

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 1861]
July 11, 1938

Offering of Reconstruction Finance Corporation $\frac{7}{8}$ Percent Notes of Series N,
Due July 20, 1941

Dated and bearing interest from July 20, 1938

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND PRINCIPAL BY THE
UNITED STATES, WHICH GUARANTY IS EXPRESSED ON THE FACE OF EACH NOTE

Exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now
or hereafter imposed by the United States, by any Territory, dependency, or possession thereof,
or by any State, county, municipality, or local taxing authority

To all Banking Institutions and Others Concerned in the
Second Federal Reserve District:

The following press statement was today made public:

The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, is today offering for subscription, at par and accrued interest, through the Federal Reserve banks, \$200,000,000, or thereabouts, of notes of the Reconstruction Finance Corporation, designated $\frac{7}{8}$ percent notes of Series N.

The notes will be dated July 20, 1938, and will bear interest from that date at the rate of $\frac{7}{8}$ percent per annum payable semiannually. They will mature on July 20, 1941, and will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with coupons attached, in denominations of \$1,000, \$5,000, \$10,000 and \$100,000.

The notes will be fully and unconditionally guaranteed both as to interest and principal by the United States. They will be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

Subscriptions will be received at the Federal Reserve banks and branches, and at the Treasury Department, Washington. Subscriptions *will not be received* at the Reconstruction Finance Corporation. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

The right is reserved to close the books as to any or all subscriptions or classes of subscriptions at any time without notice. Subject to the reservations set forth in the official circular, all subscriptions will be received subject to allotment.

Payment for any notes allotted must be made or completed on or before July 20, 1938, or on later allotment.

The terms of this offering are set forth in Treasury Circular No. 588, dated July 11, 1938, a copy of which is printed on the following pages. The subscription books are now open, and applications will be received by this bank as fiscal agent of the United States. Subscriptions should be made on official subscription blanks and mailed immediately, or if filed by telegram or letter, should be confirmed immediately by mail on the blanks provided. *Where such telegraphic or letter subscription is made by a bank the telegram or letter should contain the amounts of the subscriptions, if any, for the customers of the subscribing bank together with their names and addresses as provided for in the subscription blank.*

GEORGE L. HARRISON,
President.

RECONSTRUCTION FINANCE CORPORATION

7/8 PERCENT NOTES OF SERIES N, DUE JULY 20, 1941

Dated and bearing interest from July 20, 1938

FULLY AND UNCONDITIONALLY GUARANTEED BOTH AS TO INTEREST AND PRINCIPAL BY THE UNITED STATES, WHICH GUARANTY IS EXPRESSED ON THE FACE OF EACH NOTE

Exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority

1938
Department Circular No. 588
Public Debt Service

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 11, 1938.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Reconstruction Finance Corporation, designated 7/8 percent notes of Series N. The amount of the offering is \$200,000,000, or thereabouts.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 20, 1938, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on January 20 and July 20 in each year until the principal amount becomes payable. They will mature July 20, 1941, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of an act of Congress (known as "Reconstruction Finance Corporation Act") approved January 22, 1932, as amended and supplemented, which provides that the notes shall be fully and unconditionally guaranteed both as to interest and principal by the United States and such guaranty shall be expressed on the face thereof; and that they shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. These notes shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act further provides that in the event the Reconstruction Finance Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes issued by it, the Secretary of the Treasury shall pay the amount thereof, which is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for. The Secretary of the Treasury reserves the right to close the books as to any or all subscriptions or classes of subscriptions at any time without notice.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, to make allotments in full upon applications for smaller amounts and to make reduced allotments upon, or to reject, applications for larger amounts, or to adopt any or all of said methods or such other methods of allotment and classification of allotments as shall be deemed by him to be in the public interest; and his action in any or all of these respects shall be final. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 20, 1938, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve banks.

HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

ADVICE TO SUBSCRIBER
Acknowledging Receipt of Cash Subscription
For Reconstruction Finance Corporation Obligations Mentioned Below

To

Application No.

Date

Your cash subscription for \$

Reconstruction Finance Corporation $\frac{7}{8}$ Percent Notes of Series N, Dated July 20, 1938, Due July 20, 1941

has been received by this bank, as fiscal agent of the United States, and, pursuant to the provisions of the Treasury Department's circular offering the above-mentioned obligations of the Reconstruction Finance Corporation, allotment notices will be sent out promptly upon allotment and allotments will be made on the basis and up to the amounts indicated by the Secretary of the Treasury to this bank.

FEDERAL RESERVE BANK OF NEW YORK.

Fiscal Agent of the United States.

Checked by

CARD RECORD

To

Application No.

Date

Cash subscription received
from above subscriber for \$

Reconstruction Finance Corporation $\frac{7}{8}$ Percent Notes of Series N, Dated July 20, 1938, Due July 20, 1941

CONTROL RECORD

To

Application No.

Date

Cash subscription received
from above subscriber for \$

Reconstruction Finance Corporation $\frac{7}{8}$ Percent Notes of Series N, Dated July 20, 1938, Due July 20, 1941

Lot Number

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

Application Number
IB

CASH SUBSCRIPTION
BY OTHER THAN A BANKING INSTITUTION
To Reconstruction Finance Corporation Obligations
Described Below

Dated at.....
.....1938

An application, unless made by a banking institution, must be accompanied by payment of 10 percent of the amount applied for.
Subscriptions can be made only for \$1,000 or in multiples of \$1,000.

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

DEAR SIRs:

Pursuant to the provisions of Treasury Department Circular No. 588, dated July 11, 1938, please enter our (my) subscription for \$..... (par value)

RECONSTRUCTION FINANCE CORPORATION 7/8 PERCENT NOTES OF SERIES N
DATED JULY 20, 1938 **DUE JULY 20, 1941**

We (I) agree, in consideration of the receipt by you of this subscription, to make payment in full for the entire amount which may be allotted on this subscription, at par on or before the date of issue, or at par and accrued interest if on later allotment. If such payment is in excess of the amount deposited with this application the balance of the payment due you will be made by (name).....in the manner indicated below:

By check.....

By cash.....

This is a confirmation of a previous subscription.....

Write Yes
or

Write No

Subscriber
(Print name)

Sign here
(Official Signature Required)

Street address

.....
Town State

SPACES BELOW ARE FOR THE USE OF THE FEDERAL RESERVE BANK OF NEW YORK

EXAMINED	CARDED	CLASSIFIED	LEDGER	ACKNOWLEDGED	DISPOSITION

Allotment	Figured	Checked	Advised	Payment				Released				Date	
				Deposit	\$			\$					
				Date	By								
				By Cash									
				By Check									
				Check No.			Drawn on						

Received	Checked	Interest	Checked	Recorded	Window	Custody	Mail

Lot Number

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

Application Number
C

Cash Subscription by Banking Institution
To Reconstruction Finance Corporation Obligations
Described Below

Dated at.....
.....1938

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

DEAR SIRs:

Pursuant to the provisions of Treasury Department Circular No. 588, dated July 11, 1938, please enter subscrip-
tion as follows for

RECONSTRUCTION FINANCE CORPORATION 7/8 PERCENT NOTES OF SERIES N
DATED JULY 20, 1938 DUE JULY 20, 1941

For our own account (not classified below) .. \$ _____
For our customers (classified below)..... _____
Total Subscription..... \$ _____

CLASSIFICATION OF CUSTOMERS' SUBSCRIPTIONS
(Subscriptions can be made only for \$1,000 or in multiples of \$1,000. For example: Class A—10 at \$1,000)

(To SUBSCRIBER: Do not show on this form denominations of securities of this issue to be desired on allotment.)

Table with 4 main columns: CLASS A (Subscriptions of \$1,000), CLASS B1 (Subscriptions over \$1,000 to \$5,000 Inclusive), CLASS B2 (Subscriptions over \$5,000 to \$10,000 Incl.), CLASS C (Subscriptions over \$10,000 to \$50,000 Incl.). Each column has sub-columns for Number of Subscript's, Amount of Each, and Leave Blank.

Table with 4 main columns: CLASS D (Subscriptions over \$50,000 to \$100,000 Incl.), CLASS E (Sub's over \$100,000 to \$500,000 Inclusive), CLASS F (Sub's over \$500,000 to \$1,000,000 Inclusive), CLASS G (Subscriptions of over \$1,000,000). Each column has sub-columns for Number of Subscript's, Amount of Each, and Leave Blank.

We hereby certify:

that we have received applications from our customers in the amounts set opposite the customers' names on the attached list which is made a part of this subscription; that there has been paid to us by each such customer, not subject to withdrawal until after allotment and payment in full for securities allotted, 10 percent of the amount applied for; that each such application, to the best of our knowledge and belief, is made in good faith for the customer's legitimate requirements; and that we have no beneficial interest therein.

We further certify that our capital and surplus (not including undivided profits, reserves, etc.) is \$.....

We agree:

in consideration of the receipt by you of this subscription, to make payment in full for the entire amount which may be allotted on this subscription, at par on or before the date of issue, or at par and accrued interest if on later allotment. Such payment will be made by the method indicated hereon.

By debit to our reserve account - By check -

Before signing fill in all required spaces.

TO SUBSCRIBER:

Banking Institution.....

Mark (X) in proper space to indicate if this is:

Post Office Address.....

Original subscription

State.....

Confirmation of a telegram.....

Confirmation of a letter.....

(Official signature required)

SPACES BELOW ARE FOR THE USE OF THE FEDERAL RESERVE BANK

Flowchart table for tracking subscription processing: Examined, Carded, Classified, Ledger, Acknowledged, Government Deposit, Disposition, Allotment, Figured, Checked, Advised, Method of Payment, Amount, Date Released, By, Received, Checked, Recorded, Window, Custody, Mail, Other Departments.

NOTICE OF ALLOTMENT

On Cash Subscription to Reconstruction Finance Corporation Obligations
Applied for by Subscriber as Described Below

To Subscriber:

1938

Referring to your subscription, numbered as above indicated, for \$ (par value)

**RECONSTRUCTION FINANCE CORPORATION $\frac{7}{8}$ PERCENT NOTES OF SERIES N
DATED JULY 20, 1938, DUE JULY 20, 1941**

for which you have applied under the provisions of the Treasury Department's circular containing the offering of such securities for subscription, you have been allotted by the Secretary of the Treasury

\$ of the amount applied for.

IMPORTANT INFORMATION FOR SUBSCRIBER

1. To expedite delivery of the securities of this issue allotted to subscriber and to facilitate prompt completion of this transaction, please observe the following directions, and **fill in, sign and return immediately the attached letter of instructions to the Federal Reserve Bank of New York, Fiscal Agent of the United States, New York, N. Y.**

Payment by Check, Cash or Charge

2. On or before the date of this issue payment must be made or completed at par, or at par and accrued interest if payment is to be made after the date of this issue, for the securities allotted to subscriber as stated above, and payment therefor may be made by check, cash or charge, as follows:

By Check—A check tendered in payment should be made payable to the order of the **FEDERAL RESERVE BANK OF NEW YORK, FISCAL AGENT OF THE UNITED STATES**, and the proceeds thereof must be immediately available on the date that payment is due, but such check need not necessarily accompany the attached letter of instructions. The proceeds of a check tendered in payment by subscriber on the date of this issue, drawn on the Federal Reserve Bank of New York, will be immediately available on the date of this issue. Should a subscriber wish to make payment by certified check on any other bank the securities can not be delivered until the Federal Reserve Bank of New York, fiscal agent of the United States, receives the proceeds of such check, and, therefore, such subscriber **should tender such certified check at least 2 days prior to the date payment is due if he wishes delivery of the securities on the date of this issue.**

By Cash—Payment may be made in cash.

By Charge—A member bank may make payment by requesting us to charge its reserve account, or a nonmember clearing bank may make payment by requesting us to charge its clearing account.

Delivery

3. (a) Delivery of the securities of this issue allotted on cash subscriptions will not be made at the Federal Reserve Bank of New York at its head office in New York, N. Y., before the issue date.

(b) Securities of this issue allotted to subscriber will be delivered over the counter to a representative of the subscriber only when a letter of authority signed officially by the subscriber identifying such representative is presented by him.

(c) Securities of this issue allotted to subscriber will be delivered to others under special instructions from subscriber but only when such securities are either the sole property of the subscriber or are the property of its customers who have authorized the subscriber in writing to cause their said securities to be so delivered.

Further Instructions

4. (a) Securities of this issue will be held for safekeeping by, or delivered to the Discount Department of, the Federal Reserve Bank of New York for the account of member banks only, provided such securities are the sole property of the member bank.

(b) It is requested that all blank spaces be typed in where necessary on the attached letter of instructions to this bank and that such letter be signed officially and returned to this bank without delay.

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

Checked by.....

NA-RFC-N

LETTER OF INSTRUCTIONS

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

From (Name and address of Subscriber)

1938

Referring to our subscription, numbered as above indicated, for \$ (par value)

RECONSTRUCTION FINANCE CORPORATION 7/8 PERCENT NOTES OF SERIES N
DATED JULY 20, 1938, DUE JULY 20, 1941

for which we applied under the provisions of the Treasury Department's circular containing the offering of such securities for subscription, we have received your notice of allotment stating that we have been allotted by the Secretary of the Treasury

\$ of the amount applied for.

As requested we are sending you the following instructions:

Issue in the following denominations the securities of this issue allotted to us. Payment for such securities will be made or completed as indicated below.

Pieces	Denominations	Par amount	(LEAVE BLANK)	Method of payment
	x x x			By charge to our reserve account... \$.....
	x x x			
	\$1,000	\$.....		By check \$.....
	5,000			
	10,000			By cash \$.....
	100,000			
	Total	\$.....		

Hold or dispose of the securities of this issue allotted to us in the amounts and as indicated below.

1. Hold for safekeeping (for member bank only) \$.....
2. Hold as collateral security for War Loan Deposit Account..... \$.....
3. Deliver to your Discount Department..... \$.....
4. Deliver over counter to the undersigned..... \$.....
5. Ship to the undersigned..... \$.....
6. Deliver as requested in the following special instructions..... \$.....

TO	Par amount	Against payment of	Dispose of such payment as follows
	\$.....	\$.....	Credit our reserve account
			\$.....

We hereby certify (a) that such securities as you are instructed to hold or to deliver, as indicated in items numbered 1 and 3 above, are the sole property of the undersigned bank or trust company; (b) that such securities as are hereby pledged, as indicated in item numbered 2 above, are either the sole property of the undersigned bank or trust company or are the property of its customers who have authorized the undersigned bank or trust company in writing to cause their said securities to be so pledged; and (c) that such securities as you are instructed to deliver, as indicated in item numbered 6 above, are either the sole property of the undersigned bank or trust company or are the property of its customers who have authorized the undersigned bank or trust company in writing to cause their said securities to be so delivered.

This letter of instructions must be signed officially in the space provided here and returned immediately to

Name.....

Post Office Address.....

State.....

Federal Reserve Bank of New York,
Fiscal Agent of the United States.

Official signature required

DO NOT USE SPACES BELOW

Released.....	Paid Stamp	Delivery Receipt
Taken from Vault.....	Amount	Received from FEDERAL RESERVE BANK OF NEW YORK the above described Reconstruction Finance Corporation obligations allotted in the amount indicated above.
Counted.....		
Checked.....	By	Subscriber.....
Delivered.....		Date.....

FEDERAL RESERVE BANK OF NEW YORK

GOVERNMENT BOND DEPARTMENT

FEDERAL RESERVE P. O. STATION

NEW YORK, N. Y.