

(Reference to 251)

FEDERAL RESERVE BANK
OF NEW YORK

NEW CURRENCY

New York, April 24, 1918.

TO MEMBER BANKS, STATE BANKS, AND TRUST COMPANIES,
OF THE SECOND FEDERAL RESERVE DISTRICT:

The following letter has been received from the Federal Reserve Board:

"The Board is advised by the Division of Issue and Redemption that redemptions of Federal Reserve notes are running in very large amounts and that, in many instances, notes are sent in which are fit for circulation.

The Board understands, of course, that there is a strong preference and demand for new bills, but in times like the present, when it is necessary to economize in all directions, it seems to me that the spirit of economy should be extended also to the use of currency. **It is suggested, therefore, that Federal reserve banks ask their member banks to continue to pay out Federal reserve notes as long as they are reasonably fit for use, and to refrain from sending notes to Washington for reissue unless they are so worn or soiled as to be actually unfit for circulation.** The capacity of the Bureau of Engraving and Printing is strained to the utmost, and the Board feels that the banks and the public can render a public service by acting upon this suggestion.

Very truly yours,

(Signed) W. P. G. HARDING,

Governor."

It is hoped that member banks, state banks and trust companies of this district will use every effort to impress upon their customers the need of economy in this connection and will appeal to their patriotism not to require new currency when other notes fit for circulation are available.

Respectfully yours,

BENJ. STRONG,

Governor.