

Remarks by

Alan Greenspan

Chairman

Board of Governors of the Federal Reserve System

Washington, D.C.

Announcement of

New Currency Design

Bureau of Engraving and Printing

Washington, D.C.

May 20, 1998

Thank you, very much, Mr. Secretary. I needn't tell you that the Federal Reserve is quite pleased to be part of this event.

As many of you know, the Federal Reserve has the responsibility of putting currency into circulation through the banking system.

We are most gratified with the successful introduction of the new \$100 and \$50 notes. To date, about two thirds of all \$100 bills and about a third of all \$50 bills are the new Series 1996 notes.

Banks obtain the currency they need for their customers from their district Federal Reserve Banks, and they dispose of surplus currency by returning it to their Reserve Banks.

In this process the Reserve Banks also determine whether each note is in good enough condition to be recirculated and to verify each note for genuineness.

Approximately two thirds of all notes received by the Reserve Banks in incoming deposits are fit enough to be recirculated.

The remaining third -- which are worn out or soiled -- are destroyed and replaced by new notes obtained from the Bureau of Engraving and Printing.

... So, rest assured that the Department of the Treasury and the Federal Reserve System remain firmly committed to that goal.

And now, Mr. Secretary, I believe we are ready to introduce the redesigned currency.