

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 1869]
August 26, 1938

Public Notice of Offering of \$100,000,000, or thereabouts, of Treasury Bills
Dated August 31, 1938 Maturing November 30, 1938

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

Following is the text of a notice today made public by the Treasury Department with respect to a new offering of Treasury bills payable at maturity without interest to be sold on a discount basis to the highest bidders.

The Secretary of the Treasury gives notice that tenders are invited for Treasury bills to the amount of \$100,000,000, or thereabouts. They will be 91-day bills; and will be sold on a discount basis to the highest bidders. Tenders will be received at the Federal Reserve Banks, or the branches thereof, up to two o'clock p.m., Eastern Standard time, on Monday, August 29, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated August 31, 1938, and will mature on November 30, 1938, and on the maturity date the face amount will be payable without interest. They will be issued in bearer form only, and in amounts or denominations of \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by the Federal Reserve Banks or branches upon application therefor.

No tender for an amount less than \$1,000 will be considered. Each tender must be in multiples of \$1,000. The price offered must be expressed on the basis of 100, with not more than three decimal places, e. g., 99.125. Fractions must not be used.

Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour for receipt of tenders on August 29, 1938, all tenders received at the Federal Reserve Banks or branches thereof up to the closing hour will be opened and public announcement of the acceptable prices will follow as soon as possible thereafter, probably on the following morning. The Secretary of the Treasury expressly reserves the right to reject any or all tenders or parts of tenders, and to allot less than the amount applied for, and his action in any such respect shall be final. Those submitting tenders will be advised of the acceptance or rejection thereof. Payment at the price offered for Treasury bills allotted must be made at the Federal Reserve Banks in cash or other immediately available funds on August 31, 1938.

The Treasury bills will be exempt, as to principal and interest, and any gain from the sale or other disposition thereof will also be exempt, from all taxation, except estate and inheritance taxes. (Attention is invited to Treasury Decision 4550, ruling that Treasury bills are not exempt from the gift tax.) No loss from the sale or other disposition of the Treasury bills shall be allowed as a deduction, or otherwise recognized, for the purposes of any tax now or hereafter imposed by the United States or any of its possessions.

Treasury Department Circular No. 418, as amended, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch thereof.

In accordance with the above announcement tenders will be received at the Securities Department of this bank (2nd floor, 33 Liberty Street, New York City) or at the Buffalo Branch of this bank (272 Main Street, Buffalo, New York) until two o'clock p.m., Eastern Standard time (three o'clock p.m., "Daylight Saving time"), on Monday, August 29, 1938.

It is requested that tenders be submitted on special form and in special envelope enclosed herewith.

Attention is invited to the fact that payment for the Treasury bills cannot be made by credit through the War Loan Deposit Account. Payment must be made in cash or other immediately available funds.

GEORGE L. HARRISON,
President.

No.....

TENDER FOR 91-DAY TREASURY BILLS
Dated August 31, 1938. Maturing November 30, 1938.

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

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

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on August 26, 1938, as issued by the Secretary of the Treasury, the undersigned offers to pay.....* for a total amount of \$..... (Rate per 100) (maturity value) of the Treasury bills therein described, or for any less amount that may be allotted, payment therefor to be made at your bank in cash or other immediately available funds on the date stated in the public announcement.


The Treasury bills for which tender is hereby made are to be dated August 31, 1938, and are to mature on November 30, 1938.

This tender will be inserted in special envelope entitled "Tender for Treasury bills."

IMPORTANT INSTRUCTIONS:

1. No tender for less than \$1,000 will be considered, and each tender must be for an amount in multiples of \$1,000 (maturity value). Also, if more than one price is offered, a separate form must be executed at each price.
2. If the person making the tender is a corporation, the form should be signed by an officer of the corporation authorized to make the tender, and the signing of the form by an officer of the corporation will be construed as a representation by him that he has been so authorized. If the tender is made by a partnership, it should be signed by a member of the firm, who should sign in the form "....., a copartnership, by....., a member of the firm."
3. Tenders will be accepted without cash deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by a deposit of 10 per cent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.
4. If the language of this form is changed in any respect, which, in the opinion of the Secretary of the Treasury, is material, the tender may be disregarded.

Payment by credit through War Loan Deposit Account will not be permitted.

 Before signing fill in all required spaces.

Bank or Trust Company.....

Post Office Address.....

State.....

.....
Official signature required.

SPACES BELOW ARE FOR THE USE OF THE FEDERAL RESERVE BANK

| | | | | | | | | | |
|-----------|---------|------------|---------|--------------|-------------------|-------------------|--|---------------|----|
| Examined | Carded | Classified | Ledger | Acknowledged | Disposition | | | | |
| Allotment | | Figured | Checked | Advised | Method of Payment | Amount | | Date Released | By |
| Received | Checked | Recorded | Window | Custody | Mail | Other Departments | | | |

* Price should be expressed on the basis of 100, with not more than three decimal places, e.g., 99.125. Fractions must not be used.

**FEDERAL RESERVE BANK
OF NEW YORK**

August 26, 1938.

NEW AND DANGEROUS COUNTERFEIT

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

In a letter dated August 23, 1938, the Treasury Department, Secret Service Division, describes a certain new counterfeit as follows:

\$10 FEDERAL RESERVE NOTE

On the Federal Reserve Bank of New York, New York; Series of 1934; check letter "I"; face plate No. 18; back plate No. 23; W. A. Julian, Treasurer of the United States; Henry Morgenthau, Jr., Secretary of the Treasury; portrait of Hamilton.

This production, which recently appeared in California and Atlantic Coast ports, is one of the most deceptive counterfeits discovered in recent years. It is printed from photo-etched plates of excellent workmanship on one sheet of bond paper of good quality with no attempt to reproduce the silk fiber in the genuine.

DEFECTS

FRONT OF NOTE

The printed surface is about $3/32$ of an inch shorter than the genuine and is grayish in appearance.

1. Portrait. The white lines in the coat collar and lapel show more plainly on the counterfeit than on the genuine, giving the collar and lapel a decidedly gray appearance not observed on the genuine. The color tone of the coat, conspicuously dark on the genuine, is of a grayish cast harmonizing with the generally gray appearance of the whole front of the counterfeit. The shading on the left side of the nose and upper left jaw is too light. On the genuine this shading is produced by distinct cross-hatch lines with a dot in the center of each diamond shaped space. These cross-hatch lines and dots are almost entirely absent on the counterfeit. Hamilton's right eye appears a trifle too narrow on the counterfeit, producing a squinting effect. The lines on the nose from the bridge to the nose tip are broken, while the shading is lacking in the distinct cross-hatch lines which distinguish the genuine.

2. Serial Numbers. The type used for the figures is slightly thinner than the genuine. This makes the spacing between the figures on the counterfeit slightly wider than on the genuine. The imprint of the serial numbers is not as heavy as on the genuine. Careful examination of the

serial numbers for the thin, lightly printed figures appears to be one of the best methods for money handlers to use in detecting this counterfeit. The highest serial number issued to date on genuine notes of this type, denomination and series is B03,116,000B. This counterfeit has appeared with varying serial numbers and each specimen, to date, bears the correct check letter when the serial number is divided by six.

3. Signatures and Titles. Of excellent workmanship to the naked eye, but slightly ragged when viewed under magnifying glass.

4. Seals. The Federal Reserve seal presents a slightly smeared appearance with the exception of the large letter "E". The Treasury seal is well executed, but the small star between the words AMER and SEPTENT is misshaped and the letter "E" in THESAUR slants away from the letter "H". The Treasury seal is printed in pale, dull olive green.

5. Lettering. In the four printed lines directly above the Federal Reserve seal, the letter "N" in MONEY in the third line is broken, and the letter "A" in the word ANY in the fourth line is also broken; also the letters "E" and "A" in the word TREASURY in the third line appear to be joined together at the bottom. In the legend at the top of the note, the letter "L" in FEDERAL RESERVE NOTE is misshaped. The check letters do not show the sharp line formation found in the genuine, the cross bars at the top and bottom of each letter being too short and too blunt.

6. Lathe Work. Generally good, but lighter in color tone than the genuine.

BACK OF NOTE

The design, printed in dull, olive green, is approximately the correct size. The general appearance is darker than the genuine and reproduction shows coarser detail.

1. Treasury Building. The triangular space over the columns in the front of the building, as well as the columns themselves, and the spaces between the windows are too white. These parts of the design when examined under a glass reveal a complete lack of shading. The flag pole on the front of the building is reproduced raggedly as an uneven line. On the genuine this line is straight. The starry field of the flag is obliterated by a white spot. The globes on the electric light posts are shaded with fine lines on the genuine. These lines are missing on the counterfeit. The light globe at the foot of the steps near the 15th street corner is egg shaped. The shadows of pedestrians observed distinctly on the genuine are not reproduced on the counterfeit. The pedestal supporting the statue in the yard to the left of the building appears as a white spot on the counterfeit. The automobile in the foreground on the genuine note has a white space representing a license plate. This is missing on the counterfeit. Most of the fine shading in the building is missing with the exception of a few spots. The shading designed to show the offset of the portico from the main end structure of the building is made with cross ruled lines on the genuine note. On the counterfeit this shading is accomplished with perpendicular parallel lines. The seven parapet facings at the right end of the

building are plain on the counterfeit. On the genuine the facings show square panels.

2. Embellishment. The large spear point decoration at the right end center of the genuine has five black dots which are missing on the counterfeit. On the ribbons on which the word TEN appears in the center of the counters "10", double vertical lines are reproduced on the genuine on each side of the letter "T". These double lines are not visible on the counterfeit.

Inasmuch as this is an extremely deceptive counterfeit, you are requested to notify money handlers to exercise caution in accepting notes of this variety and denomination.

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The Treasury Department has requested that any counterfeits which come to the attention of banks or others be forwarded with all available information to the office of the United States Secret Service having jurisdiction in their territory. Offices of the Secret Service are located in Albany, Buffalo, Syracuse and New York City, New York, and in Newark, New Jersey.

George L. Harrison,
President.