

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, March 11, 1942

**To the Member Banks of the
Eleventh Federal Reserve District:**

War demands have made it necessary to conserve material and labor in the printing of currency. The Treasury Department has accordingly requested that all possible steps be taken to lengthen the life of paper currency. This bank, therefore, has lowered the standards which it uses in determining whether currency is fit for further circulation and will continue the circulation of some notes which heretofore have been sent to the Treasury Department for redemption.

Frequent delays have arisen in the shipment of Defense Bonds to the various distributing agencies because the Bureau of Engraving and Printing could not turn them out fast enough. Therefore, the lowering of the standard of fitness of currency for further circulation will permit the diversion of a substantial part of the facilities of the Bureau for the production of Government securities. In order to treat all banks fairly, it will be necessary hereafter to fill orders for new currency only when the supply of currency on hand fit for circulation is depleted.

Shipments received from some member banks contain a large percentage of currency fit for further circulation, much of which might have been retained in anticipation of early needs. Moreover, in many cases the number of money shipments to and from this bank might have been reduced by an interchange of currency between local banks.

Your cooperation is requested in explaining this step to your customers and also in your sorting of currency for shipment to us.

Yours very truly,

R. R. GILBERT

President

FOR DEFENSE

