

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

[ Circular No. 1531 ]  
April 22, 1935

REDEMPTION OF FIRST LIBERTY LOAN BONDS

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

In our circular No. 1517, dated March 14, 1935, we transmitted the text of formal notice by the Secretary of the Treasury dated March 14, 1935, calling all outstanding First Liberty Loan bonds of 1932-47 for redemption on June 15, 1935.

At the request of the Treasury Department we transmit herewith, printed on the following pages, a copy of Treasury Department circular No. 535, dated April 22, 1935, governing the redemption of First Liberty Loan bonds on June 15, 1935. It will be noted from Treasury Department circular No. 535 that in order to facilitate the redemption of First Liberty Loan bonds on June 15, 1935, any such bonds should be presented and surrendered in the manner therein prescribed well in advance of that date, *but not before May 15, 1935.*

If First Liberty Loan bonds called for redemption on June 15, 1935, are to be presented for exchange for  $2\frac{7}{8}$  percent Treasury bonds of 1955-60, instructions given in Treasury Department circular No. 536 should be followed; if to be presented for  $1\frac{5}{8}$  percent Treasury notes of Series A-1940, instructions given in Treasury Department circular No. 537 should be followed; if to be presented for redemption on June 15, instructions given in Treasury Department circular No. 535 should be followed.

Copies of Treasury Department circulars Nos. 536 and 537, above referred to, accompany our Circular No. 1532, dated April 22, 1935.

GEORGE L. HARRISON,  
*Governor.*

# REDEMPTION OF FIRST LIBERTY LOAN BONDS

1935  
Department Circular No. 535  
Public Debt Service

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, April 22, 1935.

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

## I. NOTICE OF CALL FOR REDEMPTION BEFORE MATURITY

On March 14, 1935, the following public notice of call for redemption was given:

To Holders of First Liberty Loan Bonds of 1932-47, and Others Concerned:

Public notice is hereby given:

1. All outstanding First Liberty Loan bonds of 1932-47 are hereby called for redemption on June 15, 1935. The various issues of First Liberty Loan bonds (all of which are included in this call) are as follows:

First Liberty Loan  $3\frac{1}{2}$  percent bonds of 1932-47 (First  $3\frac{1}{2}$ 's), dated June 15, 1917;  
First Liberty Loan Converted 4 percent bonds of 1932-47 (First 4's), dated November 15, 1917;

First Liberty Loan Converted  $4\frac{1}{4}$  percent bonds of 1932-47 (First  $4\frac{1}{4}$ 's), dated May 9, 1918; and

First Liberty Loan Second Converted  $4\frac{1}{4}$  percent bonds of 1932-47 (First-Second  $4\frac{1}{4}$ 's), dated October 24, 1918.

2. Interest on all such outstanding First Liberty Loan bonds will cease on said redemption date, June 15, 1935.

3. Full information regarding the presentation and surrender of First Liberty Loan bonds for redemption under this call will be given in a Treasury Department circular to be issued later.

4. Holders of First Liberty Loan bonds now called for redemption on June 15, 1935, may, in advance of that date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given.

HENRY MORGENTHAU, JR.,  
Secretary of the Treasury.

TREASURY DEPARTMENT,  
WASHINGTON, March 14, 1935.

## II. OPTIONAL EXCHANGE OFFERING

1. Holders of First Liberty Loan bonds, called for redemption on June 15, 1935, are offered the privilege, for a limited period beginning April 22, 1935, of exchanging all or any part of their called bonds, either (1) for  $2\frac{7}{8}$  percent Treasury Bonds of 1955-60, or (2) for 5-year  $1\frac{5}{8}$  percent Treasury Notes of Series A-1940, both bonds and notes being dated and bearing interest from March 15, 1935.

2. Full information concerning the optional exchange offering of Treasury bonds is set forth in Treasury Department Circular No. 536, and full information concerning the optional exchange offering of Treasury notes is set forth in Treasury Department Circular No. 537, both circulars being dated April 22, 1935. As the privilege of exchanging First Liberty Loan bonds will be accorded for a limited period only and may be terminated at any time without notice, holders of First Liberty Loan bonds who desire to take advantage of either offering should act promptly, following the instructions given in the Treasury Department circulars referred to above, copies of which may be obtained from any Federal Reserve bank or branch, or from the Treasury Department, Washington, D. C.

## III. RULES AND REGULATIONS GOVERNING REDEMPTION OF FIRST LIBERTY LOAN BONDS

Pursuant to the call for redemption, as set forth in Section I of this circular, the following rules and regulations are hereby prescribed to govern the presentation and surrender of First Liberty Loan bonds for redemption on June 15, 1935:

1. *Payment of called bonds on June 15, 1935.*—Holders of any outstanding First Liberty Loan bonds will be entitled to have such bonds redeemed and paid at par on June 15, 1935, with interest in full to that date. After June 15, 1935, interest will not accrue on any First Liberty Loan bonds.

2. *Presentation and surrender of coupon bonds.*—First Liberty Loan bonds 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 June 15, 1935. 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. 1435 attached hereto). Checks in payment of principal will be mailed to the address given in the form of advice accompanying the bonds surrendered.

3. Coupons dated June 15, 1935, which become payable on that date, should be detached from any First Liberty Loan bonds before such bonds are presented for redemption on June 15, 1935, and such coupons should be collected in regular course when due. All coupons pertaining to such bonds bearing dates subsequent to June 15, 1935, 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.<sup>1</sup>

4. *Presentation and surrender of registered bonds.*—First Liberty Loan bonds 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 thereafter should 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 June 15, 1935. 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. 1436 attached hereto). In all cases checks in payment of principal and final interest due will be mailed to the address given in the form of advice accompanying the bonds surrendered.

5. If the registered payee, or an assignee holding under proper assignment from the registered payee, desires that payment of the principal and final installment of interest be made to him, the bonds should be assigned by such payee or assignee, or by a duly constituted representative, to "The Secretary of the Treasury for redemption". If it is desired, for any reason, that payment be made to some other person, without intermediate assignment, the bonds should be assigned to "The Secretary of the Treasury for redemption for the account of.....", inserting the name and address of the person to whom payment is to be made. A representative or fiduciary should not assign for payment to himself individually, unless expressly authorized to do so by the instrument under which he is acting; he may, however, assign for payment to himself *in his representative or fiduciary capacity*.

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 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.

7. Final interest due on June 15, 1935, on registered bonds of the First Liberty Loan will be paid with the principal in accordance with the assignments on the bonds surrendered. Transfers and exchanges involving registered bonds will be permitted up to the close of business on May 31, 1935, but not after that date.

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.

<sup>1</sup>First 4's, First 4½'s, and First-Second 4½'s were originally issued in temporary form. The final coupon attached to such temporary bonds became due on December 15, 1919, June 15, 1920, and December 15, 1920, respectively. The holders of any such temporary bonds will receive all past due interest to June 15, 1935, when such bonds are redeemed pursuant to the call. Any coupons now attached to such temporary bonds should be detached and collected in regular course.

#### IV. TIME OF PRESENTATION OF CALLED BONDS FOR REDEMPTION

1. In order to facilitate the redemption of First Liberty Loan bonds on June 15, 1935, any such bonds should be presented and surrendered in the manner herein prescribed well in advance of that date, but not before May 15, 1935. Such early presentation by holders 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 the bonds are presented to Federal Reserve banks, or branches, and not direct to the Treasury Department.

3. As hereinbefore provided: (1) coupons due June 15, 1935, should be detached from any permanent coupon bonds 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 will be paid with the principal amount.

4. IF FIRST LIBERTY LOAN BONDS CALLED FOR REDEMPTION ON JUNE 15, 1935, ARE TO BE PRESENTED FOR EXCHANGE FOR 2 $\frac{7}{8}$  PERCENT TREASURY BONDS OF 1955-60, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 536 SHOULD BE FOLLOWED; IF TO BE PRESENTED FOR 1 $\frac{5}{8}$  PERCENT TREASURY NOTES OF SERIES A-1940, INSTRUCTIONS GIVEN IN TREASURY DEPARTMENT CIRCULAR NO. 537 SHOULD BE FOLLOWED; IF TO BE PESENTED FOR REDEMPTION ON JUNE 15, INSTRUCTIONS GIVEN IN THIS CIRCULAR SHOULD BE FOLLOWED.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of First Liberty Loan bonds 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 also may 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.*

**FOR COUPON BONDS**

(For registered bonds use Form PD 1436)

TREASURY DEPARTMENT  
Public Debt Service  
Form PD 1435

Use separate form for each issue

**FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN COUPON FORM PRESENTED FOR REDEMPTION ON JUNE 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. 535, dated April 22, 1935, the undersigned presents and surrenders herewith for redemption on June 15, 1935, \$\_\_\_\_\_, face amount of First Liberty Loan bonds in coupon form, with coupon due December 15, 1935, and all subsequent coupons attached, as follows:

Title of issue: \_\_\_\_\_  
(use short title—see note)

Number of bonds	Denomination	Serial numbers of bonds	Face amount
.....	\$50	.....	\$.....
.....	100	.....	.....
.....	500	.....	.....
.....	1,000	.....	.....
.....	5,000	.....	.....
.....	10,000	.....	.....
.....	100,000	.....	.....
<b>Total</b>			<b>\$.....</b>

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.....

NOTE: The titles of the four issues of First Liberty Loan bonds follow:

<u>Title</u>	<u>Short Title</u>
First Liberty Loan 3½% bonds of 1932-47	First 3½'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted 4¼% bonds of 1932-47	First 4¼'s
First Liberty Loan Second-Converted 4¼% bonds of 1932-47	First-Second 4¼'s

**FOR REGISTERED BONDS**

(For coupon bonds use Form PD 1435)

TREASURY DEPARTMENT  
Public Debt Service  
Form PD 1436

Use separate form for each issue

**FORM OF ADVICE TO ACCOMPANY FIRST LIBERTY LOAN BONDS IN REGISTERED FORM  
PRESENTED FOR REDEMPTION ON JUNE 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. 535, dated April 22, 1935, the undersigned presents and surrenders herewith for redemption on June 15, 1935, \$....., face amount of First Liberty Loan bonds in registered form, inscribed in the name of..... and duly assigned to "The Secretary of the Treasury for redemption", as follows:

Title of issue:.....  
(Use short title—see note)

Number of bonds	Denomination	Serial numbers of bonds	Face amount
.....	\$50	.....	\$.....
.....	100	.....	.....
.....	500	.....	.....
.....	1,000	.....	.....
.....	5,000	.....	.....
.....	10,000	.....	.....
.....	50,000	.....	.....
.....	100,000	.....	.....
<b>Total</b>			<b>\$.....</b>

and requests that remittance covering payment of principal and final interest be forwarded to the undersigned at the address indicated below.

Signature.....

Name (please print).....

Address in full.....

Date.....

**NOTE:** The titles of the four issues of First Liberty Loan bonds follow:

<u>Title</u>	<u>Short Title</u>
First Liberty Loan 3½% bonds of 1932-47	First 3½'s
First Liberty Loan Converted 4% bonds of 1932-47	First 4's
First Liberty Loan Converted 4¼% bonds of 1932-47	First 4¼'s
First Liberty Loan Second-Converted 4¼% bonds of 1932-47	First-Second 4¼'s