

# FEDERAL RESERVE BOARD

WASHINGTON

December 22, 1921.

X-3279

SUBJECT: Shipments by Federal Reserve Banks of Fit and  
Unfit Federal Reserve Notes

Dear Sir:

At the recent Governors' Conference it was voted that each Federal Reserve Bank should absorb the cost of shipments of fit as well as unfit Federal Reserve notes of other Federal Reserve Banks, except the cost of insurance. The Board approves and suggests that banks begin as of January 1, 1922 to absorb the costs of such shipments.

The Conference also voted to submit to the Board for its approval the matter of the Federal Reserve Banks settling shipments of "other" Federal Reserve notes through the Federal Reserve Board in a manner similar to the present daily settlement of collected funds through the gold settlement fund. The Governor of the Federal Reserve Bank of Chicago was authorized by the Conference to work out and submit to the Board for its approval a plan by which such settlement could be effected. The plan submitted by Governor McDougal appears to be satisfactory and in the course of the next few days all Federal Reserve Banks will be advised as to the details thereof and advice will be given also of the date upon which the Board will be ready to begin handling the settlements.

Very truly yours,

G o v e r n o r .

To the Governors of all Federal Reserve Banks.