

**FEDERAL RESERVE BANK**  
**OF DALLAS**

Dallas, Texas, July 28, 1954

**Payment of Federal Reserve Notes of Other  
Federal Reserve Banks of Issue**

**To the Member and Nonmember Banks  
in the Eleventh Federal Reserve District:**

On July 19, 1954, Section 16 of the Federal Reserve Act was amended by Public Law 514. Federal Reserve Banks may now pay out Federal Reserve notes issued by other Federal Reserve Banks, a practice hitherto prohibited under penalty of a tax.

In the past all Federal Reserve notes in our currency shipments to the member and nonmember banks in this district have been notes of this bank (so-called 11-K notes) ; future shipments may include notes of other Federal Reserve Banks. It is estimated that the change in the law and in Federal Reserve practice will effect significant operating economies.

This advice is sent to you as a matter of information and interest.

Yours very truly,

**WATROUS H. IRONS**

**President**