

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

November 6, 1919.

CONFIDENTIAL

RAISING OF DENOMINATIONS OF PAPER MONEY

TO ALL BANKS IN DISTRICT NUMBER SEVEN:

For your information, we quote below text of a communication addressed to the Federal Reserve Board, Washington, D. C., by the Chief of the Secret Service Division of the Treasury Department:

"There have been very extensive note-raising operations developed throughout the country recently. Agents of this Service are exerting every effort to suppress the industry, and are almost daily effecting arrests in connection therewith.

In this campaign we have enlisted the co-operation, among others, of the banks, requesting them, to promptly notify our agents or some other officer of the law of the receipt of, or any information relating to, this altered currency. We have also requested the banks to carefully note the receipt of any notes, of denominations from \$5 up, that have been mutilated by having the ends torn or cut off, and inform the nearest agents of this Service as quickly as possible of the receipt of these mutilated notes, and from whom they were received if possible.

We base this request on the fact that the method employed by the note raiser, in some instances, is to remove the ends from bills of the larger denominations to be used in raising the bills of smaller denominations. It then becomes necessary to realize on the mutilated bills by presenting them at the banks or the business houses."

We earnestly request your co-operation in order that this industry may be suppressed.

Very truly yours,

JAMES B. McDOUGAL

Governor.