

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, August 19, 1942

**To the Member Banks of the
Eleventh Federal Reserve District:**

There is enclosed a Supplement to Regulation D adopted by the Board of Governors of the Federal Reserve System, which covers the reduction of reserve requirements of member banks in central reserve cities to 24 per cent from the existing rate of 26 per cent, effective at the opening of business on August 20, 1942.

Simultaneously with the adoption of the supplement, the Board of Governors released the following press statement regarding its action:

“The Board of Governors today announced a reduction in reserve requirements to 24 per cent, from the existing rate of 26 per cent, of net demand deposits for central reserve city member banks in New York and Chicago. The reduction will become effective as of the opening of business on August 20, 1942. This action is in accordance with the Act of July 7, 1942, which gave to the Board the power to change reserve requirements of member banks in central reserve cities without changing requirements for member banks in other cities.”

While the reduction does not affect member banks in this district, they are being advised in regard thereto as a matter of information. The enclosed supplement should be inserted in the ring binder containing current bulletins of this bank and the regulations of the Board of Governors of the Federal Reserve System.

Yours very truly,

R. R. GILBERT

President



**BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM**

SUPPLEMENT TO REGULATION D

Effective as to each member bank at the opening of
business on August 20, 1942

*Reserves required to be maintained by member banks
with Federal Reserve banks*

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 2(a) of its Regulation D, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances which each member bank of the Federal Reserve System is required to maintain on deposit with the Federal Reserve bank of its district:

6 per cent of its time deposits plus—

14 per cent of its net demand deposits if not in a reserve or central reserve city;

20 per cent of its net demand deposits if in a reserve city, except as to any bank located in an outlying district of a reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 14 per cent reserves against its net demand deposits;

24 per cent of its net demand deposits if located in a central reserve city, except as to any bank located in an outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 14 per cent or 20 per cent reserves against its net demand deposits.

The supplements to Regulation D which have previously been issued are hereby revoked and superseded.