

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, May 27, 1947

**EXEMPTION OF WAR LOAN DEPOSITS FROM RESERVE
REQUIREMENTS TERMINATES ON JUNE 30, 1947**

**To the Member and Nonmember Clearing Banks
in the Eleventh Federal Reserve District:**

It will be recalled that by the Act of April 13, 1943, Section 19 of the Federal Reserve Act was amended to provide that War Loan Deposits were to be exempt from reserve requirements until six months after the cessation of hostilities of World War II. The President of the United States proclaimed the cessation of hostilities as of noon December 31, 1946; accordingly, the provision exempting War Loan Deposits from reserve requirements will expire at the close of June 30, 1947. Therefore, on and after July 1, 1947, War Loan Deposits **may not be deducted** from "Gross Demand Deposits" in arriving at "Net Demand Deposits" which are subject to reserve requirements as prescribed in Regulation D issued by the Board of Governors of the Federal Reserve System.

Revised report forms, for use after July 1, 1947, will be furnished your bank in due course.

Yours very truly,

R. R. GILBERT

President