

**FEDERAL RESERVE BANK
OF DALLAS**

Dallas, Texas, March 6, 1963

**To All Banks in the
Eleventh Federal Reserve District:**

The latest survey by Federal Reserve banks to measure progress in the Magnetic Ink Character Recognition Program of the American Bankers Association indicates that almost 79 percent of the checks cleared through the Federal Reserve System bear the drawee bank's MICR transit number. However, only 63 percent of those cleared through the Reserve bank offices of this District are preprinted, which is one of the lowest percentages in the System. An analysis of magnetic ink printing by banks located in states in this area shows the following information:

<u>States</u>	<u>Banks in 11th District</u>	<u>Percent of Preprinting All Banks in State</u>
Arizona	62	71
Louisiana	55	64
New Mexico	68	74
Oklahoma	46	66
Texas	63	63

It has been the policy of this bank to cooperate with the American Bankers Association by assisting in the promotion of the MICR program, amount encoding checks in magnetic ink for banks having high-speed equipment, and planning for the installation in the Reserve bank offices of this District of high-speed equipment when a reasonable percentage of checks are preprinted with the MICR transit number.

The Federal Reserve Bank of Dallas and its branches encouraged banks to adopt the MICR program by articles, speeches, surveys, and related publicity. In the fall of 1961 the Reserve bank installed 22 proof inscriber machines at its Dallas office and shortly thereafter installed others at its San Antonio and Houston offices. Finally, in early 1963 a contract was signed for the delivery of a high-speed check handling system at the Dallas bank. High-speed systems will be installed at the other offices as soon as practicable.

In company with the Reserve bank's installation, there are a number of commercial banks in the District that either are using or plan to use in the near future high-speed equipment for the processing of transit items. Therefore, banks are urged to move forward with their preprinting program as rapidly as possible in order to maximize the efficiency of the check collection system.

Survey figures of the Eleventh District are furnished on the other side of this letter.

Yours very truly,

Watrous H. Irons
President

BREAKDOWN BY RESERVE OFFICES OF THE ELEVENTH DISTRICT

<u>Office</u>	<u>Number of Checks Surveyed</u>	<u>Number of Checks Conforming</u>	<u>Percentage of Conformity</u>
Dallas			
City	41,045	35,818	87
Country	260,950	160,889	62
El Paso			
City	10,608	8,191	77
Country	30,548	20,348	67
Houston			
City	23,989	16,369	68
Country	132,927	86,088	65
San Antonio			
City	27,053	16,144	60
Country	141,023	77,752	55

BREAKDOWN FOR CERTAIN LARGER POINTS

<u>City</u>	<u>Number of Checks Surveyed</u>	<u>Number of Checks Conforming</u>	<u>Percentage of Conformity</u>
Abilene, Texas	3,043	1,771	58
Amarillo, Texas	5,596	3,034	54
Austin, Texas	7,373	5,048	68
Beaumont, Texas	7,510	6,666	89
Corpus Christi, Texas	9,176	5,670	62
Fort Worth, Texas	7,859	6,397	81
Lubbock, Texas	5,370	2,903	54
Waco, Texas	3,242	1,641	51
Wichita Falls, Texas	4,923	3,378	69
Tucson, Arizona	2,138	1,446	68
Shreveport, Louisiana	10,096	5,054	50
Roswell, New Mexico	1,186	816	69
Durant, Oklahoma	564	238	42