TO THE BANK ADDRESSED:

In connection with the Second and the Third Liberty Loans the Federal Reserve Bank of Chicago desires that all outstanding, uncompleted contracts be closed up at the earliest convenient date. Consequently the following suggestions are made:

1st- Where customers subscribed on either Government plan, partial payment plan, or through Liberty Loan Clubs, and are delinquent in their payments, notify such customers to call at once and make settlement.

2nd- Where customers have borrowed money using Liberty Bonds as collateral, make an effort to reduce such loans at each maturity and have them paid off entirely wherever possible. A slightly increased interest rate at the end of each 90 day period is suggested as an effective means of accomplishing this result.

Under current conditions, the necessity and the importance of maintaining the banks of this district in a liquid condition are obvious, and it is to this end that the foregoing suggestions are respectfully made.

Very truly yours,

J. B. McDougal,
Governor.