

# FEDERAL RESERVE BOARD

700

WASHINGTON

August 21, 1923.

X-3816.

**SUBJECT: Improper Advertisements by State Member Banks.**

Dear Sir:

The Federal Reserve Bank of Chicago has recently adopted a method of correcting improper advertisements of State member banks which should prove to be very effective. In connection with correcting the advertising practices of one State member bank, it took the matter up with the advertising company which prepared the advertising cuts of this member bank and of many other banks in the country, and pointed out the objectionable features in all the cuts which the advertising company proposed to circulate for use by member banks. The advertising company was glad to cooperate in revising the cuts, and in this case the improper member bank advertisements were thus corrected at the source.

It is suggested that all Federal Reserve Agents get in touch with advertising companies which handle the advertising business of member banks in their districts and explain to them what forms of State member banks advertising are deemed to be improper, as indicated in the Board's circular letter X-3649 of February 28, 1923. It is believed that if this course is followed there will be considerably less difficulty in the future in connection with member bank advertisements.

By order of the Federal Reserve Board.

Very truly yours,

W. W. Hoxton,  
General Secretary.

TO ALL FEDERAL RESERVE AGENTS.