TO THE MEMBER BANKS OF
DISTRICT NUMBER SEVEN:

The amount of gold and gold certificates in general circulation in the United
States is in excess of $500,000,000. This gold should be utilized as reserve money,
and to be most effective should be mobilized in the Federal reserve banks where it
becomes the basis for the extension of credit and the issue of Federal reserve notes,
thus strengthening the entire banking system of the country.

Federal reserve notes are the obligation of the Government and are redeem­
able in gold and can be used as a circulating medium in place of gold or gold
certificates. Under these circumstances, and in view of the recent amendment to
the Federal Reserve Act under which member banks may carry as vault or till
money any kind of United States coin or currency, including Federal reserve notes,
we earnestly request member banks to ship to us gold or gold certificates which
they may have on hand; and also that they set aside gold and gold certificates
received from their customers, paying out in lieu thereof Federal reserve notes,
national bank notes, silver certificates or legal tender notes.

For the present we will pay transportation charges on gold coin or gold
certificates, accepting gold coin subject to deduction for abrasion. In return we
will supply free of shipping charges Federal reserve notes in denominations of
$5, $10, $20, $50, and $100, or will place the amount to the credit of the remitting
bank, either in its account with us or in any designated bank in the city of
Chicago.

Shipments should be made direct to the Assistant Treasurer of the United
States, Chicago, for our credit with advice to us of the amount shipped. Banks
having arrangements for the insurance of currency shipments are requested to
forward gold certificates by registered mail, insured, with advice to us of the
amount of the charges which will be refunded.

It is hoped that all member banks will avail themselves of this opportunity
to assist in the mobilization of the gold of the country.

Respectfully,

JAMES B. MCDougAL
Governor.