

**FEDERAL RESERVE BANK  
OF DALLAS**

Circular No. 41.

September 20, 1916.

VAULT RESERVES

TO THE MEMBER BANK ADDRESSED:

The recent amendments to the Federal Reserve Act provide, in part, that the Federal Reserve Board shall have power.

"By general ruling covering all districts alike, to permit member banks to carry in the Federal Reserve Banks of their respective districts any portion of their reserves now required by Section 19 of this Act to be held in their own vaults."

In pursuance of the authority vested in it by this section the Federal Reserve Board has ruled that,

"Effective September 18, 1916, and until further notice, any member bank so desiring shall be permitted to carry in the Federal Reserve Bank of its district any portion of its reserves now required by law to be held in its own vaults."

Experience teaches each bank the amount of actual currency necessary for it to have in its own vaults to care for ordinary transactions, and this amendment to the Act and the ruling of the Federal Reserve Board should be particularly welcome to the member banks of this district, as by it they may relieve themselves of considerable responsibility and still have their reserve where it can be immediately shipped to them. in any form of currency desired.

If they desire to do so, our member banks may therefore increase the reserve they are carrying with us and correspondingly reduce the amount they are now required by law to carry in their own vaults.

Respectfully,

R. L. VAN ZANDT,

Governor.