

FEDERAL RESERVE BANK  
OF NEW YORK

NEW YORK, May 24, 1918.

TEMPORARY RETIREMENT OF SILVER CERTIFICATES.

TO THE CASHIER,

SIR:

For the purpose of conserving the Nation's gold supply, permitting the settlement in silver, where practicable, of adverse trade balances, providing silver for subsidiary coinage and commercial use, and assisting Allied Governments in the war against Germany, Congress has recently authorized \$350,000,000 of the silver dollars held in the United States Treasury to be broken up and sold as bullion. As most of the silver thus held is represented by silver certificates in circulation, **it can only be obtained by the return of silver certificates to the Treasury for cancellation.**

The withdrawal of silver certificates from circulation is not intended to be permanent, as the Act provides that the Director of the Mint, as soon as practicable after a sale of silver bullion has been made, shall purchase a like quantity of silver to take the place of the bullion sold. To provide temporarily the necessary circulating medium during the interim between the withdrawal of the silver certificates and their subsequent reissue when the silver supply has been replenished by purchases of silver, Federal reserve banks will issue **Federal reserve bank notes** in denominations of \$1.00, \$2.00, \$5.00 and upward. These notes will be obligations of the Federal reserve banks secured by United States certificates of indebtedness or bonds and similar otherwise to national bank notes.

We ask the banks of this district to cooperate with the Government by furnishing us with their present supply of \$5.00 silver certificates, which can be replaced in circulation at once by Federal reserve notes, Federal reserve bank notes, or United States notes. In a few weeks, when Federal reserve bank notes of the \$1.00 and \$2.00 denominations are ready, a request will also be made that silver certificates in these denominations be sent in.

**Will you not, therefore, please sort out of your cash and forward to us, at our expense, all silver certificates of \$5.00 and upward which you may have on hand or receive from time to time, in return for which we will either,**

- (a) Furnish you, free of expense, other currency of the same or larger denominations, as you may prefer, or
- (b) Place the amount to your credit in this bank or in any designated bank in this city.

We feel confident that you will be willing to cooperate with the Government in furnishing it the silver it needs for its own requirements and those of its Allies.

Awaiting your response to this, we are

Very truly yours,

BENJ. STRONG,  
*Governor.*