

FEDERAL RESERVE BANK
OF NEW YORK

November 26, 1963

NEW \$1 FEDERAL RESERVE NOTES

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

The following statement was made public today in Washington:

The Board of Governors of the Federal Reserve System and the Treasury Department announced today that more than 50 million new \$1 Federal Reserve notes are going into circulation. Issuance of the new \$1 notes, authorized by Congress last June, has already begun at all 12 Federal Reserve Banks and their 24 Branches to commercial banks in every part of the country. This will make more silver available for coinage purposes and help to meet the increased demand for currency in connection with pre-Christmas business.

To facilitate the widest possible distribution, the initial supply of the new notes is being distributed through normal commercial banking channels; none of the first 50 million notes will be available to the public at any of the Federal Reserve Banks or Branches.

The new \$1 Federal Reserve notes closely resemble the present \$1 silver certificates, which ultimately they will replace completely. The back of the new notes and the portrait of George Washington on the face will be exactly the same as the silver certificates. The main difference will be the addition of a symbol, appearing to the left of the portrait, identifying the issuing Federal Reserve Bank, and the wording on the face of the bill. The notes bear signatures of the Secretary of the Treasury and the Treasurer of the United States, as do Federal Reserve notes of other denominations.

The new notes will read (above the portrait): "THE UNITED STATES OF AMERICA" and (below the portrait) "ONE DOLLAR." The legend stating that the bill "IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE," appearing on the silver certificates will also appear on the new Federal Reserve notes, but the new notes will not contain any reference to silver. Thus, they will not carry the language: "THIS CERTIFIES THAT THERE IS ON DEPOSIT IN THE TREASURY OF THE UNITED STATES OF AMERICA" (above portrait) and "ONE DOLLAR IN SILVER PAYABLE TO THE BEARER ON DEMAND" (below the portrait).

Federal Reserve notes have been the basic circulating currency of the United States for many years, comprising over 85 per cent (more than \$30 billion) of the face amount of all currency in circulation today. They are backed 100 per cent by collateral in the form of gold certificates, U. S. Government securities, or short-term paper discounted or purchased by the Federal Reserve Banks.

ALFRED HAYES,
President.