

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

R-532



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

September 11, 1939.

Dear Sir:

Referring to our letter of July 24, 1939 (R-512), with regard to the declaration of value in the shipment of Government securities by express, there is enclosed herewith merely for your information a copy of a letter received from the Vice President of the Federal Reserve Bank of St. Louis, together with a copy of a letter received by that bank from the St. Louis Division of the Railway Express Agency with regard to this subject.

Very truly yours,

L. P. Bethea,  
Assistant Secretary.

Enclosures 2.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS EXCEPT ST. LOUIS.

COPY

H-532-a

FEDERAL RESERVE BANK  
OF  
ST LOUIS

August 29, 1939.

Board of Governors of the  
Federal Reserve System,  
Washington, D. C.

Attention: Mr. Morrill.

Gentlemen:

The Board of Governors letter R-512 dated July 24, 1939, indicates that some of the Reserve banks in shipping securities by express are declaring such securities in certain instances at a nominal value and that by so doing Reserve banks may be failing to comply with the tariff regulations of the Interstate Commerce Commission.

At the request of member banks in other districts this bank has made some air express shipments of securities and declared them at a nominal or stated value rather than the par or market value. Since the question of proper declaration has been raised we contacted the local office of the Railway Express Agency requesting an opinion as to whether our practice in this connection would in any way be in violation of the tariff regulations. We have received an opinion on the subject and, believing that you may be interested, are enclosing a copy of it.

While we have not had any shipments of securities by rail express it would be our practice to declare as nearly as possible the actual value of the contents.

Very truly yours,

(Signed) O. M. Attebery

O. M. Attebery,  
Vice President.

COPY

R-532-b

RAILWAY EXPRESS AGENCYST. LOUIS DIVISION

August 28th, 1939

Federal Reserve Bank  
St. Louis, Missouri

5-A-2

Attention: Mr. Gilmore

Gentlemen:

Shipments of Bonds and Securities In  
Air Express Service

In connection with the discussion we had some time ago concerning the acceptance of bonds and securities for air express service via Railway Express Agency lines, I have the following interpretation from our General Traffic Manager Wheeler in New York City:

"Our Air Express Tariff No. 6 is all-inclusive; in other words, this tariff is not governed by our Official Express Classification, and any instructions in the Classification applying to a shipment of bonds and securities have no effect when such bonds or securities are forwarded exclusively in Air Express service; consequently there is no law violation or violation of our Classification when bonds and securities are forwarded exclusively by Air Express with less than the actual or market value declared by the shipper. However, any such shipments which may move part rail and partly by air would then come within the provisions of our Classification and actual or market value must necessarily be declared."

Yours truly,

(Signed) J. G. MARSTON  
Superintendent