

FEDERAL RESERVE BANK OF ST. LOUIS

P. O. Box 442
ST. LOUIS 66, MISSOURI

December 4, 1959

To Member Banks in the
Eighth Federal Reserve District:

We have sent you under separate cover a copy of the press release of the Board of Governors announcing an amendment to the supplement to Regulation D, under which vault cash in excess of the following percentages of net demand deposits may be counted as part of required reserves on and after the dates indicated:

<u>Member Bank</u>	<u>Percentage</u>	<u>Effective Dates</u>
Country Banks	4%	December 1, 1959
Reserve City Banks	2%	December 3, 1959

The press release also stated that, effective December 31, 1959, the reserve computation period for country banks will be biweekly instead of semi-monthly, and indicated that certain other technical amendments, effective December 1, 1959, had been made to Regulation D.

In connection with the biweekly reserve computation for country banks, provision has been made for reporting of data on a weekly basis. The other technical amendments mentioned:

- (1) Permit money shipments in transit to or from a Federal Reserve Bank to be included in vault cash (currency and coin owned and held by a member bank);
- (2) Require computation of vault cash as of the beginning of a business day;
- (3) Eliminate from the definition "gross demand deposits" drafts on, and authorizations to charge, reserve accounts; and
- (4) Permit member banks (at their option) to include non-business days at the end of a computation period in the next succeeding period.

The revised Regulation, supplement, and reporting forms will be forwarded in the near future. An amended copy of our Operating Letter No. 6 (Member Bank Reserves) will also be sent you.

Delos C. Johns
President