

TRANSFER

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FEDERAL RESERVE BANK OF ST. LOUIS
ST. LOUIS 2, MISSOURI

October 11, 1951

*To All Banking Institutions in the
Eighth Federal Reserve District:*

In circular letter from this bank dated September 10, 1951, you were informed of the Mints' inability to supply coin to the Federal Reserve banks and branches in the full amounts needed. At that time the Director of the Mint had requested us to solicit the cooperation of commercial banks by asking the banks to hold no more coins in reserve than actually needed and for them to encourage their customers to place in circulation such coins as they may have accumulated beyond day to day needs. Since coins continue to be in short supply, we earnestly solicit your continued cooperation in taking all reasonable steps to ease the shortage.

In considering this problem the thought has occurred to us that undoubtedly a contributing factor in the present coin shortage is the unusual number of coins used in connection with the operation of coin vending machines which are used to dispense an ever increasing number of merchandise items, coin operated record players, and various other coin operated devices. Infrequent removal of coins from these coin operated machines would immobilize a considerable amount of coin thereby exerting further pressure on the supply. It is believed that if banks could encourage parties servicing these devices to make more frequent collections and to keep the coins lodged in them to an absolute minimum, it would be very helpful in combating the coin shortage.

The willingness of banks, despite an already heavy work load, to accept and handle deposits of loose coins is sincerely appreciated. Only in this way can the response to public appeal for release of idle coins be effective in alleviating the shortage.

Since the need to relieve the coin shortage is of real interest to all of us, your continued cooperation in these respects will be greatly appreciated.

DELOS C. JOHNS
President