

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-3768

Dear Sir:

This will acknowledge receipt of your letter expressing your approval of the par clearance system.

Your letter will be brought to the attention of the Board and will have due consideration.

You are advised that there is opposition by the smaller banks of the country to the par clearance of checks, and they are threatening to take the matter to Congress with the purpose of having the Federal Reserve Act amended or repealed.

The question of legislation amending or repealing the Federal Reserve Act is one for Congress, and not, as I take it, for the Federal Reserve Board. If Congress is to be importuned to either amend or repeal the Federal Reserve Act, the result will depend largely upon the business men of the country, if they desire the perpetuation of the Federal Reserve System and the par clearance of checks.

The Board in attempting to follow the rules laid down by the Supreme Court of the United States, and even those rules are now being questioned, so it would seem there is to be some further agitation, and possibly litigation, pertaining to the whole subject.

You will understand that the Board is an administrative body, and only attempts to enforce such laws as may be enacted by Congress, and as construed by the courts.

Very truly yours,

Governor.