



**FEDERAL RESERVE BANK  
OF DALLAS**

**Circular No. 41**  
Series of 1921

June 21, 1921.

**SUB-TREASURY FUNCTIONS**

**TO THE BANK ADDRESSED:**

You have already been advised in Treasury Department letter dated March 21, 1921, that in anticipation of the discontinuance of the several sub-treasuries prior to July 1, 1921, as directed by recent legislation, the Secretary of the Treasury has authorized and instructed Federal Reserve Banks, as facilities are present, to undertake exchanges and replacements of United States paper currency.

In pursuance of this notice, the Federal Reserve Bank of Dallas has assumed these functions, and is now prepared to extend the facilities and services formerly offered by the several sub-treasuries with respect to exchanges, replacements and redemption of United States paper currency, and with respect to the exchange and redemption of United States Coin in accordance with the following conditions and regulations:

**EXCHANGE, REPLACEMENT AND REDEMPTION OF UNITED STATES PAPER CURRENCY**

United States Notes, Treasury Notes of 1890, Gold Certificates and Silver Certificates (hereinafter sometimes called United States paper currency) will be received by the Federal Reserve Bank of Dallas for exchange, replacement or redemption, as follows:

United States paper currency will be received, subject to count, when properly assorted as to denomination and each fifty notes or less enclosed in a paper strap marked with the amount and name of remitting bank (no strap to contain different denominations, and all notes to be faced up) in exchange for subsidiary coin (halves, quarters and dimes) and minor coin (nickels and pennies); for replacement by like amount of United States currency of the same kind; or, for credit of reserve account in case of member banks; or, for credit with a member bank in the case of non-member banks.

Silver Certificates and Treasury Notes of 1890 will be received in exchange for silver dollars if and when specifically desired and requested.

Gold Certificates will be received in like manner in exchange for gold coin if and when specifically desired and requested; United States Notes and Treasury Notes of 1890 are likewise redeemable in gold coin. The use of gold, however, for payrolls and everyday transactions, is discouraged, since it serves no useful purpose, and the circulation of gold coin involves considerable loss due to abrasion. The quantity of gold held governs the volume of credit which can be granted by Federal Reserve Banks. It is, therefore, to the interest of all banks to strengthen the supply of gold in the Federal Reserve Banks and not diminish it.

## EXCHANGE AND REDEMPTION OF UNITED STATES COIN

Gold coin, standard silver dollars, subsidiary silver coin (halves, quarters and dimes) and minor coin (nickels and pennies) will be received by the Federal Reserve Bank of Dallas for exchange and redemption as follows:

Gold coin will be received in exchange for any form of currency or for subsidiary silver coin and minor coin especially requested by such bank, or for credit of a member bank's reserve account, or for their credit with a member bank in the case of non-member banks.

Standard silver dollars will be received by the Federal Reserve Bank of Dallas in exchange for Silver Certificates or subsidiary silver and minor coin, or for the credit of reserve account in case of member banks, or for credit with a member bank in the case of non-member banks.

Subsidiary silver coin and minor coin will be received, subject to count, when properly assorted as to denomination and shipped loose in cloth bags, and exchanged for currency (the kind of which shall be determined by the Federal Reserve Bank of Dallas) or for credit in reserve account in case of member banks, or credit with a member bank in case of non-member banks.

Shipments of subsidiary silver and minor coin will be made by this bank to non-member banks in exchange for any kind of currency, or in exchange for their drafts on their city correspondents, but not until such drafts have been actually collected, or at the request of a member bank accompanied by official authorization to charge the reserve account of the requesting member bank. Such shipments, however, will be made at the expense of the member bank requesting the shipment if made to out-of-town non-member banks.

TRANSPORTATION COSTS IN CONNECTION WITH THE EXCHANGE, REPLACEMENT AND REDEMPTION OF CURRENCY AND COIN SHIPMENTS TO AND FROM NON-MEMBER BANKS MUST BE PAID BY SUCH BANKS.

### CURRENCY AND COIN FACILITIES TO MEMBER BANKS NOT CHANGED

The same currency and coin service will be extended by the Federal Reserve Bank of Dallas and its El Paso and Houston Branches to all member banks in the Eleventh Federal Reserve District as has heretofore been extended, and it is requested that the member banks situated in the territory of the El Paso and Houston Branches continue to handle their ordinary currency and coin transactions direct with the branch of which they are a member, and where such shipments are prepared by member banks in accordance with the conditions as outlined in circulars previously issued by this bank, transportation charges will be absorbed on both incoming and outgoing shipments of currency and coin as heretofore. Shipments of subsidiary silver coin and minor coin will be forwarded by express, while shipments of currency will be forwarded by insured registered mail, unless we are specifically requested to make shipment otherwise. In making all shipments of money, the Federal Reserve Bank of Dallas and its branches at El Paso and Houston act only as the agent of the bank instructing such shipment.

IT IS IMPORTANT THAT INSTRUCTIONS AS TO ASSORTING AND PACKAGING CURRENCY, AND SEPARATION OF COIN, BE STRICTLY OBSERVED, AND NO FOREIGN OR MUTILATED SILVER COIN WILL BE ACCEPTED.

Yours very truly,



Governor.