

STATEMENT FOR THE PRESS

Released for publication  
Friday morning, Dec. 30;  
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St. 2514.  
Federal Reserve Board  
December 29, 1921.

FEDERAL RESERVE BANKING DURING 1921.

Loan liquidation, practically continuous during the year under review, large accessions to gold reserves of gold of foreign origin, and reduction by over 25 per cent in the volume of Federal reserve note circulation, are the outstanding features of development in the Federal reserve banking field during the calendar year about to close.

Changes in the condition of the Federal reserve banks reflect mainly the industrial depression and price recession during the first part of the year and only to a small extent changes in the credit policy of the Board. The year saw a considerable reduction of Federal reserve bank discount rates, the abolition of graduated or progressive discount rates, which were maintained at the beginning of the year by three reserve banks, and the final elimination of differential rates on paper secured by Government obligations. Furthermore the volume of outstanding Government securities was diminishing and easier conditions in the money market resulted in increasing proportions of the successive issues of Treasury certificates and notes being absorbed by the investing public. As a consequence, the total amount of Government paper held shows a decrease from \$1,141,000,000 to \$487,200,000, while the proportion of Government paper to total discounted paper held by the Federal reserve banks on December 28, was 41 per cent, compared with almost 43 per cent on the first Friday of the year. Of the total of Government paper held on the last Wednesday of the year, \$345,400,000, or 70.9 per cent, was secured by Liberty and other U. S. bonds, compared with \$647,800,000, or 58.7 per cent of the total held at the close of the first report week in the year; \$66,700,000, or 13.7 per cent, - by Victory notes, compared with \$311,200,000, or 28.2 per cent on January 7, and \$49,100,000, or 10.1 per cent, - by Treasury certificates, compared with \$145,500,000, or 13.1 per cent, the reserve banks in addition holding about the close of the year \$26,000,000 of bills secured by U. S. Treasury notes.

Reserve bank holdings of other discounted bills, which about the opening of the year totaled \$1,578,100,000, show a reduction to \$692,600,000 as the result of gradual liquidation during the year.

Holdings of bills purchased in open market show a continuous decline from \$234,800,000 on January 7 to \$19,400,000 on the last Wednesday in July. This decline reflects the reduction in the supply of bankers' acceptances based on foreign trade transactions, and the larger demand for this class of paper by the commercial and savings banks, as well as corporate and individual investors, caused by the greater abundance of short-time investment funds. Since early August the Federal reserve bank holdings of these bills have shown some increase, while during the last month of the year there has taken place a rapid accumulation of this paper in the portfolios of the Federal reserve banks, due to the relatively high call money rates in the New York market, and the low rates on this class of paper prevailing in the open market. The decrease in Federal reserve bank holdings of purchased bills from \$234,800,000 on January 7 to \$114,200,000 on December 28 corresponds more or less to the reduction in the volume of outstanding bank acceptances based upon foreign trade transactions.

Interbank accommodation during the year 1921 was on a much smaller scale than during the preceding year when the credit strain was at its maximum. In 1920 the peak of interbank accommodation, reached in October, was \$267,400,000, while in 1921 the peak of \$100,800,000 was reached in January. Since then there has been gradual liquidation of interbank borrowings, and shortly before the close of the year all the reserve banks

were on a self-supporting basis, though differing greatly in their reserve position. The banks extending accommodation during the greater part of the year were those of Boston, New York and Cleveland, while the banks accommodated during the greater part of the year were those of Richmond, Atlanta, Minneapolis and Dallas.

Only nominal changes are shown in the Federal reserve bank holdings of United States bonds and notes up to June 1. Substantial increases under this head shown since are due, first, to purchases of Liberty bonds here-to fore pledged as collateral for loans to member banks, also to purchases by the reserve banks of Victory and Treasury notes. Pittman certificates held on deposit with the Treasury to secure Federal reserve bank note circulation show a steady decrease since March, in connection with the retirement of Federal reserve bank notes and their replacement by silver certificates. On December 28 the amount held was \$119,500,000, a decrease of \$139,900,000 since the first Friday in the year. Fluctuations in the holdings of other Treasury certificates during the year are due in part to the issuance by the Government of temporary certificates pending collection of tax checks and of funds from depository institutions, also to purchases of certificates under repurchase agreements, largely by the New York reserve bank.

Total earning assets which stood at \$3,130,000,000 on the first Friday of the year declined below \$2,000,000,000 about the middle of July and on December 28 totaled \$1,535,900,000, or less than one-half the amount shown at the beginning of the year. Total deposits of the reserve banks reflecting largely changes in the members' reserve account fluctuated between a maximum of \$1,929,200,000 on June 15, the date of the second tax installment, and a minimum of \$1,662,500,000 on August 10. There was a gradual decline in deposits during the first half of the year totaling about \$113,000,000. During the summer months deposits remained fairly constant, in spite of the continued liquidation of member bank loans, while in the fall a slight increase took place, the December 28 total of \$1,764,500,000 being about \$82,000,000 below that shown in the first weekly statement of the year.

Federal reserve note circulation shows an almost continuous decline, though much more pronounced during the first part of the year. Interruptions in the downward course shown in the July 6 and September 7 statements, also in that for December 21, were altogether of a temporary character, mainly to meet the holiday demand for currency. On December 28 the amount in circulation totaled \$2,443,500,000, a decline of \$961,400,000 from the peak amount recorded on December 23, 1920 and \$826,500,000 below the amount shown in the first weekly statement in 1921. Net liabilities of the Federal reserve banks on Federal reserve bank notes in circulation declined from \$213,600,000 on January 7 to \$84,500,000 about the end of the year, this decline closely corresponding to the decline in Pittman certificates used as cover for these notes.

Gold reserves show a steady growth during the year, from \$2,059,300,000 to \$2,869,600,000. This growth represents almost entirely gold imported from abroad, largely from the United Kingdom, France, Sweden, Canada and British India. Other reserve cash composed of United States notes, silver and silver certificates declined during the same period from \$189,800,000 to \$122,600,000.

During the year the paid-in capital of the Federal reserve banks increased from \$99,800,000 to \$103,200,000 or by \$3,400,000, as compared with an increase of \$12,400,000 for the preceding year. The gain for the present year is due primarily to accessions of new members and to a smaller extent to increases in capitalization of existing member banks.

At the beginning of the year the reserve ratio stood at 45.4 per cent. Owing mainly to the constant growth of cash reserves and the reduction of note circulation, the ratio has shown a practically continuous rise throughout the year reaching a high level of 73.1 per cent on December 7. Since then, owing to increased note and deposit liabilities, the ratio declined to 71.1 per cent on the last Wednesday of the year.

RESOURCES AND LIABILITIES  
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S

	<u>Dec. 28, 1921</u>	<u>Dec. 21, 1921</u>	<u>Dec. 30, 1920</u>
Gold and gold certificates . . . . .	380,911	380,268	263,952
Gold settlement fund - F.R. Board . . . . .	534,099	559,621	356,244
Gold with foreign agencies . . . . .	-	-	3,300
<u>Total gold held by banks . . . . .</u>	<u>915,010</u>	<u>939,889</u>	<u>623,496</u>
Gold with Federal Reserve Agents . . . . .	1,846,369	1,833,108	1,276,214
Gold redemption fund . . . . .	108,221	97,997	159,623
<u>Total gold reserves . . . . .</u>	<u>2,869,600</u>	<u>2,870,994</u>	<u>2,059,333</u>
Legal tender notes, silver, etc. . . . .	122,600	122,066	189,830
<u>Total reserves . . . . .</u>	<u>2,992,200</u>	<u>2,993,060</u>	<u>2,249,163</u>
Bills discounted:			
Sec. by U.S. Government obligations . . . . .	437,193	503,770	1,141,036
All other . . . . .	692,640	720,933	1,578,098
Bills bought in open market . . . . .	114,240	126,525	255,702
<u>Total bills on hand . . . . .</u>	<u>1,244,073</u>	<u>1,351,228</u>	<u>2,974,836</u>
U. S. bonds and notes . . . . .	59,472	51,084	26,928
U. S. Certificates of indebtedness:			
One-year certificates (Pittman Act). . . . .	119,500	119,500	259,375
All other . . . . .	62,472	41,127	1,888
Municipal warrants . . . . .	334	334	-
<u>Total earning assets . . . . .</u>	<u>1,535,851</u>	<u>1,563,273</u>	<u>3,263,027</u>
Bank premises . . . . .	35,015	34,879	18,450
5% Redemption fund against			
F. R. Bank notes . . . . .	7,896	7,880	12,752
Uncollected items . . . . .	599,766	592,172	716,107
All other resources . . . . .	20,578	19,920	10,018
<u>TOTAL RESOURCES . . . . .</u>	<u>5,151,306</u>	<u>5,211,184</u>	<u>6,269,517</u>

L I A B I L I T I E S

Capital paid in . . . . .	103,186	103,167	99,770
Surplus . . . . .	213,824	213,824	164,745
Reserved for Gov't. franchise tax . . . . .	57,444	55,982	-
Deposits:			
Government . . . . .	71,634	54,875	27,639
Member bank - reserve account . . . . .	1,666,018	1,703,601	1,748,979
All other . . . . .	26,872	26,274	22,161
<u>Total deposits . . . . .</u>	<u>1,764,524</u>	<u>1,784,750</u>	<u>1,798,779</u>
F.R. notes in actual circulation . . . . .	2,443,497	2,447,560	3,344,686
F.R. Bank notes in circulation - net liability . . . . .	84,548	82,747	216,360
Deferred availability items . . . . .	458,950	497,205	522,523
All other liabilities . . . . .	25,323	25,949	121,939
<u>TOTAL LIABILITIES . . . . .</u>	<u>5,151,306</u>	<u>5,211,184</u>	<u>6,269,517</u>
Ratio of total reserves to deposit and F.R. note liabilities combined . . . . .	71.1%	70.7%	*45.4%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against deposit liabilities . . . . .	97.2%	96.8%	*50.5%

\*Calculated on basis of net deposits and F. R. notes in circulation.

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DEC. 28, 1921.

St. 2514b.

(In thousands of dollars)

Federal Reserve Bank of	R E S O U R C E S												Total
	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	
Gold and gold certificates	6,975	289,926	1,776	12,182	2,841	5,103	21,836	3,212	9,117	2,492	7,248	18,203	380,911
Gold settlement fund - F.R. Board	39,463	141,463	52,695	52,753	19,978	14,444	83,940	20,728	26,886	33,731	10,574	37,444	534,099
Total gold held by banks	46,438	431,389	54,471	64,935	22,819	19,547	105,776	23,940	36,003	36,223	17,822	55,647	915,010
Gold with F. R. Agents	163,025	623,110	146,185	176,444	33,562	44,895	314,511	66,375	16,856	28,567	11,417	221,422	1,846,369
Gold redemption fund	24,717	15,000	9,752	6,027	7,633	5,906	23,999	3,485	2,765	3,027	2,651	3,259	108,221
Total gold reserves	234,180	1,069,499	210,408	247,406	64,014	70,348	444,286	93,800	55,624	67,817	31,890	280,328	2,869,600
Legal tender notes, silver, etc.	11,546	44,615	6,230	7,208	6,743	5,442	14,212	9,351	756	6,464	6,603	3,430	122,600
Total reserves	245,726	1,114,114	216,638	254,614	70,757	75,790	458,498	103,151	56,380	74,281	38,493	283,758	2,992,200
Bills discounted:													
Secured by U.S. Govt. obligations	26,515	141,863	70,213	42,709	42,931	25,346	60,344	23,533	7,525	15,741	9,512	20,961	487,193
All other	42,418	71,194	20,103	67,688	54,982	69,080	135,709	42,496	44,814	51,976	41,879	50,301	692,640
Bills bought in open market	12,140	47,313	15,277	4,689	3,346	3,644	5,296	148	-	1,400	165	20,822	114,240
Total bills on hand	81,073	260,370	105,593	115,086	101,259	98,070	201,349	66,177	52,339	69,117	51,556	92,084	1,294,073
U. S. bonds and notes	1,658	9,272	3,690	5,282	1,233	10,980	11,551	1,332	291	8,868	2,630	2,685	59,472
U. S. Certificates of indebtedness:													
One-year certificates (Pittman Act)	9,950	36,400	12,000	8,040	3,760	8,564	14,667	6,569	4,450	5,320	1,900	7,880	119,500
All other	1,669	55,533	298	285	-	2	4,321	220	14	15	-	115	62,472
Municipal warrants	-	-	95	-	-	-	-	-	89	150	-	-	334
Total earning assets	94,350	361,575	121,676	128,693	106,252	117,616	231,888	74,298	57,183	83,470	56,086	102,764	1,535,851
Bank premises	4,713	6,810	536	3,964	2,969	1,055	6,160	628	769	4,425	2,176	810	35,015
5% Redemption fund against F. R. Bank notes	422	1,647	700	539	188	512	1,664	523	235	916	156	394	7,896
Uncollected items	52,269	119,412	47,354	51,039	42,299	25,938	68,972	34,326	15,092	38,212	27,445	37,408	559,766
All other resources	430	3,642	423	982	555	744	1,709	771	998	656	3,040	6,628	20,578
<b>TOTAL RESOURCES</b>	<b>397,910</b>	<b>1,607,200</b>	<b>387,327</b>	<b>439,831</b>	<b>223,020</b>	<b>221,655</b>	<b>768,891</b>	<b>213,697</b>	<b>130,657</b>	<b>201,960</b>	<b>127,396</b>	<b>431,762</b>	<b>5,151,306</b>

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DEC. 28, 1921.

(In thousands of dollars)

LIABILITIES

Federal Reserve Bank	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.	Cy. Dallas	San Fran.	Total
Capital paid in	7,936	27,114	8,736	11,124	5,429	4,189	14,307	4,603	3,569	4,602	4,203	7,374	103,186
Surplus	16,342	59,318	17,564	22,263	11,026	8,708	30,536	9,114	7,303	9,330	7,113	15,207	213,824
Reserved for Govt. franchise tax	3,099	20,608	3,619	3,161	3,105	4,448	10,838	1,512	2,395	1,824	-	2,835	57,444
Deposits:													
Government	5,425	18,298	706	4,494	3,987	8,949	7,687	2,946	1,413	1,722	5,759	10,248	71,634
Member bank - reserve account	110,098	684,241	96,964	122,935	52,937	45,223	229,110	62,873	40,067	67,364	42,969	111,237	1,666,018
All other	1,244	13,553	1,327	924	435	393	2,942	788	551	618	314	3,783	26,872
<b>Total deposits</b>	<b>116,767</b>	<b>716,092</b>	<b>98,997</b>	<b>128,353</b>	<b>57,359</b>	<b>54,565</b>	<b>239,739</b>	<b>66,607</b>	<b>42,031</b>	<b>69,704</b>	<b>49,042</b>	<b>125,268</b>	<b>1,764,524</b>
F. R. notes in actual circulation	206,026	663,329	205,198	221,819	110,036	123,387	409,355	96,654	57,482	69,667	36,292	244,252	2,443,497
F. R. Bank notes in circulation - net liability	6,333	21,391	5,802	5,791	3,567	8,116	7,234	3,895	4,180	10,741	2,764	4,734	84,548
Deferred availability items	40,187	94,209	45,947	45,657	31,119	16,920	52,925	29,813	12,240	34,057	25,941	29,945	458,960
All other liabilities	1,220	5,139	1,464	1,663	1,379	1,322	3,957	1,499	1,457	2,035	2,041	2,147	25,323
<b>TOTAL LIABILITIES</b>	<b>397,910</b>	<b>1,607,200</b>	<b>387,327</b>	<b>439,831</b>	<b>223,020</b>	<b>221,655</b>	<b>768,891</b>	<b>213,697</b>	<b>130,657</b>	<b>201,960</b>	<b>127,396</b>	<b>431,762</b>	<b>5,151,306</b>
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent	76.1	80.8	71.2	72.7	42.3	42.6	70.6	63.2	56.7	53.3	45.1	76.8	71.1
Contingent liability on bills purchased for foreign correspondents	2,336	12,036	2,560	2,624	1,568	1,152	3,808	1,504	864	1,536	832	1,472	32,292

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

F. R. notes outstanding	223,272	816,675	224,652	241,782	118,662	130,343	449,566	115,320	60,477	75,664	39,861	300,266	2,796,540
F. R. notes held by banks	17,246	153,346	19,454	19,963	8,626	6,956	40,211	18,666	2,995	5,997	3,569	56,014	353,043
<b>F. R. notes in actual circulation</b>	<b>206,026</b>	<b>663,329</b>	<b>205,198</b>	<b>221,819</b>	<b>110,036</b>	<b>123,387</b>	<b>409,355</b>	<b>96,654</b>	<b>57,482</b>	<b>69,667</b>	<b>36,292</b>	<b>244,252</b>	<b>2,443,497</b>

DISTRIBUTION OF BILLS, U. S. CERTIFICATES OF INDEBTEDNESS AND MUNICIPAL WARRANTS BY MATURITIES

	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Bills discounted	708,361	116,690	161,202	131,936	61,644	1,179,833
Bills bought in open market	58,306	24,743	26,062	5,114	15	114,240
U. S. Certificates of indebtedness	13,687	2,500	10,753	28,163	126,869	181,972
Municipal warrants	34	182	23	95	-	334

## FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS DEC. 28, 1921.

(In thousands of dollars)

Federal Reserve Agent at	Boston	New York	Phila.	Cleve.	Mich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
<b>R E S O U R C E S</b>													
Federal Reserve notes on hand	100,140	323,910	50,400	33,320	25,119	70,971	152,040	26,060	8,710	8,300	19,125	35,740	853,835
Federal Reserve notes outstanding	223,272	816,675	224,652	241,782	118,662	130,343	449,566	115,320	60,477	75,664	39,861	300,266	2,796,540
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	296,924	-	18,375	-	2,400	-	5,960	13,052	-	6,702	-	349,013
Gold redemption fund	12,425	25,186	15,796	13,069	1,967	3,995	15,866	4,315	1,604	2,207	2,481	16,921	115,832
Gold fund - F. R. Board	145,000	301,000	130,389	145,000	31,595	38,500	298,645	56,100	2,200	26,360	2,234	204,501	1,381,524
Eligible paper -													
Amount required	60,247	193,565	78,467	65,338	85,100	85,448	135,055	48,945	43,621	47,097	28,444	78,844	950,171
Excess amount held	20,826	38,500	13,706	49,657	14,386	12,297	66,206	17,024	6,607	21,771	22,799	12,557	296,336
<b>TOTAL</b>	<b>567,510</b>	<b>1,995,760</b>	<b>513,410</b>	<b>566,541</b>	<b>276,829</b>	<b>343,954</b>	<b>1,117,378</b>	<b>273,724</b>	<b>136,271</b>	<b>181,399</b>	<b>121,646</b>	<b>648,829</b>	<b>6,743,251</b>
<b>L I A B I L I T I E S</b>													
Net amount of Federal Reserve notes received from Comptroller of the Currency	323,412	1,140,585	275,052	275,102	143,781	201,314	601,606	141,380	69,187	83,964	58,986	336,006	3,650,375
Collateral received from Federal Reserve Bank:													
Gold	163,025	623,110	146,185	176,444	33,562	44,895	314,511	66,375	16,856	28,567	11,417	221,422	1,846,369
Eligible paper	81,073	232,065	92,173	114,995	99,486	97,745	201,261	65,969	50,228	68,868	51,243	91,401	1,246,507
<b>TOTAL</b>	<b>567,510</b>	<b>1,995,760</b>	<b>513,410</b>	<b>566,541</b>	<b>276,829</b>	<b>343,954</b>	<b>1,117,378</b>	<b>273,724</b>	<b>136,271</b>	<b>181,399</b>	<b>121,646</b>	<b>648,829</b>	<b>6,743,251</b>

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Holdings of bills purchased in open market show a continuous decline from \$234,800,000 on January 7 to \$19,400,000 on the last Wednesday in July. This decline reflects the reduction in the supply of bankers' acceptances based on foreign trade transactions, and the larger demand for this class of paper by the commercial and savings banks, as well as corporate and individual investors, caused by the greater abundance of short-time investment funds. Since early August the Federal reserve bank holdings of these bills have shown some increase, while during the last month of the year there has taken place a rapid accumulation of this paper in the portfolios of the Federal reserve banks, due to the relatively high call money rates in the New York market, and the low rates on this class of paper prevailing in the open market. The decrease in Federal reserve bank holdings of purchased bills from \$234,800,000 on January 7 to \$114,200,000 on December 28 corresponds more or less to the reduction in the volume of outstanding bank acceptances based upon foreign trade transactions.

Interbank accommodation during the year 1921 was on a much smaller scale than during the preceding year when the credit strain was at its maximum. In 1920 the peak of interbank accommodation, reached in October, was \$267,400,000, while in 1921 the peak of \$100,800,000 was reached in January. Since then there has been gradual liquidation of interbank borrowings, and shortly before the close of the year all the reserve banks

were on a self-supporting basis, though differing greatly in their reserve position. The banks extending accommodation during the greater part of the year were those of Boston, New York and Cleveland, while the banks accommodated during the greater part of the year were those of Richmond, Atlanta, Minneapolis and Dallas.

Only nominal changes are shown in the Federal reserve bank holdings of United States bonds and notes up to June 1. Substantial increases under this head shown since are due, first, to purchases of Liberty bonds heretofore pledged as collateral for loans to member banks, also to purchases by the reserve banks of Victory and Treasury notes. Pittman certificates held on deposit with the Treasury to secure Federal reserve bank note circulation show a steady decrease since March, in connection with the retirement of Federal reserve bank notes and their replacement by silver certificates. On December 28 the amount held was \$119,500,000, a decrease of \$139,900,000 since the first Friday in the year. Fluctuations in the holdings of other Treasury certificates during the year are due in part to the issuance by the Government of temporary certificates pending collection of tax checks and of funds from depository institutions, also to purchases of certificates under repurchase agreements, largely by the New York reserve bank.

Total earning assets which stood at \$3,130,000,000 on the first Friday of the year declined below \$2,000,000,000 about the middle of July and on December 28 totaled \$1,535,900,000, or less than one-half the amount shown at the beginning of the year. Total deposits of the reserve banks reflecting largely changes in the members' reserve account fluctuated between a maximum of \$1,929,200,000 on June 15, the date of the second tax installment, and a minimum of \$1,662,500,000 on August 10. There was a gradual decline in deposits during the first half of the year totaling about \$113,000,000. During the summer months deposits remained fairly constant, in spite of the continued liquidation of member bank loans, while in the fall a slight increase took place, the December 28 total of \$1,754,500,000 being about \$82,000,000 below that shown in the first weekly statement of the year.

Federal reserve note circulation shows an almost continuous decline, though much more pronounced during the first part of the year. Interruptions in the downward course shown in the July 6 and September 7 statements, also in that for December 21, were altogether of a temporary character, mainly to meet the holiday demand for currency. On December 28 the amount in circulation totaled \$2,443,500,000, a decline of \$961,400,000 from the peak amount recorded on December 23, 1920 and \$826,500,000 below the amount shown in the first weekly statement in 1921. Net liabilities of the Federal reserve banks on Federal reserve bank notes in circulation declined from \$213,600,000 on January 7 to \$84,500,000 about the end of the year, this decline closely corresponding to the decline in Pittman certificates used as cover for these notes.

Gold reserves show a steady growth during the year, from \$2,059,300,000 to \$2,869,600,000. This growth represents almost entirely gold imported from abroad, largely from the United Kingdom, France, Sweden, Canada and British India. Other reserve cash composed of United States notes, silver and silver certificates declined during the same period from \$189,800,000 to \$122,600,000.

During the year the paid-in capital of the Federal reserve banks increased from \$99,800,000 to \$103,200,000 or by \$3,400,000, as compared with an increase of \$12,400,000 for the preceding year. The gain for the present year is due primarily to accessions of new members and to a smaller extent to increases in capitalization of existing member banks.

At the beginning of the year the reserve ratio stood at 45.4 per cent. Owing mainly to the constant growth of cash reserves and the reduction of note circulation, the ratio has shown a practically continuous rise throughout the year reaching a high level of 73.1 per cent on December 7. Since then, owing to increased note and deposit liabilities, the ratio declined to 71.1 per cent on the last Wednesday of the year.

RESOURCES AND LIABILITIES  
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S	Dec. 28, 1921	Dec. 21, 1921	Dec. 30, 1920
Gold and gold certificates . . . . .	380,911	380,268	263,952
Gold settlement fund - F.R. Board . . . . .	534,099	559,621	356,244
Gold with foreign agencies . . . . .	-	-	3,300
<u>Total gold held by banks . . . . .</u>	<u>915,010</u>	<u>939,889</u>	<u>623,496</u>
Gold with Federal Reserve Agents . . . . .	1,846,369	1,833,108	1,276,214
Gold redemption fund . . . . .	108,221	97,997	159,623
<u>Total gold reserves . . . . .</u>	<u>2,869,600</u>	<u>2,870,994</u>	<u>2,059,333</u>
Legal tender notes, silver, etc. . . . .	122,600	122,066	189,830
<u>Total reserves . . . . .</u>	<u>2,992,200</u>	<u>2,993,060</u>	<u>2,249,163</u>
Bills discounted:			
Sec. by U.S. Government obligations . . . . .	487,193	503,770	1,141,036
All other . . . . .	692,640	720,933	1,578,098
Bills bought in open market . . . . .	114,240	126,525	255,702
<u>Total bills on hand . . . . .</u>	<u>1,294,073</u>	<u>1,351,228</u>	<u>2,974,836</u>
U. S. bonds and notes . . . . .	59,472	51,084	26,928
U. S. Certificates of indebtedness:			
One-year certificates (Pittman Act). . . . .	119,500	119,500	259,375
All other . . . . .	62,472	41,127	1,888
Municipal warrants . . . . .	334	334	-
<u>Total earning assets . . . . .</u>	<u>1,535,651</u>	<u>1,563,273</u>	<u>3,263,027</u>
Bank premises . . . . .	55,015	34,879	18,450
5% Redemption fund against			
F. R. Bank notes . . . . .	7,896	7,880	12,752
Uncollected items . . . . .	559,765	592,172	716,107
All other resources . . . . .	20,578	19,920	10,018
<u>TOTAL RESOURCES . . . . .</u>	<u>5,151,306</u>	<u>5,211,184</u>	<u>6,269,517</u>
L I A B I L I T I E S			
Capital paid in . . . . .	103,186	103,167	99,770
Surplus . . . . .	213,824	213,824	164,745
Reserved for Gov't. franchise tax . . . . .	57,444	55,982	-
Deposits:			
Government . . . . .	71,634	54,875	27,639
Member bank - reserve account . . . . .	1,666,018	1,703,601	1,748,979
All other . . . . .	26,872	26,274	22,161
<u>Total deposits . . . . .</u>	<u>1,764,524</u>	<u>1,784,750</u>	<u>1,798,779</u>
F.R. notes in actual circulation . . . . .	2,443,497	2,447,560	3,344,686
F.R. Bank notes in circulation - net liability . . . . .	84,548	82,747	216,960
Deferred availability items . . . . .	458,960	497,205	522,638
All other liabilities . . . . .	25,323	25,949	121,939
<u>TOTAL LIABILITIES . . . . .</u>	<u>5,151,306</u>	<u>5,211,184</u>	<u>6,269,517</u>
Ratio of total reserves to deposit and F.R. note liabilities combined . . . . .	71.1%	70.7%	*45.4%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against deposit liabilities . . . . .	97.2%	96.8%	*50.5%

\*Calculated on basis of net deposits and F. R. notes in circulation.

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DEC. 28, 1921.

(In thousands of dollars)

Federal Reserve Bank of	R E S O U R C E S												Total
	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	
Gold and gold certificates	6,975	289,926	1,776	12,182	2,841	5,103	21,836	3,212	9,117	2,492	7,248	18,203	380,911
Gold settlement fund - F.R. Board	39,463	141,463	52,695	52,753	19,978	14,444	83,940	20,728	26,886	33,731	10,574	37,444	534,099
Total gold held by banks	46,438	431,389	54,471	64,935	22,819	19,547	105,776	23,940	36,003	36,223	17,822	55,647	915,010
Gold with F. R. Agents	163,025	623,110	146,185	176,444	33,562	44,895	314,511	66,375	16,856	28,567	11,417	221,422	1,846,369
Gold redemption fund	24,717	15,000	9,752	6,027	7,633	5,906	23,999	3,485	2,765	3,027	2,651	3,259	108,221
Total gold reserves	234,180	1,069,499	210,408	247,406	64,014	70,348	444,286	93,800	55,624	67,817	31,890	280,328	2,869,600
Legal tender notes, silver, etc.	11,546	44,615	6,230	7,208	6,743	5,442	14,212	9,351	756	6,464	6,603	3,430	122,600
Total reserves	245,726	1,114,114	216,638	254,614	70,757	75,790	458,498	103,151	56,380	74,281	38,493	283,758	2,992,200
Bills discounted:													
Secured by U.S. Govt. obligations	26,515	141,863	70,213	42,709	42,931	25,346	60,344	23,533	7,525	15,741	9,512	20,961	487,193
All other	42,418	71,194	20,103	67,688	54,982	69,060	135,709	42,496	44,814	51,976	41,879	50,301	692,640
Bills bought in open market	12,140	47,313	15,277	4,689	3,346	3,644	5,296	148	-	1,400	165	20,822	114,240
Total bills on hand	81,073	260,370	105,593	115,086	101,259	98,070	201,349	66,177	52,339	69,117	51,556	92,084	1,294,073
U. S. bonds and notes	1,658	9,272	3,690	5,282	1,233	10,980	11,551	1,332	291	8,868	2,630	2,685	59,472
U. S. Certificates of indebtedness:													
One-year certificates (Pittman Act)	9,950	36,400	12,000	8,040	3,760	8,564	14,667	6,569	4,450	5,320	1,900	7,880	119,500
All other	1,669	55,533	298	285	-	2	4,321	220	14	15	-	115	62,472
Municipal warrants	-	-	95	-	-	-	-	-	89	150	-	-	334
Total earning assets	94,350	361,575	121,676	128,693	106,252	117,616	231,888	74,298	57,183	83,470	56,086	102,764	1,535,851
Bank premises	4,713	6,810	536	3,964	2,969	1,055	6,160	628	769	4,425	2,176	810	35,015
5% Redemption fund against F. R. Bank notes	422	1,647	700	539	188	512	1,664	523	235	916	156	394	7,896
Uncollected items	52,269	119,412	47,354	51,039	42,299	25,938	68,972	34,326	15,092	38,212	27,445	37,408	559,766
All other resources	430	3,642	423	982	555	744	1,709	771	998	656	3,040	6,628	20,578
<b>TOTAL RESOURCES</b>	<b>397,910</b>	<b>1,607,200</b>	<b>387,327</b>	<b>439,831</b>	<b>223,020</b>	<b>221,655</b>	<b>768,891</b>	<b>213,697</b>	<b>130,657</b>	<b>201,960</b>	<b>127,396</b>	<b>431,762</b>	<b>5,151,306</b>

## RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DEC. 28, 1921.

(In thousands of dollars)

## L I A B I L I T I E S

Federal Reserve Bank	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
Capital paid in	7,936	27,114	8,736	11,124	5,429	4,189	14,307	4,603	3,569	4,602	4,203	7,374	103,186
Surplus	16,342	59,318	17,564	22,263	11,026	8,708	30,536	9,114	7,303	9,330	7,113	15,207	213,824
Reserved for Govt. franchise tax	3,099	20,608	3,619	3,161	3,105	4,448	10,838	1,512	2,395	1,824	-	2,835	57,444
Deposits:													
Government	5,425	18,298	706	4,494	3,987	8,949	7,687	2,946	1,413	1,722	5,759	10,248	71,634
Member bank - reserve account	110,098	684,241	96,964	122,935	52,937	45,223	229,110	62,873	40,067	67,364	42,969	111,237	1,666,018
All other	1,244	13,553	1,327	924	435	393	2,942	788	551	618	314	3,783	26,872
Total deposits	116,767	716,092	98,997	128,353	57,359	54,565	239,739	66,607	42,031	69,704	49,042	125,268	1,764,524
F. R. notes in actual circulation	206,026	663,329	205,198	221,819	110,036	123,387	409,355	96,654	57,482	69,667	36,292	244,252	2,443,497
F. R. Bank notes in circulation - net liability	6,333	21,391	5,802	5,791	3,567	8,116	7,234	3,895	4,180	10,741	2,764	4,734	84,548
Deferred availability items	40,187	94,209	45,947	45,657	31,119	16,920	52,925	29,813	12,240	34,057	25,941	29,945	458,960
All other liabilities	1,220	5,139	1,464	1,663	1,379	1,322	3,957	1,499	1,457	2,035	2,041	2,147	25,323
<b>TOTAL LIABILITIES</b>	<b>397,910</b>	<b>1,607,200</b>	<b>387,327</b>	<b>439,831</b>	<b>223,020</b>	<b>221,655</b>	<b>768,891</b>	<b>213,697</b>	<b>130,657</b>	<b>201,960</b>	<b>127,396</b>	<b>431,762</b>	<b>5,151,306</b>
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent	76.1	80.8	71.2	72.7	42.3	42.6	70.6	63.2	56.7	53.3	45.1	76.8	71.1
Contingent liability on bills purchased for foreign correspondents	2,336	12,036	2,560	2,624	1,568	1,152	3,808	1,504	864	1,536	832	1,472	32,292
FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION													
F. R. notes outstanding	223,272	816,675	224,652	241,782	118,662	130,343	449,566	115,320	60,477	75,664	39,861	300,266	2,796,540
F. R. notes held by banks	17,246	153,346	19,454	19,963	8,626	6,956	40,211	18,666	2,995	5,997	3,569	56,014	353,043
F. R. notes in actual circulation	206,026	663,329	205,198	221,819	110,036	123,387	409,355	96,654	57,482	69,667	36,292	244,252	2,443,497
DISTRIBUTION OF BILLS, U. S. CERTIFICATES OF INDEBTEDNESS AND MUNICIPAL WARRANTS BY MATURITIES													
	Within 15 days	16 to 30 days		31 to 60 days		61 to 90 days		Over 90 days		Total			
Bills discounted	708,361	116,690		161,202		131,936		61,644		1,179,833			
Bills bought in open market	58,306	24,743		26,062		5,114		15		114,240			
U. S. Certificates of indebtedness	13,687	2,500		10,753		28,163		126,869		181,972			
Municipal warrants	34	182		23		95		-		334			

## FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS DEC. 28, 1921.

(In thousands of dollars)

Federal Reserve Agent at	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
<b>R E S O U R C E S</b>													
Federal Reserve notes on hand	100,140	323,910	50,400	33,320	25,119	70,971	152,040	26,060	8,710	8,300	19,125	35,740	853,835
Federal Reserve notes outstanding	223,272	816,675	224,652	241,782	118,662	130,343	449,566	115,320	60,477	75,664	39,861	300,266	2,796,540
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	296,924	-	18,375	-	2,400	-	5,960	13,052	-	6,702	-	349,013
Gold redemption fund	12,425	25,186	15,796	13,069	1,967	3,995	15,866	4,315	1,604	2,207	2,481	16,921	115,832
Gold fund - F. R. Board	145,000	301,000	130,389	145,000	31,595	38,500	298,645	56,100	2,200	26,360	2,234	204,501	1,381,524
Eligible paper -													
Amount required	60,247	193,565	78,467	65,338	85,100	85,448	135,055	48,945	43,621	47,097	28,444	78,844	950,171
Excess amount held	20,826	38,500	13,706	49,657	14,386	12,297	66,206	17,024	6,607	21,771	22,799	12,557	296,336
<b>TOTAL</b>	<b>567,510</b>	<b>1,995,760</b>	<b>513,410</b>	<b>566,541</b>	<b>276,829</b>	<b>343,954</b>	<b>1,117,378</b>	<b>273,724</b>	<b>136,271</b>	<b>181,399</b>	<b>121,646</b>	<b>648,829</b>	<b>6,743,251</b>
<b>L I A B I L I T I E S</b>													
Net amount of Federal Reserve notes received from Comptroller of the Currency	323,412	1,140,585	275,052	275,102	143,781	201,314	601,606	141,380	69,187	83,964	58,986	336,006	3,650,375
Collateral received from Federal Reserve Bank:													
Gold	163,025	623,110	146,185	176,444	33,562	44,895	314,511	66,375	16,856	28,567	11,417	221,422	1,846,369
Eligible paper	81,073	232,065	92,173	114,995	99,486	97,745	201,261	65,969	50,228	68,868	51,243	91,401	1,246,507
<b>TOTAL</b>	<b>567,510</b>	<b>1,995,760</b>	<b>513,410</b>	<b>566,541</b>	<b>276,829</b>	<b>343,954</b>	<b>1,117,378</b>	<b>273,724</b>	<b>136,271</b>	<b>181,399</b>	<b>121,646</b>	<b>648,829</b>	<b>6,743,251</b>