

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, April 18, 1958

**RESERVES REQUIRED TO BE MAINTAINED BY MEMBER
BANKS WITH FEDERAL RESERVE BANKS**

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

The Board of Governors of the Federal Reserve System has announced the adoption of a supplement to Regulation D, which has the effect of reducing reserve requirements of member banks in reserve and central reserve cities. Copy of the supplement is enclosed.

The following press statement was released by the Board in regard to its action in reducing reserve requirements:

“The Board of Governors has reduced the reserves required to be maintained by central reserve city banks against demand deposits by $\frac{1}{2}$ of one per cent, effective April 17, and by an additional $\frac{1}{2}$ of one per cent effective April 24. Effective April 24, the Board has also reduced the reserves required to be maintained by reserve city banks against demand deposits by $\frac{1}{2}$ of one per cent.

“This action will release about \$450 million from present required reserves. The reduction for central reserve cities from 19 per cent to $18\frac{1}{2}$ per cent, effective April 17, will release about \$130 million of reserves, and the reduction from $18\frac{1}{2}$ per cent to 18 per cent, effective April 24, will release about the same amount. At reserve city banks the reduction from 17 per cent to $16\frac{1}{2}$ per cent, effective April 24, will release about \$190 million.”

The supplement to Regulation D should be filed in the ring binder containing current bulletins of this bank and the regulations of the Board of Governors of the Federal Reserve System. Please acknowledge receipt on the enclosed postal card.

Yours very truly,

Watrous H. Irons
President

SUPPLEMENT TO REGULATION D

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective as to each member bank at the opening of business on April 17, 1958, except as otherwise indicated.

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:

1. If not in a reserve or central reserve city —
 - (a) 5 per cent of its time deposits, plus
 - (b) 11 per cent of its net demand deposits.
2. 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 the reserves specified in paragraph 1 above) —
 - (a) 5 per cent of its time deposits, plus
 - (b) 17 per cent of its net demand deposits until the opening of business on April 24, 1958, and 16½ per cent of its net demand deposits thereafter.
3. If 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 the reserves specified in paragraph 1 or 2 above) —
 - (a) 5 per cent of its time deposits, plus
 - (b) 18½ per cent of its net demand deposits until the opening for business on April 24, 1958, and 18 per cent of its net demand deposits thereafter.

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