonds and Others Concerned:

1. In pursuance to the authority contained in Section 2 of the Act approved March 3, 1881, public notice is hereby given that with a view to the purchase of a limited amount of the bonds of the Second Liberty Loan (Second 4s and Second 4½s) proposals for the sale of such bonds to the Government will be received at the Federal Reserve Banks on and after this date and until the close of business June 22, 1927.

2. Purchases of such bonds will be made at the lowest prices offered, plus accrued interest from May 15, 1927, to date of payment, provided such prices are acceptable to the Secretary of the Treasury and may be made from time to time on the basis of the proposals then in hand. The Secretary of the Treasury reserves the right to reject or to accept in whole or in part any and all proposals, and his action in this respect shall be final.

3. *All transactions in connection with the proposals for sale, the delivery of bonds, and payment therefor, should be handled through banks, trust companies, or recognized dealers, which will act as agents of the owners of the bonds. The banks, trust companies and dealers will deal with Federal Reserve Banks, which are the only official agencies of the United States in these transactions.*

4. Proposals must be in writing, and should reach a Federal Reserve Bank before the close of business on June 22, 1927. (Appropriate form on reverse side.) Federal Reserve Banks will notify the presenting agency of the acceptance or rejection of proposals.

5. Upon notification of the acceptance of any proposal the agency which forwarded such proposals will thereupon transmit the Second Liberty Loan bonds described in the proposals at the seller's own expense and risk to the Federal Reserve Bank. All bonds to be surrendered for purchase should reach the Federal Reserve Bank as soon as possible after receipt of such notification but, in any event, not later than the close of business on June 28, 1927. For all bonds delivered in accordance with accepted proposals, payment will be made, in the case of coupon bonds, on June 28, 1927, and, in the case of registered bonds, on June 28, 1927, or as soon thereafter as registration may be cleared. Payment may also be made in advance of June 28, 1927, by mutual agreement.

6. Coupon bonds of the Second Liberty Loan presented hereunder should have attached coupons bearing date November 15, 1927 and all subsequent dates. Registered bonds presented hereunder must be duly assigned to "The Secretary of the Treasury for Purchase," in accordance with the general regulations of the Treasury Department governing assignments. Bonds registered in the names of minors or incompetents will not be accepted unless accompanied by a certificate of court of competent jurisdiction showing that the person assigning such bonds has authority so to assign. Bonds registered in the names of two or more persons must be assigned by all of the co-owners.

7. The Secretary of the Treasury reserves the right to reject in whole or in part any and all bonds tendered and his action in this respect shall be final.

8. Any further information which may be desired may be obtained from any Federal Reserve Bank.

A. W. MELLON,

Secretary of the Treasury.

NOTE: Second Liberty Loan bonds have been called for redemption on November 15, 1927, on which date they will cease to bear interest. The right to tender such bonds for sale in accordance with the above circular may therefore be exercised in the discretion of the owners of such bonds.

(OVER)

PROPOSAL FOR SALE OF SECOND LIBERTY LOAN BONDS TO
THE UNITED STATES

IMPORTANT:— { Proposals should be made through a bank, trust company, or recognized dealer and delivered to a Federal Reserve Bank. Bonds should NOT be surrendered to the Federal Reserve Bank with this proposal.

To the Secretary of the Treasury,
(through)
Federal Reserve Bank of New York:

In accordance with the provisions of Treasury Department Circular No. 384, dated June 16, 1927, the undersigned agrees to sell to the United States, \$_____ face amount of Second Liberty Loan
_____ per cent Bonds at _____ plus accrued interest from May 15, 1927, to the date of
(4 or 4½s see footnote 3.) (See footnote 1.)
payment.

And further agrees upon receipt of notice of acceptance of this proposal, in whole or in part, sent to _____, to deliver on or before June 28, 1927, to the
(See footnote 2.)
above-stated Federal Reserve Bank, the designated amount of bonds, payment to be made to the undersigned care of the bank, trust company, or recognized dealer named above.

(Signature) _____

(Address in full) _____

(Date) _____

¹ State sale price on basis of \$100 face amount exclusive of accrued interest, i. e., 100, 100¹/₂, etc. NOTE.—Fractions should be quoted in thirty-seconds or decimals.

² Name of bank, trust company, or recognized dealer through which this proposal is made.

³ Important: Either Second Liberty Loan 4% bonds or Second Liberty Loan converted 4½% bonds may be offered. State whether 4s or 4½s are offered.

6. Coupon bonds of the Second Liberty Loan presented for redemption should have attached coupons bearing date November 15, 1927 and all subsequent dates. Registered bonds presented for redemption must be duly assigned to "The Secretary of the Treasury for Purchase" in accordance with the general regulations of the Treasury Department regarding assignments. Bonds registered in the names of minors or incompetents will not be accepted unless accompanied by a certificate of court of competent jurisdiction showing that the person assigning such bonds has authority so to assign. Bonds registered in the names of two or more persons must be assigned by all of the co-owners.

7. The Secretary of the Treasury reserves the right to reject in whole or in part any and all bonds tendered and his action in this respect shall be final.

8. Any further information which may be desired may be obtained from any Federal Reserve Bank.

A. W. MILLER

Secretary of the Treasury

NOTE: Second Liberty Loan bonds have been called for redemption on November 15, 1927, on which date they will cease to bear interest. The right to tender such bonds for sale in accordance with the above circular may therefore be exercised in the discretion of the owners of such bonds.