

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1433]
[October 9, 1934]

PARTIAL REDEMPTION OF FOURTH LIBERTY LOAN BONDS BEFORE MATURITY
Information With Respect to the Time and Manner of Presentation of Second-called Fourth 4 $\frac{1}{4}$'s
for Redemption on October 15, 1934

To All Banks and Trust Companies in the
Second Federal Reserve District and Others Concerned:

A copy of Treasury Circular No. 509, dated April 13, 1934, with respect to the partial redemption of Fourth Liberty Loan bonds before maturity (second-called Fourth 4 $\frac{1}{4}$'s) was transmitted to you with our Circular No. 1376, dated April 14, 1934. As stated in Treasury Circular No. 509, (the text of which is reprinted on the following pages), in order to facilitate the redemption of second-called Fourth 4 $\frac{1}{4}$'s included in the second call for partial redemption on October 15, 1934, any such bonds may be presented and surrendered before October 15, 1934, and presentation in advance of October 15, 1934, will insure prompt payment of principal when due. This is particularly important with respect to registered bonds for payment cannot be made until registration shall have been discharged at the Treasury Department. The redemption will be expedited if the called bonds are presented to the Federal Reserve Bank and not direct to the Treasury Department.

Accordingly second-called Fourth 4 $\frac{1}{4}$'s in both coupon and registered form should be presented promptly to the Federal Reserve Bank of New York for redemption. Please use Form 1382 F-SCBC when presenting second-called coupon Fourth 4 $\frac{1}{4}$'s and Form G. B. 269 when presenting second-called registered Fourth 4 $\frac{1}{4}$'s. A small supply of these forms is enclosed for your use and an additional supply will be furnished upon request. All second-called Fourth 4 $\frac{1}{4}$'s must be delivered at the expense and risk of the holder.

As stated in Treasury Circular No. 509 coupons dated October 15, 1934, which become payable on that date, should be detached from any Fourth 4 $\frac{1}{4}$'s included in the second call for partial redemption before such bonds are presented for redemption and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to October 15, 1934, must be attached to any such bonds when presented for redemption, provided, however, if any such coupons are missing from bonds so presented for redemption the bonds nevertheless will be redeemed, but the full face amount of any such missing coupons will be deducted from the payment to be made on account of such redemption, and any amounts so deducted will be held in the Treasury to provide for adjustments or refunds on account of such missing coupons as may subsequently be presented.

Upon surrender and presentation by a member bank of second-called coupon Fourth 4 $\frac{1}{4}$'s, and of second-called registered Fourth 4 $\frac{1}{4}$'s assigned in blank, or bearing other assignment having similar effect, or assigned to "The Secretary of the Treasury for redemption for account of _____ (Name of bank) _____," payment will be made as requested by the member bank either by crediting its reserve account, by check, or in accordance with special instructions. When such bonds are surrendered and presented by a nonmember bank a check in payment of principal will be forwarded to such nonmember bank direct or to its correspondent bank if requested. In each case where second-called registered Fourth 4 $\frac{1}{4}$'s are assigned to "The Secretary of the Treasury for redemption" a check in payment of principal will be drawn to the order of the registered holder and forwarded to the presenting bank for delivery to the owner.

The transfer books for registered bonds were closed September 15, 1934. Final interest on second-called registered Fourth 4 $\frac{1}{4}$'s due on October 15, 1934, will be paid on that date to holders of record on September 15, 1934, by the Treasury Department by checks issued in the usual way.

Your cooperation in bringing this information to the attention of holders of the bonds and thus facilitating the redemption will be appreciated.

GEORGE L. HARRISON,
Governor.

(NOTE: As stated in our Circular No. 1432, dated October 8, 1934, in accordance with instructions from the Treasury Department the subscription books for the offering of United States of America 3 $\frac{1}{4}$ per cent Treasury bonds of 1944-46, additional issue, dated and bearing interest from April 16, 1934, due April 15, 1946, offered only in exchange for Fourth Liberty Loan 4 $\frac{1}{4}$ per cent bonds of 1933-38 included in the second call for redemption on October 15, 1934 (second-called Fourth 4 $\frac{1}{4}$'s) will close at the close of business Thursday, October 11, 1934. Any subscription received after the close of business Thursday, October 11, 1934, will be rejected.

PARTIAL REDEMPTION BEFORE MATURITY OF FOURTH LIBERTY LOAN BONDS
SECOND CALL

1934
Department Circular No. 509
Public Debt Service

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, April 13, 1934.

To Holders of Fourth Liberty Loan $4\frac{1}{4}$ per cent Bonds of 1933-38, and Others Concerned:

I. NOTICE OF SECOND CALL FOR PARTIAL REDEMPTION BEFORE MATURITY OF FOURTH LIBERTY LOAN $4\frac{1}{4}$ PER CENT BONDS OF 1933-38 (FOURTH $4\frac{1}{4}$ 'S).*

1. All outstanding Fourth Liberty Loan $4\frac{1}{4}$ per cent bonds of 1933-38 (hereinafter referred to as Fourth $4\frac{1}{4}$'s) bearing serial numbers the final digit of which is 8 or 2 (such serial numbers in the case of permanent coupon bonds being prefixed by the corresponding distinguishing letter H or B, respectively) are hereby called for redemption on October 15, 1934, on which date interest on such bonds called for redemption will cease.

2. This second call for partial redemption is made pursuant to the provision for redemption contained in the bonds and in Treasury Department Circular No. 121, dated September 28, 1918, under which the bonds were originally issued, the bonds to be redeemed having been determined by lot in the manner prescribed by the Secretary of the Treasury.

3. Outstanding Fourth $4\frac{1}{4}$'s bearing serial numbers (and prefix letters) other than those designated are not included in or affected by this second call for partial redemption.

II. TRANSACTIONS IN CALLED AND UNCALLED BONDS

1. Pursuant to the first call for partial redemption on April 15, 1934 (See Department Circular No. 501, dated October 12, 1933), all Fourth $4\frac{1}{4}$'s outstanding October 12, 1933, were divided into two separate and distinct classes: *called* bonds, and *uncalled* bonds. Hereafter such Fourth $4\frac{1}{4}$'s called for redemption on April 15, 1934, shall be designated *first called* bonds. Pursuant to the second call for partial redemption, and effective at the close of business on this date, all outstanding Fourth $4\frac{1}{4}$'s included in the second call for partial redemption on October 15, 1934, will be included in the class of called bonds and shall be designated *second called* bonds. The Treasury Department, and the Federal Reserve Banks as Fiscal Agents of the United States, will observe this division of Fourth $4\frac{1}{4}$'s into three classes, *first called*, *second called*, and *uncalled* bonds, and hereafter in all transactions affecting *second called* and *uncalled* Fourth $4\frac{1}{4}$'s, including exchanges of denominations, exchanges of coupon bonds for registered bonds, exchanges of registered bonds for coupon bonds, and transfers of registered bonds: (1) only bonds bearing distinguishing serial numbers or letters falling within the class *second called* bonds will be issued upon exchange or transfer of *second called* bonds, and (2) only bonds bearing distinguishing serial numbers or letters falling within the class *uncalled* bonds will be issued upon exchange or transfer of *uncalled* bonds. Exchanges or transfers as between *second called* and *uncalled* bonds will not be permitted. Denominational exchanges of coupon bonds within the class "called for redemption on October 15, 1934" (*second called* bonds) will terminate on that date. Transfers and exchanges of registered bonds falling within the class "called for redemption on October 15, 1934" (*second called* bonds) will terminate on September 15, 1934, the date of the closing of the transfer books.

*Fourth $4\frac{1}{4}$'s (temporary coupon, permanent coupon, and registered) are numbered serially beginning with No. 1 for each denomination; in the case of permanent coupon bonds each serial number is prefixed by a distinguishing letter, the letters A to K (omitting I) being used, which letters, in order, rotate with and correspond to the final digits from 1 to 0, respectively.

Fourth $4\frac{1}{4}$'s called for redemption on April 15, 1934, bear serial numbers ending in 9, 0, or 1 (in the case of permanent coupon bonds preceded by the distinguishing letter J, K, or A, respectively); Fourth $4\frac{1}{4}$'s included in the second call for partial redemption on October 15, 1934, bear serial numbers ending in 8 or 2 (in the case of permanent coupon bonds preceded by the distinguishing letter H or B, respectively); uncalled Fourth $4\frac{1}{4}$'s bear serial numbers ending in 3, 4, 5, 6, or 7 (in case of permanent coupon bonds preceded by the distinguishing letter C, D, E, F, or G, respectively).

2. In accordance with the provisions of Treasury Department Circular No. 121, dated September 28, 1918, the provisions of Treasury Department Circular No. 300, dated July 31, 1923, prescribing regulations with respect to United States bonds and notes, which were modified by Department Circular No. 501, dated October 12, 1933, are hereby further modified accordingly with respect to transactions in Fourth 4¼'s.

III. PAYMENT OR EXCHANGE

1. *Payment of called bonds on October 15, 1934.*—Holders of any outstanding Fourth 4¼'s included in the second call for partial redemption on October 15, 1934, will be entitled to have their bonds redeemed and paid at par on October 15, 1934, with interest in full to that date. After October 15, 1934, interest will not accrue on any bonds included in this second call for partial redemption on that date. (SEE SECS. IV AND V OF THIS CIRCULAR FOR INSTRUCTIONS FOR PRESENTATION OF BONDS FOR REDEMPTION ON OCTOBER 15, 1934, UNDER THIS SECOND CALL).

2. *Optional exchange offering.*—Holders of any outstanding Fourth 4¼'s included in the second call for partial redemption on October 15, 1934, may, in advance of October 15, 1934, be offered the privilege of exchanging all or part of their called bonds for other interest-bearing obligations of the United States. Holders who desire to avail themselves of an exchange privilege, if and when announced, should watch for an announcement thereof, and should request their bank or trust company to notify them when information regarding any exchange offering is received. (IN CASE OF AN OPTIONAL EXCHANGE OFFERING, INSTRUCTIONS THEN GIVEN IN THE PUBLIC ANNOUNCEMENT SHOULD BE FOLLOWED IN PRESENTING CALLED BONDS FOR EXCHANGE.)

IV. RULES AND REGULATIONS GOVERNING REDEMPTION

Pursuant to the second call for partial redemption, as set forth in Section I of this circular, the following rules and regulations are hereby prescribed to govern the surrender of Fourth 4¼'s called for redemption on October 15, 1934:

1. *Presentation and surrender of coupon bonds.*—Any Fourth 4¼'s in coupon form, which are included in the second call for partial redemption, should be presented and surrendered to any Federal reserve bank or branch, or to the Treasurer of the United States, Washington, D. C., for redemption on October 15, 1934. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice. (See form P. D. 1381 attached hereto). Checks in payment of principal will be mailed to the address given in the form of advice accompanying the bonds surrendered.

2. Coupons dated October 15, 1934, which become payable on that date, should be detached from any Fourth 4¼'s included in the second call for partial redemption before such bonds are presented for redemption on October 15, 1934, and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to October 15, 1934, must be attached to any such bonds when presented for redemption, *provided, however*, if any such coupons are missing from bonds so presented for redemption the bonds nevertheless will be redeemed, but the full face amount of any such missing coupons will be deducted from the payment to be made on account of such redemption, and any amounts so deducted will be held in the Treasury to provide for adjustments or refunds on account of such missing coupons as may subsequently be presented.

3. The final coupon attached to temporary coupon bonds became due on October 15, 1920. The holders of any such temporary bonds which are included in the second call for partial redemption on October 15, 1934, will receive all past due interest from October 15, 1920, when the bonds are redeemed pursuant to such call. Any coupons now attached to any such temporary bonds should be detached and collected in regular course.

4. *Presentation and surrender of registered bonds.*—Any Fourth 4¼'s in registered form, which are included in the second call for partial redemption, must be assigned by the registered

payees or assigns thereof, or by their duly constituted representatives, in accordance with the general regulations of the Treasury Department governing assignments, in the form indicated in the next paragraph hereof, and should thereafter be presented and surrendered to any Federal reserve bank or branch, or to the Division of Loans and Currency, Treasury Department, Washington, D. C., for redemption on October 15, 1934. The bonds must be delivered at the expense and risk of holders (see par. 8 of this section) and should be accompanied by appropriate written advice. (See form P. D. 1382 attached hereto). In all cases checks in payment of principal will be mailed to the address given in the form of advice accompanying the bonds surrendered.

5. If the registered holder of record, or an assignee holding under proper assignment from the registered holder of record, or a duly constituted representative of such registered holder or assignee, desires that payment of the principal be made to him, the bonds should be assigned to "The Secretary of the Treasury for redemption". In case it is desired to have payment of the registered bonds made to someone other than the registered holder of record, without intermediate assignment, the bonds may be assigned to "The Secretary of the Treasury for redemption for account of" and in such case the name and address of the payee for whose account the redemption is to be made must be inserted. Assignments in this form must be completed before acknowledgment and not left in blank.

6. Assignment in blank, or other assignment having similar effect, will be recognized, but in that event payment will be made to the person surrendering the bonds for redemption, since under such assignment the bonds become in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

7. Final interest due on October 15, 1934, on any Fourth 4 $\frac{1}{4}$'s in registered form, which are included in the second call for partial redemption and presented for redemption on October 15, 1934, will be paid by checks issued in regular course in the same manner as if such bonds had not been called for redemption.

8. *Transportation of bonds.*—Bonds presented for redemption under this circular must be delivered to a Federal reserve bank or branch, or to the Treasury Department, Washington, D. C., at the expense and risk of the holder. Coupon bonds should be forwarded by registered mail insured, or by express prepaid. Registered bonds bearing restricted assignments may be forwarded by registered mail, but registered bonds bearing unrestricted assignments should be forwarded by registered mail insured or by express. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal reserve banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under this circular.

V. TIME OF PRESENTATION OF FOURTH 4 $\frac{1}{4}$ 'S FOR REDEMPTION

1. In order to facilitate the redemption of Fourth 4 $\frac{1}{4}$'s included in the second call for partial redemption on October 15, 1934, any such bonds may be presented and surrendered in the manner herein prescribed in advance of that date but not before September 15, 1934. Such early presentation by holders, on and after September 15, 1934, and well in advance of October 15, 1934, will insure prompt payment of principal when due. This is particularly important with respect to registered bonds, for payment cannot be made until registration shall have been discharged at the Treasury Department.

2. It will expedite redemption if bonds included in the second call for partial redemption are presented to Federal reserve banks or branches, and not direct to the Treasury Department.

3. As hereinbefore provided: (1) coupons due October 15, 1934, should be detached from any permanent coupon bonds included in this second call for partial redemption when such bonds are presented for redemption on that date, such coupons to be collected when due; and

(2) final interest due on any registered bonds included in this second call for partial redemption will be paid by check issued in regular course. Accordingly, early presentation of bonds will not affect the payment of final interest due on October 15, 1934.

VI. FURTHER INFORMATION

Any further information which may be desired regarding the partial redemption of Fourth 4 $\frac{1}{4}$'s under this circular may be obtained from any Federal Reserve Bank or Branch, or from the Treasury Department, Washington, D. C., where copies of the Treasury Department's regulations governing assignments may also be obtained. The Secretary of the Treasury may at any time, or from time to time, provide supplemental or amendatory rules and regulations governing the matters covered by this circular.

HENRY MORGENTHAU, JR.,

Secretary of the Treasury.

IMPORTANT NOTE.—FOURTH 4 $\frac{1}{4}$ 'S CALLED FOR REDEMPTION ON OCTOBER 15, 1934, SHOULD BE PRESENTED WELL IN ADVANCE OF THAT DATE BUT NOT BEFORE SEPTEMBER 15, 1934, AND THE INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED. IF AN EXCHANGE OPPORTUNITY IS AFFORDED, AND FOURTH 4 $\frac{1}{4}$ 'S ARE TO BE PRESENTED FOR EXCHANGE, THE INSTRUCTIONS GIVEN IN SUBSEQUENT ANNOUNCEMENT SHOULD BE FOLLOWED. Information concerning the partial redemption of Fourth 4 $\frac{1}{4}$'s on October 15, 1934, and information concerning an optional exchange if and when offered, may be obtained from the officers of banks and trust companies generally. As those banks and trust companies may offer their facilities in the matter of arranging redemption or exchange, it is suggested that holders of Fourth 4 $\frac{1}{4}$'s consult their own bank or trust company.

V. TIME OF PRESENTATION OF FOURTH 4 $\frac{1}{4}$ 'S FOR REDEMPTION

1. In order to facilitate the redemption of Fourth 4 $\frac{1}{4}$'s included in the second call for partial redemption on October 15, 1934, any such bonds may be presented and surrendered in the manner herein prescribed in advance of that date but not before September 15, 1934. Such early presentation by holders on and after September 15, 1934, and well in advance of October 15, 1934, will insure prompt payment of principal when due. This is particularly important with respect to registered bonds for payment cannot be made until registration shall have been discharged at the Treasury Department.

2. It will expedite redemption if bonds included in the second call for partial redemption are presented to Federal Reserve banks or branches and not direct to the Treasury Department.

3. As beneficiaries provided: (1) coupons due October 15, 1934, should be detached from any permanent coupon bonds included in this second call for partial redemption when such bonds are presented for redemption on that date; such coupons to be collected when due; and

SECOND CALLED REGISTERED BONDS ARE THOSE ENDING WITH THE DIGIT 2 OR 8.

Registered Bond

REDEMPTION APPLICATION

Second Called Fourth Liberty Loan Registered Bonds

Date.....

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York, N. Y.

Pursuant to the provisions of Treasury Department Circular No. 509, dated April 13, 1934, the undersigned, being the true owner, assignee of, or the duly authorized agent of the true owner or assignee, presents and surrenders herewith for redemption on October 15, 1934 \$....., face amount, of Second Called Fourth Liberty Loan 4¼ Percent Bonds in registered form, as follows:

| Pieces | Denomination | Par Amount | Serial Numbers of Bonds |
|-------------------|--------------|------------|-------------------------|
| | \$50 | | |
| | 100 | | |
| | 500 | | |
| | 1,000 | | |
| | 5,000 | | |
| | 10,000 | | |
| | 50,000 | | |
| | 100,000 | | |
| TOTAL FACE AMOUNT | | | |

Make payment as indicated:

- By check
- By credit to Reserve Account
- Special instructions attached

.....
(Name)

.....
(Address)

.....
(Official signature required)

| | | | |
|----------|---------|----------|----------|
| Received | Checked | Examined | Recorded |
|----------|---------|----------|----------|

FOR COUPON BONDS

FORM OF ADVICE TO ACCOMPANY FIRST AND/OR SECOND-CALLED FOURTH LIBERTY LOAN 4 1/4 PER CENT BONDS (FOURTH 4 1/4'S) IN COUPON FORM PRESENTED FOR REDEMPTION

Date.....

FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
New York, N. Y.

Pursuant to the provisions of Treasury Department Circular No. 501, dated October 12, 1933 and/or Treasury Department Circular No. 509, dated April 13, 1934, the undersigned presents and surrenders herewith for redemption, Fourth Liberty Loan bonds in *coupon* form as follows:

List in spaces below only First-called Fourth Liberty Loan 4 1/4 per cent COUPON BONDS BEARING DISTINGUISHING LETTER A J OR K. Such bonds must have coupon No. 32, dated October 15, 1934 and all subsequent coupons attached. Coupon No. 31, dated April 15, 1934 should be detached and presented for payment in the usual manner.

List in spaces below only Second-called Fourth Liberty Loan 4 1/4 per cent COUPON BONDS BEARING DISTINGUISHING LETTER B OR H. Such bonds must have Coupon No. 33, dated April 15, 1935 and all subsequent coupons attached. Coupon No. 32, dated October 15, 1934 should be detached and presented for payment in the usual manner on October 15, 1934.

| PIECES | DENOMINATIONS | PAR AMOUNT | | | PIECES | DENOMINATIONS | PAR AMOUNT | | |
|-------------------|---------------|------------|--|--|--------|---------------|------------|--|--|
| | \$50 | | | | | \$50 | | | |
| | 100 | | | | | 100 | | | |
| | 500 | | | | | 500 | | | |
| | 1,000 | | | | | 1,000 | | | |
| | 5,000 | | | | | 5,000 | | | |
| | 10,000 | | | | | 10,000 | | | |
| | 100,000 | | | | | 100,000 | | | |
| TOTAL PAR..... | | | | | | | | | |
| Past Due Coupons | | | | | | | | | |
| Missing Coupons.. | | | | | | | | | |
| PROCEEDS..... | | | | | | | | | |

and requests that remittance covering payment therefor be made as indicated below.

By check

Name.....
(Please print)

By credit

Address.....

Special instructions

.....

.....
(Official signature required)

FOR COUPON BONDS

(For registered bonds use Form PD 1382)

TREASURY DEPARTMENT
 Public Debt Service
 Form PD 1381

TREASURY DEPARTMENT
 Public Debt Service
 Form PD 1381

FORM OF ADVICE TO ACCOMPANY CALLED FOURTH LIBERTY LOAN 4¼ PER CENT BONDS (FOURTH 4¼'s) IN COUPON FORM PRESENTED FOR REDEMPTION ON OCTOBER 15, 1934.

To the FEDERAL RESERVE BANK OF.....
 or
 TREASURER OF THE UNITED STATES, *Washington, D.C.*:

Pursuant to the provisions of Treasury Department Circular No. 509, dated April 13, 1934, the undersigned presents and surrenders herewith for redemption on October 15, 1934 \$....., face amount of Fourth Liberty Loan bonds in *coupon* form, with coupon due April 15, 1935, and all subsequent coupons attached, as follows:

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

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

Signature.....

Name (please print).....

Address in full.....

Date.....

FOR REGISTERED BONDS

(For coupon bonds use Form PD 1381)

TREASURY DEPARTMENT
 Public Debt Service
 Form PD 1382

FORM OF ADVICE TO ACCOMPANY CALLED FOURTH LIBERTY LOAN 4¼ PER CENT BONDS
 (FOURTH 4¼'s) IN REGISTERED FORM PRESENTED FOR REDEMPTION ON OCTOBER 15, 1934.

To the FEDERAL RESERVE BANK OF
 or
 TREASURY DEPARTMENT, DIVISION OF LOANS AND CURRENCY, Washington, D.C.:

Pursuant to the provisions of Treasury Department Circular No. 509, dated April 13, 1934, the undersigned presents and surrenders herewith for redemption on October 15, 1934, \$....., face amount of Fourth Liberty Loan bonds in *registered* form, inscribed in the name of and duly assigned to "The Secretary of the Treasury for redemption", as follows:

| Number of bonds | Denomina- tion | Serial numbers of bonds | 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.....

Name (please print).....

Address in full.....

Date.....