

# LIBERTY BONDS AND VICTORY NOTES

TITLE.	SHORT TITLE.	AMOUNT OUTSTANDING ON DECEMBER 31, 1919.	DATE OF ISSUE.	WHEN REDEEMABLE OR PAYABLE.	INTEREST PAYABLE.
<b>First Liberty Loan—</b>					
3½% Bonds of 1932-1947.....	First 3½'s ....	\$1, 410, 074, 400	June 15, 1917.....	} Redeemable on or after June 15, 1932..... } Payable June 15, 1947.....	} June 15, December 15.
Converted 4% Bonds of 1932-1947.....	First 4's .....	139, 981, 600	November 15, 1917...		
Converted 4¼% Bonds of 1932-1947.....	First 4¼'s ....	410, 772, 250	May 9, 1918.....		
Second Converted 4¼% Bonds of 1932-1947.....	First Second 4¼'s.	3, 492, 150	October 24, 1918 ....		
<b>Second Liberty Loan—</b>					
4% Bonds of 1927-1942.....	Second 4's ....	573, 290, 050	November 15, 1917 ..	} Redeemable on or after Novem- ber 15, 1927..... } Payable November 15, 1942.....	} May 15, November 15.
Converted 4¼% Bonds of 1927-1942.....	Second 4¼'s ..	2, 853, 134, 150	May 9, 1918.....		
<b>Third Liberty Loan—</b>					
4¼% Bonds of 1928.....	Third 4¼'s....	3, 780, 831, 050	May 9, 1918 .....	Payable September 15, 1928.....	March 15, September 15.
<b>Fourth Liberty Loan—</b>					
4¼% Bonds of 1933-1938.....	Fourth 4¼'s ..	6, 573, 880, 150	October 24, 1918 ....	} Redeemable on or after October 15, 1933 .....	} April 15, October 15.
<b>Victory Liberty Loan—</b>					
4¾% Notes of 1922-1923.....	Victory 4¾'s..	3, 551, 023, 850	May 20, 1919.....	} Redeemable June 15 or December 15, 1922 .....	} June 15, December 15; and May 20, 1923.
3¾% Notes of 1922-1923.....	Victory 3¾'s..	940, 465, 100	May 20, 1919.....		

**Liberty Bonds and Victory Notes** are issued in both coupon and registered form, in the following denominations: coupon, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000; registered, \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, \$50,000, \$100,000; except that the First 3½'s are not issued in coupon form in denominations of \$5,000 and \$10,000, nor in registered form in the denomination of \$50.

**3½ Per Cent Liberty Bonds and 3¾ Per Cent Victory Notes exempt from Federal, State, and local taxation:** Such bonds and notes are exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

**4 Per Cent and 4¼ Per Cent Liberty Bonds and 4¾ Per Cent Victory Notes exempt from State and local taxation and from normal Federal Income Tax:** Such bonds and notes are exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

**4 Per Cent and 4¼ Per Cent Liberty Bonds entitled to limited exemptions from Federal Income Surtaxes and Profits Taxes:** Such bonds are entitled to certain limited exemptions from graduated additional income taxes, commonly known as surtaxes, and excess-profits

and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations, in respect to the interest on principal amounts thereof as follows:

× \$5,000 in the aggregate of First 4's, First 4½'s, First Second 4½'s, Second 4's and 4½'s, Third 4½'s, Fourth 4½'s, Treasury Certificates, and United States War-Savings Certificates.

30,000 of First Second 4½'s, until the expiration of two years after the termination of the war, as fixed by proclamation of the President.

30,000 of Fourth 4½'s, until the expiration of two years after the termination of the war.

30,000 in the aggregate of First 4's, First 4½'s, First Second 4½'s, Second 4's and 4½'s, Third 4½'s, and Fourth 4½'s, as to the interest received on and after January 1, 1919, until the expiration of five years after the termination of the war.

45,000 in the aggregate of First 4's, First 4½'s, Second 4's and 4½'s, and Third 4½'s, as to the interest received after January 1, 1918, until the expiration of two years after the termination of the war; this exemption conditional on original subscription to, and continued holding at the date of the tax return of, two-thirds as many bonds of the Fourth Liberty Loan.

20,000 in the aggregate of First 4's, First 4½'s, First Second 4½'s, Second 4's and 4½'s, Third 4½'s, and Fourth 4½'s, as to the interest received on and after January 1, 1919; this exemption conditional upon original subscription to, and continued holding at the date of the tax return of, one-third as many notes of the Victory Liberty Loan, and extending through the life of such notes of the Victory Liberty Loan.

\$160,000 total possible exemptions from Federal income surtaxes and profits taxes, subject to conditions above summarized.

**All Liberty Bonds and Victory Notes exempt from taxes in hands of foreign holders:** Bonds, notes, and certificates of indebtedness of the United States and bonds of the War Finance Corporation are, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, exempt, both as to principal and interest, from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

**4½ Per Cent Liberty Bonds and 4¾ Per Cent Victory Notes receivable at par in payment of Federal Estate and Inheritance Taxes:** All such bonds and notes which have been owned by any person continuously for at least six months prior to the date of his death and which upon such date constitute part of his estate are receivable by the United States at par and accrued interest in payment of Federal estate or inheritance taxes.

**5 Per Cent Bond/Note Purchase Fund.**—The Secretary of the Treasury is authorized from time to time until the expiration of one year after the termination of the war (as fixed by proclamation of the President) to purchase 4 per cent and 4½ per cent Liberty bonds, and 3¾ per cent and 4¾ per cent Victory Notes; the par amount of the bonds or notes of any issue which may be purchased in any twelve months' period not to exceed one-twentieth of the par amount thereof outstanding at the beginning of such period.

**2½ Per Cent Cumulative Sinking Fund.**—For the fiscal year beginning July 1, 1920, and for each fiscal year thereafter until all Liberty Bonds and Victory Notes are retired, the Victory Liberty Loan Act appropriates, out of any money in the Treasury not otherwise appropriated, for the purpose of a sinking fund, an amount equal to the sum of (1) 2½ per cent of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign Governments held by the United States on July 1, 1920, and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.

**Conversion Privileges.**—4¾ per cent and 3¾ per cent Victory Notes are interconvertible. Liberty First 4's are convertible into Liberty First 4½'s. Liberty Second 4's are convertible into Liberty Second 4½'s. No other conversion privileges are extant.

The principal and interest of all Liberty Bonds and Victory Notes are payable in United States gold coin of the present standard of value.

Liberty Bonds and Victory Notes are issued under authority of the acts of Congress approved April 24, 1917, September 24, 1917, April 4, 1918, July 9, 1918, September 24, 1918, and March 3, 1919, and pursuant to official Treasury Department circulars, from which the statements in this form are summarized, and to which they are subject.