

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 1520]
March 20, 1935]

PARTIAL REDEMPTION OF FOURTH LIBERTY LOAN BONDS BEFORE MATURITY
Information With Respect to the Time and Manner of Presentation of Third-called Fourth 4 $\frac{1}{4}$'s
for Redemption on April 15, 1935

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

A copy of Treasury Circular No. 525, dated October 12, 1934, with respect to the partial redemption of Fourth Liberty Loan bonds before maturity (Third-called Fourth 4 $\frac{1}{4}$'s) was transmitted to you with our Circular No. 1450, dated October 13, 1934. As stated in Treasury Circular No. 525, (the text of which is reprinted on the following pages), in order to facilitate the redemption of Third-called Fourth 4 $\frac{1}{4}$'s on April 15, 1935, any such bonds may be presented and surrendered before April 15, 1935, and presentation well in advance of April 15, 1935, 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 of New York and not direct to the Treasury Department.

Accordingly Third-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 G. B. 272 when presenting Third-called coupon Fourth 4 $\frac{1}{4}$'s and Form G. B. 271 when presenting Third-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 Third-called Fourth 4 $\frac{1}{4}$'s must be delivered at the expense and risk of the holder.

As stated in Treasury Circular No. 525, coupons dated April 15, 1935, which become payable on that date, should be detached from any Third-called Fourth 4 $\frac{1}{4}$'s 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 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.

Upon surrender and presentation by a member bank of Third-called coupon Fourth 4 $\frac{1}{4}$'s, and of Third-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 Third-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 March 15, 1935. Final interest on Third-called registered Fourth 4 $\frac{1}{4}$'s due on April 15, 1935, will be paid on that date to holders of record on March 15, 1935, 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 the announcement of the Secretary of the Treasury made public on March 18, 1935 (reference to our circular No. 1519 dated March 18, 1935) the subscription books for the current offering of 2 $\frac{7}{8}$ percent Treasury bonds of 1955-60, in exchange for Fourth Liberty Loan bonds called for redemption on April 15, 1935, will close at the close of business Wednesday, March 27, 1935.]

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 4¼ PER CENT BONDS
(FOURTH 4¼'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	Denomination	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 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.....

FOR COUPON BONDS

FORM OF ADVICE TO ACCOMPANY FOURTH LIBERTY LOAN 4¼ PER CENT BONDS

PRESENTED FOR REDEMPTION

Date.....

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

Pursuant to the terms of Treasury Department Circular No. 501, dated October 12, 1933, and/or Treasury Department Circular No. 509, dated April 13, 1934, and/or Treasury Department Circular No. 525, dated October 12, 1934, the undersigned presents and surrenders herewith for redemption

\$.....
 (PAR AMOUNT)

First-Called and/or Second-Called and/or Third-Called Fourth Liberty Loan 4¼ per cent bonds in coupon form as follows:

BONDS BEARING DISTINGUISHING LETTER			BONDS BEARING DISTINGUISHING LETTER			BONDS BEARING DISTINGUISHING LETTER		
A, J OR K			B OR H			E, F OR G		
Pieces	Denom.	Par Amount	Pieces	Denom.	Par Amount	Pieces	Denom.	Par Amount
	50			50			50	
	100			100			100	
	500			500			500	
	1,000			1,000			1,000	
	5,000			5,000			5,000	
	10,000			10,000			10,000	
	100,000			100,000			100,000	
	Total			Total			Total	

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

By check

NAME.....
 (PLEASE PRINT)

By credit

ADDRESS.....
 (STREET)

Special instructions

.....
 (TOWN AND STATE)

.....
 (IF A BRANCH BANK PLEASE INDICATE)

.....
 (OFFICIAL SIGNATURE)

Spaces below for use of Federal Reserve Bank only.

Past Due Coupons		Past Due Coupons		Past Due Coupons	
Missing Coupons		Missing Coupons		Missing Coupons	
Proceeds		Proceeds		Proceeds	
Received	Checked	Sending Bank's Collection Number		Date of Transmittal Letter	Mail Sheet Number

THIRD CALLED REGISTERED BONDS ARE THOSE ENDING WITH THE DIGIT 5-6 OR 7.

Registered Bond

REDEMPTION APPLICATION

Third 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. 525, dated October 12, 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 April 15, 1935 \$....., face amount, of Third 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
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FEDERAL RESERVE BANK
OF NEW YORK

March 21, 1935.

NEW COUNTERFEIT

To Member Banks in the Second Federal
Reserve District and others concerned:

At the request of the Secret Service Division of the Treasury Department, New York District, we are hereby notifying all member banks in the Second Federal Reserve District and others concerned of the appearance of a new counterfeit \$1 silver certificate described by the Secret Service Division as follows:

COUNTERFEIT \$1 SILVER CERTIFICATE:

Series of 1934; Check Letter 'H'; Face Plate No. 65; Back Plate No. 2790; Serial No. E76212454U; bearing facsimile signatures of W. A. JULIAN, Treasurer of the United States; HENRY MORGENTHAU, JR., Secretary of the Treasury; portrait of WASHINGTON.

This is a deceptive counterfeit printed on one piece of good bond paper, apparently from well-executed photo-mechanical plates. However, the bill purports to be of the Series of 1934, but has the Treasury seal at the left of the face of the note instead of at the right, and does not bear the large blue numeral '1' which appears on the genuine issue of the Series of 1934. In the counterfeit, the legend which appears on the genuine \$1 note of the Series of 1934, reading: "THIS CERTIFICATE IS LEGAL TENDER FOR ALL DEBTS PUBLIC AND PRIVATE", appears across the Treasury seal, which is smaller than the genuine seal. The serial numbers on the counterfeit are printed in dark blue in a type face and size noticeably unlike the genuine. Care should be exercised in handling notes of this denomination, as this counterfeit is calculated to deceive the experienced handler of currency.

Detecting one of these counterfeits, you should forward it with all available information to the office of the U. S. Secret Service having jurisdiction in your territory. Such offices are located in the Post Office Buildings at Syracuse and Buffalo, New York, and Newark, N. J., and in the Customhouse Building in New York City.

George L. Harrison,
Governor.