

For release on delivery
10:00 a.m. EST
May 13, 2003

Remarks by

Alan Greenspan

Chairman

Board of Governors of the Federal Reserve System

at the

Bureau of Engraving and Printing

Unveiling of the Redesigned U.S. \$20 Note

Washington, D.C.

May 13, 2003

Thank you, Tom. On behalf of the Federal Reserve, I am pleased to be with you all as we unveil the newly designed \$20 note.

The soundness of a nation's currency is essential to the soundness of its economy. And to uphold our currency's soundness, it must be recognized and honored as legal tender and counterfeiting must be effectively thwarted.

The Federal Reserve was founded nearly ninety years ago to provide the nation with a safer, more flexible and more stable monetary and financial system. Although the Fed does not print the currency, we put it into circulation through the nation's banking system.

To ensure confidence in the authenticity of our currency, we verify each note as it passes through the Federal Reserve System. This action, combined with aggressive law enforcement, is part of our ongoing commitment to protect our notes from counterfeiting.

We check all older notes to determine if they are in good enough condition to be re-circulated. If they are too worn or too soiled, they are replaced. Since the average circulation life of a new \$20 bill is only about two years, we expect that within a few years a high proportion of the \$20s in circulation will be of the new series.

All existing notes of course will continue to be legal tender. The United States has always honored its currency after issuance at its full face value. That is part of the reason our currency continues to be trusted and accepted by people throughout the world.

I am gratified that the last redesign of U.S. currency was a success and I trust we will repeat that success when we begin circulation of the new \$20 notes later this year.

The Federal Reserve is deeply committed to protecting our currency from counterfeiting, ensuring it is always accepted as legal tender and preserving its soundness. We are pleased to join with the Treasury, the Bureau of Engraving and Printing, the Secret Service and everyone represented here today in meeting those commitments.

Thank you very much.