

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

December 4, 1926.

SUBJECT: Review of Situation of Member Banks in Outlying
Sections Granted Reserve Reductions.

Dear Sir:

Referring to the Board's letter of October 12, 1926, X-4689, and the consideration of the subject thereof at the recent Conference of Federal Reserve Agents, the Board has voted to request each Federal Reserve Agent to review at the end of the year the situation with respect to member banks located in outlying sections of reserve and central reserve cities, which have been granted permission to carry reduced reserves on demand deposits under the provisions of Section 19 of the Federal Reserve Act.

The Board would like to have the first review of the situation made as of December 31, 1926, and a report thereon from each Federal Reserve Agent as soon after the end of the year as practicable. It is expected that the report of each Federal Reserve Agent will deal individually with each bank which has been granted the reduced reserve privilege, and that in each case, in addition to such data and comment as the Agent may deem it desirable to submit, there will be set forth

- (1) Total deposits as of the date of approval of the bank's application.
- (2) Total deposits as of the date of the survey.
- (3) Amount due to banks as of the date of approval of the bank's application.
- (4) Amount due to banks as of the date of the survey.
- (5) Ratio of bank deposits to total deposits.

Very truly yours,

Walter L. Eddy,
Secretary.

TO ALL F. R. AGENTS.