

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

[Circular No. 1450]
[October 13, 1934]

PARTIAL REDEMPTION BEFORE MATURITY OF FOURTH LIBERTY LOAN BONDS
THIRD CALL

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

As stated in our Circular No. 1445, dated October 12, 1934, and as requested by the Treasury Department, we transmit to you herewith, printed on the following pages, a copy of Treasury Department Circular No. 525, dated October 12, 1934, giving full information regarding the presentation and surrender of Fourth Liberty Loan 4 $\frac{1}{4}$ per cent bonds of 1933-38 under the third call for partial redemption on April 15, 1935.

GEORGE L. HARRISON,
Governor.

PARTIAL REDEMPTION BEFORE MATURITY OF FOURTH LIBERTY LOAN BONDS THIRD CALL

1934
Department Circular No. 525
Public Debt Service

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY.

Washington, October 12, 1934.

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

I. NOTICE OF THIRD 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

1. All outstanding Fourth Liberty Loan $4\frac{1}{4}$ per cent bonds of 1933-38 (Fourth $4\frac{1}{4}$'s) bearing serial numbers the final digit of which is 5, 6 or 7 (such serial numbers in the case of permanent coupon bonds being prefixed by the corresponding distinguishing letter E, F or G, respectively), are hereby called for redemption on April 15, 1935, on which date interest on such bonds called for redemption will cease.

2. This third 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 third call for partial redemption.

II. TRANSACTIONS IN THIRD-CALLED AND UNCALLED BONDS

1. The bonds included in the third call for partial redemption on April 15, 1935, are hereby designated *third-called* Fourth $4\frac{1}{4}$'s.

2. The Treasury Department, and the Federal Reserve Banks, as Fiscal Agents of the United States, will observe the division of Fourth $4\frac{1}{4}$'s into four classes, *first-called*, *second-called*, *third-called*, and *uncalled* bonds.² Hereafter, in all transactions affecting *third-called* and *uncalled* Fourth $4\frac{1}{4}$'s: (1) only bonds falling within the class *third-called* will be issued upon exchange or transfer of *third-called* bonds, and (2) only bonds falling within the class *uncalled* will be issued upon exchange or transfer of *uncalled* bonds. Exchanges or transfers as between *third-called* and *uncalled* Fourth $4\frac{1}{4}$'s will not be permitted. Denominational exchanges of coupon bonds within the class *third-called* will terminate on April 15, 1935. Transfers and exchanges of registered bonds within the class *third-called* will terminate on March 15, 1935, the date of the closing of the transfer books.

3. Pursuant to 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, as modified by Department Circulars No. 501, dated October 12, 1933, and No. 509, dated April 13, 1934, are further modified to accord with the provisions of paragraph 2 of this section.

III. PAYMENT OR EXCHANGE

1. *Payment of third-called bonds on April 15, 1935.*—Holders of *third-called* Fourth $4\frac{1}{4}$'s will be entitled to have such bonds redeemed and paid at par on April 15, 1935, with interest in

¹ 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.

² *First-called* Fourth $4\frac{1}{4}$'s (called for redemption on April 15, 1934—Department Circular No. 501, dated October 12, 1933) 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); *second-called* Fourth $4\frac{1}{4}$'s (called for redemption on October 15, 1934—Department Circular No. 509, dated April 13, 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); *third-called* Fourth $4\frac{1}{4}$'s (called for redemption on April 15, 1935) bear serial numbers ending in 5, 6 or 7 (in the case of permanent coupon bonds preceded by the distinguishing letter E, F or G, respectively); and *uncalled* Fourth $4\frac{1}{4}$'s bear serial numbers ending in 3 or 4 (in the case of permanent coupon bonds preceded by the distinguishing letter C or D, respectively).

full to that date. After April 15, 1935, interest will not accrue on any such bonds included in the third call for partial redemption. (INSTRUCTIONS FOR PRESENTATION OF SUCH THIRD-CALLED BONDS FOR REDEMPTION ON APRIL 15, 1935, ARE SET FORTH IN SEC. IV AND V OF THIS CIRCULAR.)

2. *Optional exchange offering.*—Holders of *third-called* Fourth 4¼'s may, in advance of April 15, 1935, be offered the privilege of exchanging all or any part of their *third-called* bonds for other interest-bearing obligations of the United States, in which event due public notice will be given. Holders who desire to avail themselves of any exchange privilege, if and when offered, 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 EXCHANGE OFFERING, INSTRUCTIONS THEN GIVEN IN THE PUBLIC ANNOUNCEMENT SHOULD BE FOLLOWED IN PRESENTING THIRD-CALLED BONDS FOR EXCHANGE.)

IV. REDEMPTION OF THIRD-CALLED FOURTH 4¼'S

1. *Presentation and surrender of coupon bonds.*—*Third-called* Fourth 4¼'s in coupon form 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 April 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 7 of this section) and should be accompanied by appropriate written advice (see form P. D. 1416 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 April 15, 1935, which become payable on that date, should be detached from any *third-called* Fourth 4¼'s before such bonds are presented for redemption on April 15, 1935, and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to April 15, 1935, must be attached to 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

3. *Presentation and surrender of registered bonds.*—*Third-called* Fourth 4¼'s in registered form, 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 April 15, 1935. The bonds must be delivered at the expense and risk of holders (see par. 7 of this section) and should be accompanied by appropriate written advice (see form P. D. 1417 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.

4. 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.

5. 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 bond for redemption, since under such assignment the bond becomes 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.

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 third call for partial redemption on April 15, 1935, 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.

6. Final interest due on April 15, 1935, on any *third-called* Fourth 4¼'s in registered form, will be paid by checks issued in regular course in the same manner as if such bonds had not been called for redemption.

7. *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 THIRD-CALLED FOURTH 4¼'S FOR REDEMPTION

1. In order to facilitate the redemption of *third-called* Fourth 4¼'s on April 15, 1935, any such bonds may be presented and surrendered in the manner herein prescribed in advance of that date but not before March 15, 1935. Such early presentation by holders, on and after March 15, 1935, and well in advance of April 15, 1935, will assure 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 third 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 April 15, 1935, should be detached from any permanent coupon bonds included in the third 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 the third 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 April 15, 1935.

VI. GENERAL PROVISIONS

1. Any further information which may be desired regarding the partial redemption of *third-called* Fourth 4¼'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.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to Federal Reserve Banks.

HENRY MORGENTHAU, JR.,

Secretary of the Treasury.

IMPORTANT NOTE.—FOURTH 4¼'S CALLED FOR REDEMPTION ON APRIL 15, 1935, SHOULD BE PRESENTED WELL IN ADVANCE OF THAT DATE BUT NOT BEFORE MARCH 15, 1935, AND THE INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED. IF AN EXCHANGE OPPORTUNITY IS AFFORDED, AND THIRD-CALLED FOURTH 4¼'S ARE TO BE PRESENTED FOR EXCHANGE, THE INSTRUCTIONS GIVEN IN SUBSEQUENT ANNOUNCEMENT SHOULD BE FOLLOWED. Information concerning the redemption of *third-called* Fourth 4¼'s on April 15, 1935, 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 *third-called* Fourth 4¼'s consult their own bank or trust company.

FOR COUPON BONDS

(For registered bonds use Form PD 1417)

TREASURY DEPARTMENT
Public Debt Service
Form PD 1416

**FORM OF ADVICE TO ACCOMPANY THIRD-CALLED FOURTH LIBERTY LOAN 4 1/4 PER CENT BONDS
(FOURTH 4 1/4'S) IN COUPON FORM PRESENTED FOR REDEMPTION ON APRIL 15, 1935.**

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

Pursuant to the provisions of Treasury Department Circular No. 525, dated October 12, 1934, the undersigned presents and surrenders herewith for redemption on April 15, 1935, \$....., face amount of third-called Fourth Liberty Loan bonds in coupon form, with coupon due October 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.....

HENRY MORSE THAL, JR.

IMPORTANT NOTE—FOURTH 4 1/4'S CALLED FOR REDEMPTION ON APRIL 15, 1935. SHOULD BE PRESENTED WITH ADVANCE OF THAT DATE BUT NOT BEFORE MARCH 15, 1935, AND THE INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED. IF AN EXCHANGE OFFER IS ASSURED, AND THIRD-CALLED FOURTH 4 1/4'S ARE TO BE PRESENTED FOR EXCHANGE, THE INSTRUCTIONS GIVEN IN SUBSEQUENT ANNOUNCEMENT SHOULD BE FOLLOWED. INFORMATION CONCERNING THE REDEMPTION OF THIRD-CALLED FOURTH 4 1/4'S ON APRIL 15, 1935, AND INFORMATION CONCERNING AN OFFER TO EXCHANGE IF AND WHEN OFFERS MAY BE OBTAINED FROM THE OFFICE OF BONDS AND TRUST COMPANIES, GENERALLY, AS WELL AS FROM THE OFFICE OF THE REGISTER OF THE UNITED STATES DEPARTMENT OF THE TREASURY, WASHINGTON, D. C., WHERE COPIES OF THE CIRCULAR MAY BE OBTAINED.

FOR REGISTERED BONDS

(For coupon bonds use Form PD 1416)

TREASURY DEPARTMENT
Public Debt Service
Form PD 1417

**FORM OF ADVICE TO ACCOMPANY THIRD-CALLED FOURTH LIBERTY LOAN 4¼ PER CENT BONDS
(FOURTH 4¼'S) IN REGISTERED FORM PRESENTED FOR REDEMPTION ON APRIL 15, 1935.**

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. 525, dated October 12, 1934, the undersigned presents and surrenders herewith for redemption on April 15, 1935, \$....., face amount of third-called 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.....