

FEDERAL RESERVE BANK
OF DALLAS

DALLAS, TEXAS, April 24, 1919.

REDEMPTION OF MULTILATED CURRENCY
(Superceding previous circulars on this subject)

TO ALL MEMBERSBANKS:

To facilitate the redemption of, as well as to incur the least expense in connection with multilated currency, member banks are earnestly requested to make shipments to the Treasurer of the United States at Washington, D.C. for account of the Federal Reserve Bank of Dallas. The Treasurer, upon receipt and verification, will place the amount to our credit, under proper advice to us, and he will also advise the member bank for which redemption is made to that effect.

Immediately upon receipt of advice from the Treasurer that our account has been credited we will credit the reserve account of the shipping bank a like amount, under appropriate advice.

We will, also, refund the transportation cost in connection with the shipments to the Treasurer, provided they are made in the following manner and proper advice thereof is furnished us.

Ship \$1 and \$2 bills by express, charges prepaid;
Ship bills in denominations of \$5 and over by insured registered mail.

In view of the fact that the Federal Reserve Bank is not a proper place to redeem currency of any character except Federal reserve notes and Federal reserve bank notes, it has been our custom, when multilated currency other than Federal reserve notes and Federal Reserve bank notes was received, to debit the shipping bank in addition to the cost of transportation to us the cost of redemption of such currency - 40¢ per \$1,000 (Representing express charges on multilated currency to Washington and the cost of new currency in return under Government contract rates).

As you were advised by the Treasury Department (Department Circular No. 125, Series of 1918) the Government's contract with the Express Company providing for special rates was cancelled December 31, 1918. We are under the necessity, therefore, of shipping multilated currency to the Treasury Department for the redemption under regular commercial rates, and when multilated currency is received by us from member banks, in addition to the cost of transportation to us the shipping bank will be debited the cost of redemption of such currency, which cost is at present as follows:

\$ 1 and \$2 bills	at	\$1.37	per	\$1,000,
\$ 5	"	.39	"	1,000;
\$10	"	.24	"	1,000;
\$20	"	.18	"	1,000,

This represents the cost of transportation to the Treasurer of the United States at Washington.

We are endeavoring at this time to obtain cheaper rates and hope to be successful in our attempt in the near future, at which time our member banks will be promptly advised.

Respectfully,

R. L. VAN ZANDT

G o v e r n o r