

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 3303]  
January 23, 1948]

SUPPLEMENT TO REGULATION D  
Reserves Required To Be Maintained By Member Banks  
With Federal Reserve Banks

Increase Effective February 27, 1948

To all Member Banks in the  
Second Federal Reserve District:

Enclosed is a printed copy of a supplement to Regulation D, "Reserves of Member Banks", adopted by the Board of Governors of the Federal Reserve System to supersede the existing supplement to Regulation D and to become effective at the opening of business on February 27, 1948.

The Board's press statement for immediate release regarding this action is as follows:

As a step towards restraining further inflationary expansion of bank credit, the Board of Governors today increased from 20 to 22 per cent of net demand deposits the amount of reserves required to be maintained with Federal Reserve Banks by central reserve city member banks. This action is to become effective Friday, February 27, 1948.

The effect of this increase will be to raise the required reserves of central reserve city banks in New York City by about 420 million dollars and those in Chicago by nearly 100 million dollars. The present required reserves for these banks amount to about 4,300 million and 1,000 million dollars, respectively.

Under the provisions of section 19 of the Federal Reserve Act, the Board of Governors has authority to establish reserve requirements for the various classes of member banks within the following limits:

<i>Against net demand deposits</i>	<i>Minimum</i>	<i>Maximum</i>
Central reserve city banks.....	13	26
Reserve city banks.....	10	20
Country banks.....	7	14
<i>Against time deposits</i>		
All classes of banks.....	3	6

Reserve requirements are now at the maximum limits in all cases except for net demand deposits at central reserve city banks, which, after the present increase becomes effective, will be 4 points less than the maximum under existing authority.

Additional copies of this circular and of the enclosed supplement will be furnished upon request.

ALLAN SPROUL,  
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 February 27, 1948

### 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;

22 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.