

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 1892]
November 2, 1938

Public Notice of Offering of \$100,000,000, or thereabouts, of Treasury Bills
Dated November 9, 1938 Maturing February 8, 1939

*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 Friday, November 4, 1938. Tenders will not be received at the Treasury Department, Washington.

The Treasury bills will be dated November 9, 1938, and will mature on February 8, 1939, 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 November 4, 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 November 9, 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, on Friday, November 4, 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.

TENDER FOR 91-DAY TREASURY BILLS

Dated November 9, 1938. Maturing February 8, 1939.

Dated at.....

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

.....1938

Pursuant to the provisions of Treasury Department Circular No. 418, as amended, and to the provisions of the public announcement on November 2, 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 November 9, 1938, and are to mature on February 8, 1939.

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 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

Table with columns: 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**

November 5, 1938.

NEW COUNTERFEIT

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

In a letter dated November 4, 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; 1934 series; check letter "L"; face plate No. 8; back plate No. 28; serial No. B81903223A; W. A. Julian, Treasurer of the United States; Henry Morgenthau, Jr., Secretary of the Treasury; portrait of Hamilton.

This counterfeit is printed on one sheet of bond paper from photo-etched plates of fairly good workmanship.

DEFECTS

Chief defects to be found in this counterfeit are as follows:

1. THE CROSS BAR ON THE LETTER A ADJOINING THE FINAL FIGURE OF THE SERIAL NUMBERS IS HIGHER THAN ON THE GENUINE.
2. IN THE LARGE WHITE LETTER D IN DOLLARS UNDER THE PORTRAIT THERE IS A BLACK SPOT IN THE LEFT TOP OF THIS LETTER CAUSED BY AN IMPERFECTION IN THE PLATE. THIS SPOT IS PLAINLY DISCERNIBLE. A SIMILAR DEFECT APPEARS IN THE LAST LETTER E IN RESERVE IN THE TOP BORDER.

The Treasury seal is printed so lightly in pale olive green that the circular lettering inside the seal and other features of the design are almost invisible. The rim points of the seal are irregular and blunt. In the genuine they are clear-cut and sharp. The large word TEN, over which the seal is printed, is deeply etched and partly obscures the seal.

The serial numbers are slightly smaller than the genuine and unlike the genuine type style, the numerals 1, 2 and 9 being especially different in formation. The serial numbers, including the enclosing letters, are 1/8th inch shorter than the genuine. All of the figures in the serial numbers on genuine notes are wider than the figures in the serial numbers on this counterfeit. The serial number in the upper right corner is 1/8th inch too far to the right of the portrait and 1/32nd of an inch too high over the word TEN. In the lower left corner, the serial number is 1/8th inch too far from the portrait. The highest serial number appearing on genuine notes of this series on this bank is B91,440,000A.

In the portrait the hair lines over the forehead are poorly reproduced, showing only faintly and adding to the bleached appearance of the portrait. The line shading on the left side of Hamilton's nose is lacking in detail, and the nose outline between the bridge of the nose and the nose tip is incomplete. The point of the nose appears as a white spot on the counterfeit, the shading under the left nostril being too dark and accentuating this effect. The curved lobe of the nose adjoining the left cheek is barely visible to the naked eye due to lack of shading. The shading on the left side of the eyes resembles dark patches on the counterfeit, whereas on the genuine this effect is accomplished by finely cut curved lines. The shading on the counterfeit generally leaves coarse and decided contrasts instead of the gradual fading-out effect in the genuine. The curved line outside the portrait oval running upward from the Hamilton name plate fails to show the spearhead visible in the corresponding line on the opposite side. The lapel and coat collar appear to blend with the body of the coat in the counterfeit. In the genuine both lapel and collar are very distinct.

In the word RESERVE in the top border under the letter S, a black spot severs the white line underneath at a point directly over the letter T in STATES. Still another small black spot appears on the front of the counterfeit about 1/8th inch above the letter I in AMERICA almost touching the ornamental flourish leading to the top panel. All of these spots are due to plate imperfections. The check letter "L" is poorly reproduced, the right lower corner of the letter being detached from the remainder of the letter as a result of faulty etching.

The back of this counterfeit is fairly deceptive, although the line work and shading are coarsely reproduced and the color tone is darker than the genuine. The shading about the columns, steps and windows of the Treasury building is lacking in detail. The pedestal supporting the statue to the left of the building appears as a white spot. On a genuine note the automobile in the foreground has a white space representing the license plate. This is missing in the counterfeit. Both flags on top of the building are reproduced with ragged effect. In the foreground the street is etched in heavy lines and the motor vehicles are outlined more heavily than on the genuine. The words U. S. TREASURY are printed so lightly as to be almost invisible. In the upper left corner, the lower left end of the ribbon crossing the numeral 10 ends with a white spot. In the genuine the ribbon ends with fading-out line shading. On these ribbons in each corner, double vertical lines are engraved on the genuine on each side of the letter T in TEN. These double lines are missing in the counterfeit.

Inasmuch as this is a fairly deceptive counterfeit, you are requested to notify handlers of money 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.