

FEDERAL RESERVE BOARD

X-4584

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WASHINGTON

April 14, 1926.

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: No-protest Minimum.

Dear Sir:

A poll of the Federal reserve banks taken in 1922 disclosed the fact that seven of the banks were in favor of a suggestion made at that time by the Executive Committee of the Clearing House Section of the American Bankers Association that the no-protest minimum should be increased from \$10 to \$20. However, at the Governors' Conference later in the year, it was unanimously voted that there should be a uniform no-protest minimum and that the Federal reserve banks should agree uniformly to adopt either the \$10 or \$20 limit, whichever was determined by a majority of the member banks to be preferable to them, it being the sense of the Conference that the Federal reserve banks should adapt their practice in this regard to the wishes and convenience of the majority of their members. Since that time, the records of the Board indicate that all Federal reserve banks have continued the \$10 minimum.

The American Bankers Association Committee has again brought this matter to the attention of the Board, stating that it wishes to dispose of same at the spring meeting of the Clearing House Section, and requesting the views of the Board. In order that the Board may be prepared to reply to this inquiry, it is requested that on or before April 28th you communicate to it the reasons which actuated your bank in continuing the \$10 minimum and your present views on the subject.

Very truly yours,

J. C. Noell,
Assistant Secretary.

TO ALL GOVERNORS.