

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7202

July 18, 1932.

SUBJECT: Shipments of Canceled Currency
Under New Postal Regulations.

Dear Sir:

An inquiry has been received as to the effect of the new rates on registered mail upon shipments of canceled currency to Washington. Since the matter affects the Treasury Department, advice from that Department has been requested. A copy of the reply signed by Under Secretary Ballantine is inclosed, and your attention is directed to the statement in the letter that such currency "no longer possesses money value". In the circumstances it would seem unnecessary to declare a value upon such shipments which would make them subject to the surcharges prescribed by the new regulations.

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO ALL F. R. AGENTS.

C O P Y

X-7202-a

TREASURY DEPARTMENT

WASHINGTON

July 13 1932

Dear Mr. McClelland:

Referring to your communication of the 7th to the Commissioner of the Public Debt, with which you enclosed a copy of a wire from the Federal Reserve Bank of Dallas, I think it will be appropriate for you to advise that bank, and any other banks, that paper currency which has been redeemed, canceled, and cut in halves no longer possesses money value. Of course, the canceled halves are important as vouchers, but under the procedure in effect - the second halves not being forwarded until receipt of the first halves is acknowledged by the Treasury - there is almost no chance of loss.

Very truly yours,

(S) A. A. BALLANTINE
Under Secretary of the Treasury

E. M. McClelland, Esq.,
Assistant Secretary,
Federal Reserve Board.