

At Cir 7968

FEDERAL RESERVE BANK
OF NEW YORK

October 8, 1976

*To the Chief Executive Officers of all Banking Institutions
in the Second Federal Reserve District:*

We are grateful for the help banks in the Second Federal Reserve District have provided over the past six months in reintroducing the \$2 bill into circulation. Any change in currency denominations involves complicated and time-consuming readjustments. Your support has been important.

Despite the willingness of banks in this area to participate in the circulation of the new bills, public acceptance has been slower than had been hoped.

Although the \$2 bill has a 200-year history as part of our currency, it has been out of circulation long enough to have been forgotten. It will take time to reestablish acceptance of the \$2 bill and your continued support is needed to ensure its success.

As you may know, 400 million \$2 bills have been printed, and subsequent issues of similar magnitude are planned. Widespread use of the bill could save the Federal Reserve and the Treasury \$35 million over the next five years and could substantially reduce counting, sorting, and handling costs in your institution.

It would be very helpful if you would once again remind your tellers to order and pay out the \$2 bill as a normal part of their daily transactions and urge them to encourage customers to use it.

I would appreciate any comments or suggestions you or your colleagues might have in this matter. Please feel free to contact me with your thoughts.

THOMAS M. TIMLEN,
*First Vice President and
Chief Administrative Officer.*