

EX OFFICIO MEMBERS

CARTER GLASS
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

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ALBERT STRAUSS, VICE GOVERNOR
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W. M. INLAY, FISCAL AGENT

November 1, 1919.

X-1711

CONFIDENTIALSubject: Note Raising Operations.

Dear Sir:-

For the information of your Board of Directors and for such action as they may deem proper, I quote below the text of a communication received from 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 cooperation, 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.

While we have endeavored to cover the field and get in touch with as many of the banks as possible, it is realized that with our limited force it is possible that we may not reach all of them and impress on them the great importance of this cooperation. I therefore respectfully request that the Federal Reserve Board communicate with the regional banks on this subject, urging them to lend this important aid to the Secret Service, and that they communicate this request to all member banks as a confidential communication."

Very truly yours,

Governor.

Letter to Chairmen of all Federal Reserve Banks.