

FEDERAL RESERVE BANK
OF NEW YORK

Cash Department

[Circular No. 281]
[May 26, 1920]

See also 297

New Currency

To each Member Bank in the Second Federal Reserve District:

As you are no doubt aware, the Bureau of Engraving and Printing has been working for some time under heavy pressure in producing permanent Liberty bonds. At the same time it has been called upon to keep up the printing of the increased amounts of Federal Reserve notes and other paper currency now required.

In view of the difficulties surrounding the production of new currency, which we believe are merely temporary, the authorities at Washington have urged us to keep at a minimum the demand for new bills. Consequently since the first of the year it has been necessary to make notes in circulation serve longer than theretofore, and to include in our currency shipments a substantial proportion of notes that have been used, but nevertheless have been fit for circulation. We invite your help and that of your customers in conserving the supply of new paper money, and are confident that they will readily understand the reason why fresh notes are not now available in the customary volume. This will insure the maintenance of our reserve supply of unissued paper currency, which of course is unimpaired.

The situation will naturally and gradually improve and we believe that within a reasonable time we shall be able to supply our member banks upon their request with substantial amounts of new currency as heretofore.

Very truly yours,

J. H. CASE,
Acting Governor