

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9281

August 12, 1935

SUBJECT: Coin and Currency Shipments.

Dear Sir:

There is inclosed a copy of a letter received from the Third Assistant Postmaster General, together with a copy of the Board's reply thereto, with reference to affording the maximum protection available for coin and currency shipments valued at \$250,000 or more, made from Washington to Federal Reserve banks and branches. The matter is brought to your attention for your information and consideration in connection with the protection of your bank under any policy of insurance covering the shipments referred to.

Very truly yours,

Chester Morrill,
Secretary.

Inclosures

TO GOVERNORS OF ALL FEDERAL RESERVE BANKS

COPY

X-9281-a

POST OFFICE DEPARTMENT
THIRD ASSISTANT POSTMASTER GENERAL
WASHINGTON

July 10, 1935.

The Federal Reserve Board,
Washington, D. C.

Gentlemen:

With a view to affording the maximum protection available for coin and currency shipments valued at \$250,000 or more, made from Washington by the Treasury Department, mainly addressed to Federal Reserve Banks and branch Federal Reserve Banks, including Federal Reserve funds mailed by the Treasury Department on orders from the Federal Reserve Board, and inclosed in direct pouches closed with rotary locks of special combination, the Department is contemplating the inauguration of an arrangement whereby the postmaster at Washington, or his authorized representative, will be given information, at the time of mailing, when such shipments of coin and currency valued at \$250,000 or more, are made.

It is expected that in turn the postmaster at Washington, or his authorized representative, will inform the Superintendent of the Third Division, Railway Mail Service, at Washington, or his authorized representative, as to these mailings valued at \$250,000 or more, and that the Superintendent of the Third Division, Railway Mail Service, will when considered advisable cause such telegraphic advance notice to be given, in a confidential manner, of these particular mailings, as will result in the shipments being accorded the maximum protection available en route and between the railway stations and the post office after the shipments reach their destinations.

The proposed arrangement has been made the subject of an investigation by a post office inspector, who has recommended in part as follows:

"2. That the Custodian of the Federal Reserve Vault and the Foreman in Charge of the Treasury Branch of the Registry Section, notify the Assistant Superintendent of Mails in charge of that Section, of shipments of currency to the value of \$250,000 or more."

It is understood that at present the Bureau of Engraving and Printing furnishes the postmaster at Washington, D. C., such bills or

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lists of the Federal Reserve mailings as enable the Washington, D. C., office to determine the value of any particular shipment. It will therefore be a simple matter for the postmaster at Washington to furnish information to the Superintendent of the Third Division, Railway Mail Service, or his authorized representative, when a shipment to any particular consignee is valued at \$250,000 or more.

As the proposed arrangement has for its object, as stated, the more adequate protection of registered mail of large value during the course of its transportation, through advance notice, in a confidential manner, of the dispatch of the matter from Washington, it is presumed that the proposed arrangement will be viewed with favor by you; however, if you desire to submit any comments or suggestions regarding the matter, they will receive careful consideration.

An early reply will be appreciated.

Very truly yours,

(Signed) C. B. Eilenberger

Third Assistant Postmaster General.

COPY

X-9281-b

August 12, 1935.

Mr. C. B. Eilenberger,
Third Assistant Postmaster General,
Post Office Department,
Washington, D. C.

Dear Mr. Eilenberger:

This refers to your letter of July 10, 1935 and to a letter from the Acting Third Assistant Postmaster General of July 24 with reference to affording the maximum protection available for coin and currency shipments valued at \$250,000 or more, made from Washington to Federal Reserve banks and branches, and to our acknowledgement thereof dated July 30.

It is noted from your letter that the Department is contemplating the inauguration of an arrangement whereby the postmaster at Washington, or his authorized representative, will inform the Superintendent of the Third Division, Railway Mail Service, at Washington, or his authorized representative, as to mailings of Federal Reserve notes valued at \$250,000 or more, and that the Superintendent of the Third Division, Railway Mail Service, will when considered advisable cause such telegraphic advance notice to be given, in a confidential manner, of these particular mailings, as will result in the shipments being accorded the maximum protection available en route and between the railway stations and the post offices after the shipments reach their destinations. It is noted also that the postmaster at Washington, D. C., is now furnished information that enables him to determine the value

Mr. C. B. Eilenberger - #2.

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of any particular shipment, and that it would, therefore, be a simple matter for him to furnish such information to the Superintendent of the Third Division, Railway Mail Service.

You state in your letter that it is presumed the proposed arrangement will be favored by the Board but that you will give careful consideration to any comments or suggestions regarding the matter the Board may wish to submit. The Board feels that the extent to which information regarding valuable mail shipments furnished to the Post Office Department is used by it for the protection of such shipments while in its possession is a matter for the determination by the Post Office Department. It, therefore, has no suggestions to offer in connection with the proposed procedure, but it is assumed that utmost care will be exercised to see that advice of such shipments is furnished only to such person or persons as may be necessary to insure the proper handling and protection of the shipments while they are in the possession of the Department.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.