

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

April 23, 1919.

To the Bank Addressed:

Reports continue current, indicating that in some communities there is a disposition on the part of banks to underwrite the Victory Liberty Loan without engaging in an intensive popular campaign.

May I take this opportunity to impress upon you the necessity and the importance of securing the widest possible distribution of the Victory Loan, this for the reason that should there be a general disposition on the part of banks to underwrite the offering, the result would be nothing short of a public calamity. On the other hand, with the bonds lodged in the hands of the public - individuals, firms and corporations - the banks will be left in a strong position to meet,

First: Future temporary requirements of the Government, which we are officially advised must be met through a continuation of the sale of Treasury Certificates of Indebtedness; and

Second: The legitimate and increasing requirements for general business purposes.

Success in full measure can only be attained through a wide, general distribution of the Victory Liberty Loan, and we earnestly request your efforts with a view to achieving this end.

Very truly yours,

JAMES B. McDOUGAL,

Governor.