

Act 5498A

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 RE 2-5700

May 20, 1964

To the Chief Executive Officer
of the Member Bank Addressed:

The purpose of this letter is to request your cooperation by completing and returning to this Bank in the enclosed envelope the attached questionnaire concerning the current shortage of U. S. coin. We hope you can do so by May 28, 1964. We are also requesting a selected number of other member banks to do the same.

This Bank, the other Federal Reserve Banks, and the Board of Governors of the Federal Reserve System have made continuing efforts to keep the U. S. Treasury apprised of the coin situation but, except for statistics relating to our own coin operations, there is little factual information which will serve to explain the existing shortage. Furthermore, we have little factual information concerning the difficulties and expense that our member banks may be incurring in order to meet the demand of their customers for coin. The purpose of the questionnaire is to develop as much of such factual information as is possible. A similar effort is being made by each of the other Federal Reserve Banks.

As you may know, the Treasury has asked the U. S. Congress for an appropriation which will permit around-the-clock production of coin at its existing facilities, and has also asked for an appropriation which will permit the U. S. Treasury to move ahead with its plans for the construction of additional minting facilities. In the meantime, we stand ready to encourage the adoption of any steps that will ease the existing shortage in a fair and equitable manner.

We wish to assure you that your answers to the questionnaire will be held in strict confidence. Many thanks for your cooperation.

Sincerely yours,

William F. Treiber

William F. Treiber
First Vice President

Enclosures

May 20, 1964

QUESTIONNAIRE CONCERNING CURRENT COIN SHORTAGE

(A full response to the questionnaire will be greatly appreciated.
If space for an answer is insufficient, please attach a rider.)

1. Have you had any serious difficulty in supplying the coin needs of your regular customers? _____ If so, what steps have you taken to augment the supply obtained from the Federal Reserve Bank of New York?

2. Have you paid any premiums or incurred extra expense to obtain coin from other than your usual sources of supply? _____ If so, from what sources?

3. Have you lost any accounts because of your inability to meet demands for coin?

4. Do you have any evidence that the shortage of coin is impeding normal business transactions? _____ If so, please cite specific examples.

5. Have you or any of your customers written to the Treasury or your Congressmen to complain about the coin shortage?

6. The Mint produced 3.6 billion coins in the fiscal year ended June 30, 1963. It is estimated that 4.4 billion will be produced in the fiscal year ended June 30, 1964 and 5.0 billion in fiscal 1965. The number of coins retired because of their unfit condition is negligible. In the light of these figures, what do you consider to be the principal reasons for a shortage; greatly increased use? increased coin activity on the part of collectors and dealers? hoarding? other?

(Over)

7. Are your current holdings of coin considered normal, less than normal, or more than normal for your needs at this time?

8. Do you know of any customers who are holding abnormal supplies of coin?

9. Have any of your customers requested sealed bags of new coin? _____
If so, have you met such requests?

10. Have you had requests for loans against coin, with the coin or warehouse receipt as collateral? _____ If so, have you made such loans?

11. How much coin (in dollars) do you need at this time, if it were available, to place your bank in an adequate coin position?

Pennies	\$ _____
Nickels	_____
Dimes	_____
Quarters	_____
Halves	_____
Total	\$ _____

12. Can you estimate your average weekly net coin needs (in dollars) from this Bank for a typical week in

	<u>1961</u>	<u>Today</u>	<u>1965</u>
Pennies	\$ _____	\$ _____	\$ _____
Nickels	_____	_____	_____
Dimes	_____	_____	_____
Quarters	_____	_____	_____
Halves	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

13. What steps would you advocate to alleviate the shortage until adequate production facilities can be constructed?

(Name of bank)

(Signature)