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ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

May 13, 1919.

X-1534

Subject: Campaign for Par Points.

Dear Sir:

Four hundred and twenty-nine (429) banks were added to the par list during April, and a total of twelve hundred and seventy (1270) since January 1st. Of this number over eight hundred are in Districts Seven and Eight. The Victory Loan campaign is completed, and you are now asked to put the power of your bank organization back of a determined effort to place every solvent bank upon the par list of your District. Every non-par bank should be reached either by correspondence, or by a personal visit of a representative of your Bank who is thoroughly familiar with the transit system. This latter plan has been very successful in two districts.

The prospect of the extension of the par territory by States is more favorable than by districts. For instance, from present indications the trend will be westward from the Atlantic, and probably eastward from the Pacific States:

PAR TERRITORY

	<u>Districts</u>		
New England (6 States)	1 and 2	All banks	
New York	2	" "	
New Jersey	2 and 3	" "	
Delaware	3	" "	
		<u>Number of non-par banks</u>	
Maryland	5	28	
Pennsylvania	{ 3	52	
	{ 4	43	95

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	<u>Districts</u>	<u>Number of non-par Banks</u>
Ohio	4	200
Michigan	7	324
Indiana	7 and 8	292
Illinois	7 and 8	267

Attention is called to the above table just to show the possibility of the extension of par lists by States. For instance, where a State is in two Federal Reserve Districts, the campaign in both sections of <sup>the</sup> State should be simultaneous.

A statement is frequently made to the Reserve Bank representatives by officers of the non-par banks, that such banks will not agree to remit at par until the Reserve Bank is in a position to place all banks in the State on the par list.

It is recognized, of course, that in some States an irreducible minimum will shortly be reached. It has been suggested that, in justice to the banks that are now on the par list, in such States a date should be fixed, up to which time an intensive campaign should be made and every non-par bank given an opportunity to voluntarily join the par collection system, but after which time the Reserve Bank should adopt such means as may be necessary to insure collection at par of items on all banks in such States.

The continued success of the collection system depends upon our ability to add at least four to five thousand banks to the par list. The par territory will spread if the Reserve Bank officials enter wholeheartedly into the movement. The Board realizes that difficulties in some districts appear almost insurmountable, but the objections will be gradually overcome and the system extended until items on every solvent bank are collectible through the Reserve Banks.

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The Board is confident that successful results will be attained in this campaign because it will be intelligently and carefully directed by the officers of Federal Reserve Banks who are familiar with the transit problems.

What progress will your Bank report by July 1st?

Very truly yours,

Governor.