

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9248

June 27, 1935.

Dear Governor

As you have already been advised, insurance of shipments of unissued Federal Reserve Notes from Washington to the reserve banks and their branches and also of Federal Reserve Notes from the banks and their branches to the National Bank Redemption Agency will not be effected under Treasury policies after June 30, 1935. It is therefore necessary that this insurance be effected under policies held by the banks with respect to all shipments made on and after July 1, 1935. It is understood that the policies for registered mail insurance now held by all banks will cover this risk provided the usual declaration of such shipments is made. If the policy of your bank will not cover such movements, arrangements should be made at once so that it will cover them as suggested in letter dated June 14, 1935, addressed to all Governors by the Chairman of the Insurance Committee.

The Insurance Committee has recommended the following procedure with respect to the insurance of shipments of unissued Federal Reserve Notes from Washington to the Federal Reserve banks and branches.

1. That each bank declare for insurance under its own policy in the usual manner each shipment at the time requisition is forwarded to the Federal Reserve Board.
2. That the form of requisition sent to the Federal Reserve Board in connection with these shipments include a statement that the

insurance has been effected by the bank so there may be no question regarding this matter.

In order to provide for making effective recommendation No. 2 above, the following amendment is made in the interpretation of the code word "CHINKIRK", the amendment consisting of the addition of the underlined sentence.

CHINKIRK Please request Comptroller of the Currency to ship (Federal Reserve Agent, Assistant Federal Reserve Agent, Bank or Branch) Federal Reserve Notes as follows: (Amount) (denomination). Shipment will be insured here. Confirmation is being forwarded today by mail.


The phrase added to this telegram, namely, "Shipment will be insured here." should also be typed on Form 45 immediately below the schedule of denominations with respect to all requisitions for shipments on or after July 1, 1935.

Under the form of registered mail insurance policy held by the reserve banks, it is the Board's understanding that it is not necessary to declare shipments for insurance prior to the time the shipment is either made or received, but in view of the amounts involved in these shipments it is believed the banks will generally prefer to declare them prior to the actual receipt of the currency. If for any reason a shipment which has been ordered should not be actually made, or if it should be made in a different amount, correction of the insurance can be effected by either a new or an additional declaration,

or a cancellation of the original declaration.

Shipments of Federal Reserve Notes by the banks and branches to the National Bank Redemption Agency and also of cancelled coupons to the Treasury Department will be insured under the bank policies by declaring the shipments in the usual way at the time they are made.

Very truly yours,



Chester Morrill,
Secretary.

TO ALL GOVERNORS.