

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4075]  
February 19, 1954]

**Offset Printing of \$25 Series E Savings Bonds**

*To All Qualified Paying Agents of Savings Bonds  
in the Second Federal Reserve District:*

Following is the text of a statement that was issued by the Treasury Department for publication February 13, 1954.

The Treasury Department announced today a permanent changeover to offset printing in the production of Series E Savings bonds of the \$25 denomination, at an estimated yearly saving in excess of \$400,000.

Engraved printing of higher denomination E bonds and all Series H, J and K bonds, as well as all marketable bonds, will be continued.

Application of the offset printing method to Savings bonds production was tested at the Bureau of Engraving and Printing in January, and the results carefully analyzed. It was found that it would permit maximum production of about 480,000 bonds per press per 8-hour day, compared with about 28,000 for the engraving process. This program will require a reduction in plate printers and other employees, totaling about 40 persons.

The United States Secret Service concluded that no counterfeiting problem would be involved in adoption of the offset plan in view of the conditions under which Savings bonds are issued and redeemed. Savings bonds are not transferable, and the Treasury records detailed information concerning each bond sold, such as the name and address of the buyer, serial number, date of issue, and name of the issuing agent. Holders of Savings bonds must submit them to qualified paying agents for redemption. The holders are required to identify themselves to these agents.

In the unlikely event that counterfeit Savings bonds are presented to a paying agent and escape detection and payment is made to the owners named on the bonds, the agent will not be held liable for the erroneous payments provided the regular, required payment procedure has been observed.

The Bureau will fill future vacancies in plate printer positions by reinstating, in the order of their seniority as apprentices, members of the Bureau's former apprentice training program before hiring plate printers from the outside. The training program was ended last July because engineering improvements in the Bureau made it unlikely that there would be work for the 70 apprentices participating in it. Other positions in the Bureau were offered to the 70 apprentices and all accepted. The policy of reinstating them as apprentice plate printers will apply to all former apprentices still in the Bureau's employ.

The Treasury Department has now asked us to furnish you with a copy of this statement because so much publicity has been given the proposal to change to the offset method for printing Savings bonds. Before it made this decision the Treasury carefully considered all aspects of the problem, and not merely the savings involved. This consideration resulted in a conclusion that no real counterfeiting problem should occur by reason of the use of offset printing. While, of course, a paying agent should not pay a Savings bond recognized as or suspected of being a counterfeit, regardless of the method of printing, the Treasury requests that we remind each paying agent of this responsibility and at the same time assure you that a paying agent will not be held liable for the payment of any counterfeit Savings bond, if by chance the counterfeit should be produced and completed so cleverly as to prevent detection, payment is made to the owner named on the bond, and the agent observes the established instructions governing the payment of Savings bonds. These instructions are contained in Treasury Circular No. 750, Revised, the Memorandum of Instructions issued in conjunction therewith and the identification instructions issued under date of December 19, 1947.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL, *President.*