# FEDERAL RESERVE BANK OF NEW YORK

[Circular No. 1835] April 15, 1938

## SUPPLEMENT TO REGULATION D

# Reserves Required to Be Maintained by Member Banks With Federal Reserve Banks

**Decreases Effective April 16, 1938** 

To each Member Bank in the Second Federal Reserve District:

Enclosed is a printed copy of a supplement to Regulation D adopted by the Board of Governors of the Federal Reserve System on April 15, 1938, decreasing the reserves required to be maintained by member banks with Federal Reserve banks, effective at the opening of business on April 16, 1938.

At the request of the Board of Governors we quote below a copy of the Board's statement released for publication on April 16, 1938, with respect to the action taken by the Board on April 15, 1938, decreasing the reserve requirements for member banks as set forth in the enclosed supplement to Regulation D:

As a part of the Government's program for encouragement of business recovery, the Board of Governors has reduced reserve requirements on all classes of deposits for all member banks, effective at the opening of business on April 16, 1938. By this action excess reserves of member banks will be increased by \$750,000,000.

Reserve requirements in effect prior to April 16, 1938, and thereafter are shown in the following table:

Classes of member banks and of deposits	Prior to April 16 Percent	Beginning April 16 Percent
Demand deposits:		
Central reserve city banks	26	223/4
Reserve city banks	20	171/2
Country banks	14	12
Time deposits:		
All classes of member banks	6	5

A new supply of forms for use in reporting your net demand and time deposits and reserves required to be maintained against such deposits will be sent to you promptly.

> George L. HARRISON, President.

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# BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

## SUPPLEMENT TO REGULATION D

Effective as to each member bank at the opening of business on April 16, 1938

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:

5 percent of its time deposits plus-

12 percent of its net demand deposits if not in a reserve or central reserve city;

17½ percent of its net demand deposits if in a reserve city, except that if 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 such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain 12 percent reserves against its net demand deposits;

223/4 percent of its net demand deposits if located in a central reserve city, except that if located in any outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, such bank may, upon the affirmative vote of five members of the Board of Governors of the Federal Reserve System, be permitted to maintain 12 percent or  $17\frac{1}{2}$  percent reserves against its net demand deposits.

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

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		SCHEDULR ICASH, BAIANCES WITH OTHER BANKS, EXCHANGES FOR
		COMPUTATION OF RESERVE TO BE CARRIED WITH THE
		FEDERAL RESERVE BANK BY MEMBER BANKS
		(a) Due from banks in New York City
		definitions of the terms gross demand deposits, deductions allowed in computing reserves, cash items in process of collec- net demand deposits and time deposits, see Regulation D of the Board of Governors of the Federal Reserve System)
		Surrorar of frems I and 2 (amount deductible from demand depositain determining amount subject to
1.° (	GROSS	DEMAND DEPOSITS, including U.S. Government deposits and demand balances of other
		banks\$
		(See Schedule J of the quarterly condition report for items constituting demand deposits)
		(See copy of Schedule J on other side)
2. 1	DEDUC	TIONS ALLOWED IN COMPUTING RESERVES:
	<b>(a)</b> ]	Balances subject to immediate withdrawal due from other banks* (except bal- ances due from Federal Reserve banks, from foreign banks or branches thereof, from foreign branches of domestic banks, or from private banks)\$
		(Corresponds to item 1 in Schedule I of the quarterly condition report)
		(See copy of Schedule I on other side) (See copy of Schedule I on other side) (See copy of Schedule I on other side)
	(b) (	Cash items in process of collection, except to the extent included in item 2-a month instants of established
		(including checks with Federal Reserve banks in process of collection and checks on hand which will be presented for payment or forwarded for collec- tion on the following business day)
		(Corresponds to item 2 in Schedule I of the quarterly condition report) (See copy of Schedule I on other side)
. r	NET D	EMAND DEPOSITS (item 1 minus item 2)
		RELEVE OTAL (transit account) TOTAL DEMAND DEPOSITS (Items 1 to 7 of this schedule)
I. 7	TIME I	DEPOSITS\$
		(See Schedule K of the quarterly condition report for items constituting time deposits)
		(See copy of Schedule K on other side)
		Deposits (except savings deposits), of individuals, partnerships, and corporations:
. F	RESERV	(a) Certificates of deposit (other than for money borrowed)
	(a)	On net demand deposits (item 3 above):
	(4)	Banks in central reserve cities, 22 <sup>3</sup> / <sub>2</sub> percent; Banks in reserve cities, 17 <sup>1</sup> / <sub>2</sub> percent;
		Banks located elsewhere, 12 percent
	(b)	On time deposits (item 4 above) : 5 percent
	(c)	Total reserve to be maintained with Federal Reserve bank
	*Inclu	ding cash items forwarded to a correspondent bank for collection and credit and charged to item "Due from banks."
Carolina -		Deposits of private backs and American branches of foreign banks
		Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding

This form should not be forwarded to the Federal Reserve bank, but is to be used by the member bank as a guide for figuring its required reserve.

	SCHEDULE I—CASH, BALANCES WITH OTHER BANKS, EXCHANGES FOR CLEARING HOUSE, ETC.	Dollars
1.	Demand balances with other banks in the United States (except private banks and American branches of foreign banks):	
	(a) Due from banks in New York City	
	(b) Due from banks elsewhere in the United States	
•	Cash items in process of collection, including exchanges for clearing house, except to the extent included in Item 1	(Por dennition) tion, ort denite
	SUBTOTAL OF I tems 1 and 2 (amount deductible from demand deposits in determining amount subject to reserve)	(Amo unt not to be extended)
	Time balances with other banks in the United States (except private banks and American branches of foreign banks)	banks
	Balances with private banks and American branches of foreign banks	(See Sci)
	Balances with banks in foreign countries (including balances with foreign branches of other American banks but excluding amounts due from own foreign branches)	
	Cash in vault	
_	TOTAL of Items 1 to 6 (must agree with Item 9 of "Assets")	<u>aangla (</u>
	SCHEDULE J—DEMAND DEPOSITS (all deposits other than "time deposits" as defined in Regulation D of the Board of Governors of the Federal Reserve System)	
	Deposits of individuals, partnerships, and corporations (must agree with Item 14 of "Liabilities")	
	United States Government deposits	
	State, county, and municipal deposits	(inche
	Deposits of other banks in the United States (except private banks and American branches of foreign banks)	in main

-	1			
5.	Deposits of private banks and American branches of foreign banks			
6.	Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)			
7.	Certified and officers' checks, letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve Bank (transit account)	MAN	et d	9 М

TOTAL DEMAND DEPOSITS (Items 1 to 7 of this schedule).

# SCHEDULE K-TIME DEPOSITS (as defined in Regulation D of the Board of Governors of the Federal Reserve System)

1.	Deposits (except savings deposits), of individuals, partnerships (a) Certificates of deposit (other than for money borrowed (b) Open accounts	ALLERD.	
2.	Deposits evidenced by savings pass books	No. of accounts.	(Amount not to be
	Postal Savings deposits		
5.	Deposits of other banks in the United States (except private ba Deposits of private banks and American branches of foreign banks	anks and American branches of foreign banks)	
7.	Deposits of banks in foreign countries (including balances of forei amounts due to own foreign branches)	its not be fortuarded to the reducit Ke	

#### REPORT OF NET DEMAND AND TIME DEPOSITS

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#### FOR HALF MONTH ENDING\_\_\_\_\_

# TO ACCOUNTING DEPARTMENT

#### FEDERAL RESERVE BANK OF NEW YORK

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

DATE	(1) GROSS DE DEPOS	MAND ITS	IMMEDIA	(2) CES SUBJ ATE WITH OM OTHE	IDRAWAL	OF	(3) TEMS IN I COLLECT	PROCESS	COLL	MAND DI JMN (1) M IMNS (2 A	IINUS	TIME DEPOSITS		
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TOTAL														
(If gi der	ross demand a mand deposit.	leposits are s on that d	e less tha ate shou	in the d ld be sho	eduction wn as ze	s, net ero.)	AVE	RAGE						
					RESER	E REQ	JIRED							
	12% of \$	(AVERAG	E NET DEM	AND DEPO	SITS)			\$				-		
	5% of \$	(						\$				_		
	TOTAL	AVERAGE RE	SIT WITH T	QUIRED TO										
FIGURES SH	ERTIFY THAT IOWN ABOVE U	JNDER NET	DEMAND	ENT IS C	S AND T	IME DEPO	DSITS RES	SPECTIVE	LY HAVE	BEEN CO	MPUTED	IN ACCO	HAT THE	
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CITY OR TOWN

#### REPORT OF NET DEMAND AND TIME DEPOSITS

FOR HALF MONTH ENDING\_ 193

#### TO BUFFALO BRANCH

#### FEDERAL RESERVE BANK OF NEW YORK

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DAT	E	GR	(1) OSS DEM. DEPOSITS	AND	IMMEDI	(2) ICES SUBJ ATE WITH OM OTHE	IDRAWAL	OF COLLECTION COLUMNS (2 AND 2)		EPOSITS AINUS AND 3)	TI	ME DEPOS	ITS			
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				0.11												
		5%	of \$	(AVE	RAGE TIME	E DEPOSITS	)			\$						
		-		VERAGE RE	SERVE RE	QUIRED TO										
		1	RI	ESERVE BA	NK OF NE	WYORK				\$						
FIG	URES S	HOWN A	BOVE UN	DER NET	DEMAND	DEPOSIT	S AND T	IME DEP	OSITS RE	SPECTIVE	LY HAVE	BEEN CO	OMPUTED	IN ACCC	HAT THE	
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CITY OR TOWN

FORM R. B. 20 (REVISED APRIL 16, 1938)

# REPORT OF NET DEMAND AND TIME DEPOSITS

FOR WEEK ENDING FRIDAY\_\_\_\_\_\_193

# TO ACCOUNTING DEPARTMENT FEDERAL RESERVE BANK OF NEW YORK

The amounts of net demand deposits and time deposits reported for each business day are to be based on the deposit balances shown by the books of the member bank at the opening of business the same day. The amounts reported for a Sunday or a holiday are to be based on the deposit balances at the close of the preceding business day. The amounts so reported for a Sunday or a holiday should be repeated for the following business day.

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	MON.											-				
	TUES.															
	TOTAL					-										
			s demand deposits						AV	ERAGE						
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1	7½% OR	22¾% OF		AVERAGE		D DEPOSITS	1			\$						
		E Ø OE								-						
		5% OF	\$	(AVERA		POSITS)				⇒						
		TOTAL	BE ON D	EPOSIT W	TH THE FE	EDERAL K				\$						•
						(2)	ECON	ID PE	(3)					1		
DATE	IE DAT GROSS DEMAND		IMMEDIA DUE FRO	ALANCES SUBJECT TO MEDIATE WITHDRAWAL E FROM OTHER BANKS Mions   thousands   hundreds			CASH ITEMS IN PROCESS OF COLLECTION			MAND DE MN (1) M MNS (2 AN	INUS ID 3)	TIME DEPOSITS millions   thousands   hundred.				
	WED.	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundred:
	THURS.															
	FRI.															
Í	TOTAL															
			demand deposits						AV	ERAGE						
							RESER	E REQU	JIRED							
1	7⅔% OR	22¾% OF		AVERAGE	NET DEMAN	D DEPOSITS	)			\$						
		5% OF	\$		GE TIME DE	POSITS				\$				-		
		TOTAL		RESERVE	REQUIRED	то										
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Federal Reserve Bank of St. Louis

FORM R. B. 20 (REVISED APRIL 16. 1938)

Eederal Reserve Bank of St. Louis

# REPORT OF NET DEMAND AND TIME DEPOSITS

\_193

FOR WEEK ENDING FRIDAY\_\_\_\_\_

#### **TO BUFFALO BRANCH**

#### FEDERAL RESERVE BANK OF NEW YORK

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ATE	DAY		DEPOSITS		BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE FROM OTHER BANKS OF COLLECTION			COLU	MAND DE MN (1) M MNS (2 AM	INUS	TIME DEPOSITS					
	SAT.	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands (	hundreds
	SUN.															
	MON.															
	TUES.															
	TOTAL															
			demand deposits						AV	ERAGE						

#### RESERVE REQUIRED

17%% OR 22%% OF	(AVERAGE NET DEMAND DEPOSITS)	\$
5% OF	\$	s
	(AVERAGE TIME DEPOSITS)	
TOTAL	AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK	\$

### SECOND PERIOD

3																	
ATE	DAY		(1) DSS DEMA DEPOSITS		IMMEDIA	DUE FROM OTHER BANKS			(3) EMS IN PR COLLECTI	ON	COLU	MAND DE MN (1) M MNS (2 AN	INUS	TIME DEPOSITS			
	WED.	millions	thousands	hund <b>reds</b>	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	millions	thousands	hundreds	
	THURS.																
	FRI.																
	TOTAL																
	(If gross demand deposits are less than the deductions, net demand deposits on that date should be shown as zero.)																
						I	RESER	VE REQU	JIRED								

MONDAY OF THE FOLLOWING WEEK			
		NAME OF BANK	
NOT LATER THAN			
TO BE FILED			
THIS REPORT		OFFICIAL SIGNATURE	TITLE
THE FIGUPES SHO	WN ABOVE UNDER NET DEMAND DE	RECT AND IN ACCORDANCE WITH THI POSITS AND TIME DEPOSITS RESPECT D OF GOVERNORS OF THE FEDERAL RES	TIVELY HAVE BEEN COMPUTED IN
TOTAL	AVERAGE RESERVE REQUIRED TO BE ON DEPOSIT WITH THE FEDERAL RESERVE BANK OF NEW YORK	\$	
5% OF	S (AVERAGE TIME DEPOSITS)	\$	
	(AVERAGE NET DEMAND DEPOSITS)		

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