

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-4689

October 12, 1926

SUBJECT: Conference Topic - Reduction in Reserve Requirements.

Dear Sir:

In passing upon applications from member banks located in outlying sections of reserve or central reserve cities, for reductions in their reserve requirements on demand deposits to 7% or 10%, respectively, the Board has followed the policy outlined in its letter of December 19, 1924 (X-4221), which was recommended to it by the Federal Reserve Agents at their conference in November of that year.

The Board now requests that the Federal Reserve Agents, at their forthcoming conference, consider the practicability of their reviewing at least once each year the situation with respect to member banks which have been granted the reduced reserve privilege, with a view to recommending to the Board revocation of its permission in the cases of member banks, the character of whose business shows a material change.

Very truly yours,

Edmund Platt,
Vice Governor.

(Enclosure)

TO ALL F. R. AGENTS