

STATEMENT FOR THE PRESS

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Saturday morning, Jan. 3;
not earlier.

St. 4385
Federal Reserve Board,
January 2, 1925.

CHANGES IN CONDITION OF FEDERAL RESERVE BANKS DURING 1924.

During 1924 the principal changes in condition of the Federal reserve banks were an increase in reserve balances of member banks which carried them to the highest point in the history of the system; a decrease in the volume of Federal reserve notes in circulation, as a consequence of the replacement of these notes by gold; and a change in the composition of earning assets, consisting of a considerable increase in holdings of United States securities and an approximately corresponding decline in discounts for member banks. Net imports of gold, which were large during the first half of the year, resulted in a decreased demand for accommodation at the Federal reserve banks and total earning assets of these banks declined from \$1,272,000,000 at the beginning of the year to about \$800,000,000 near the end of May. During the second half of the year, the decline in the volume of gold imports together with an increased demand for currency for crop-moving purposes and later for holiday trade, increased the demand for reserve bank credit, with the result that at the end of the year total earning assets were about \$500,000,000 above their low point in May and at about the same level as a year earlier.

Among the different classes of earning assets discounted bills declined from \$797,900,000 on January 2, 1924 to a low point of \$221,400,000 on November 26 and stood at \$314,100,000 at the end of the year. Holdings of United States securities rose from slightly over \$100,000,000 to about \$540,200,000 on December 31, this increase being nearly as large as the decline in discounts. Holdings of bills bought in open market fluctuated widely during the year, declining from \$347,200,000 on January 2 to only \$18,000,000 on August 13, and then increasing to \$387,100,000 at the end of the year.

Federal reserve note circulation, after the seasonal decline in the early weeks of 1924, amounting to about \$200,000,000, continued to decline until the end of September. During the last quarter of the year, however, seasonal demands for currency, particularly during the holiday period, resulted in an increase in note circulation to \$1,941,700,000 on December 24, an increase of about \$200,000,000 from the low point of the year. The aggregate circulation of Federal reserve notes on December 31, \$1,862,000,000, represents a reduction of \$360,000,000 from the amount in circulation at the beginning of the year. Changes in the demand for currency during the year were reflected both in changes in the volume of Federal reserve notes in circulation and in total cash reserves. Cash reserves, which were at their high point of \$3,274,000,000 on July 23, declined to \$2,997,500,000 on December 24. During the week following Christmas the return flow of currency was reflected in a decrease of \$79,700,000 in Federal reserve note circulation and increases of \$49,500,000 in cash reserves and \$24,900,000 in non-reserve cash.

Member bank reserve balances, which were fairly stable at about \$1,900,000,000 to the end of May, increased rapidly to \$2,261,000,000 on September 17, and at the end of the year were about \$300,000,000 above the low point. This growth in reserve balances of member banks accompanied the rapid growth in their demand and time deposits during the latter part of the year.

C.

Released for publication Saturday morning, January 3, 1925;

St. 4385a

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED
(In thousands of dollars)

| | Dec. 31, 1924 | Dec. 24, 1924 | Jan. 2, 1924 |
|--|---------------|---------------|--------------|
| R E S O U R C E S | | | |
| Gold with Federal reserve agents | 1,702,306 | 1,747,218 | 2,109,715 |
| Gold redemption fund with U.S. Treasury | 41,245 | 45,756 | 57,327 |
| <u>Gold held exclusively against F.R. notes</u> | 1,743,551 | 1,792,974 | 2,167,042 |
| Gold settlement fund with F. R. Board | 679,464 | 637,240 | 568,954 |
| Gold and gold certificates held by banks | 513,518 | 482,605 | 347,890 |
| <u>Total gold reserves</u> | 2,936,533 | 2,912,819 | 3,083,886 |
| Reserves other than gold | 110,521 | 84,694 | 87,934 |
| <u>Total reserves</u> | 3,047,054 | 2,997,513 | 3,171,870 |
| Non-reserve cash | 62,567 | 37,668 | 67,573 |
| Bills discounted: | | | |
| Sec. by U. S. Government obligations | 186,840 | 239,230 | 422,764 |
| Other bills discounted | 127,288 | 157,199 | 375,119 |
| <u>Total bills discounted</u> | 314,128 | 396,429 | 797,883 |
| Bills bought in open market | 387,100 | 389,574 | 347,185 |
| U. S. Government securities: | | | |
| Bonds | 75,265 | 74,756 | 29,429 |
| Treasury notes | 349,354 | 342,552 | 79,859 |
| Certificates of indebtedness | 115,541 | 120,571 | 17,355 |
| <u>Total U. S. Government securities</u> | 540,160 | 537,879 | 126,643 |
| Foreign loans on gold | 6,000 | 6,000 | - |
| All other earning assets | 2,050 | 2,050 | 51 |
| <u>Total earning assets</u> | 1,249,438 | 1,331,932 | 1,271,762 |
| 5% Redemption fund - F. R. Bank notes | - | - | 20 |
| Uncollected items | 656,197 | 674,514 | 679,216 |
| Bank premises | 57,595 | 61,819 | 53,998 |
| All other resources | 23,529 | 23,827 | 15,835 |
| TOTAL RESOURCES | 5,096,380 | 5,127,273 | 5,260,282 |
| L I A B I L I T I E S | | | |
| F. R. notes in actual circulation | 1,862,062 | 1,941,747 | 2,245,230 |
| F. R. Bank notes in circulation - net | - | - | 470 |
| Deposits: | | | |
| Member bank - reserve account | 2,220,436 | 2,222,870 | 1,963,874 |
| Government | 51,197 | *58,071 | 56,695 |
| Other deposits | 39,035 | *30,243 | 30,266 |
| <u>Total deposits</u> | 2,310,668 | 2,311,184 | 2,050,835 |
| Deferred availability items | 584,716 | 526,992 | 620,178 |
| Capital paid in | 112,038 | 112,026 | 110,483 |
| Surplus | 217,837 | 220,915 | 220,915 |
| All other liabilities | 9,059 | 14,409 | 12,171 |
| TOTAL LIABILITIES | 5,096,380 | 5,127,273 | 5,260,282 |
| Ratio of total reserves to deposit and F. R. notes liabilities combined | 73.0% | 70.5% | 73.8% |
| Contingent liability on bills purchased for foreign correspondents | 42,683 | 41,754 | 19,010 |

C. *Revised figures.

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

RESOURCES

(In thousands of dollars)

| Federal Reserve Bank of | Boston | New York | Phila. | Cleve. | Rich. | Atlanta | Chicago | St. Louis | Minn. | Kans. Cy. | Dallas | San Fran. | Total |
|---------------------------------------|---------|-----------|---------|---------|---------|---------|---------|-----------|---------|------------------|---------|-----------|---------------------|
| Gold with Federal Reserve Agents | 164,365 | 384,307 | 168,237 | 165,466 | 79,184 | 143,306 | 165,909 | 56,590 | 73,528 | 63,475 | 37,186 | 200,753 | 1,702,306 |
| Gold redemption fund with U.S. Treas. | 5,038 | 11,557 | 4,480 | 1,849 | 2,107 | 2,492 | 2,498 | 3,274 | 908 | 2,626 | 1,978 | 2,438 | 41,245 |
| <u>Gold held exclusively against</u> | | | | | | | | | | | | | |
| <u>F. R. notes</u> | 169,403 | 395,864 | 172,717 | 167,315 | 81,291 | 145,798 | 168,407 | 59,864 | 74,436 | 66,101 | 39,164 | 203,191 | 1,743,551 |
| Gold settlement fund with F.R. Board | 32,275 | 286,475 | 31,137 | 40,158 | 18,724 | 12,963 | 110,989 | 23,834 | 19,569 | 40,920 | 18,033 | 44,387 | 679,464 |
| Gold and gold certif. held by banks | 18,422 | 277,263 | 27,713 | 21,407 | 19,662 | 8,390 | 87,980 | 8,165 | 5,867 | 2,898 | 9,065 | 26,686 | 513,518 |
| <u>Total gold reserves</u> | 220,100 | 959,602 | 231,567 | 228,380 | 119,677 | 167,151 | 367,376 | 91,863 | 99,872 | 109,919 | 66,262 | 274,264 | 2,936,533 |
| Reserves other than gold | 13,740 | 21,868 | 4,994 | 9,365 | 5,809 | 9,167 | 15,576 | 11,700 | 1,608 | 3,964 | 8,948 | 3,782 | 110,521 |
| <u>Total reserves</u> | 233,840 | 981,470 | 236,561 | 238,245 | 125,486 | 176,318 | 382,952 | 103,563 | 101,480 | 113,883 | 75,210 | 278,046 | 3,047,054 |
| Non-reserve cash | 5,543 | 18,517 | 1,731 | 5,934 | 3,498 | 4,701 | 9,266 | 3,387 | 1,027 | 2,722 | 2,508 | 3,733 | 62,567 |
| Bills discounted: | | | | | | | | | | | | | |
| Secured by U.S. Govt. obligations | 15,217 | 68,745 | 27,411 | 29,248 | 11,948 | 1,329 | 19,379 | 5,303 | 229 | 727 | 246 | 7,058 | 186,840 |
| Other bills discounted | 13,777 | 12,577 | 8,873 | 12,825 | 21,600 | 14,741 | 18,445 | 4,827 | 4,223 | 4,249 | 2,467 | 8,684 | 127,288 |
| <u>Total bills discounted</u> | 28,994 | 81,322 | 36,284 | 42,073 | 33,548 | 16,070 | 37,824 | 10,130 | 4,452 | 4,976 | 2,713 | 15,742 | 314,128 |
| Bills bought in open market | 63,889 | 101,823 | 18,276 | 41,217 | 1,486 | 9,202 | 33,882 | 21,391 | 8 | 15,661 | 26,197 | 54,068 | 387,100 |
| U. S. Government securities: | | | | | | | | | | | | | |
| Bonds | 2,472 | 12,440 | 1,345 | 11,126 | 1,340 | 1,564 | 19,494 | 1,264 | 8,856 | 8,911 | 3,273 | 3,180 | 75,265 |
| Treasury notes | 23,727 | 120,495 | 24,127 | 33,858 | 2,464 | 1,349 | 46,556 | 11,171 | 13,145 | 18,182 | 16,998 | 37,282 | 349,354 |
| Certificates of indebtedness | 10,461 | 36,963 | 4,417 | 15,066 | 807 | 872 | 14,320 | 2,653 | 3,787 | 6,288 | 5,226 | 14,681 | 115,541 |
| <u>Total U. S. Govt. securities</u> | 36,660 | 169,898 | 29,889 | 60,050 | 4,611 | 3,785 | 80,370 | 15,088 | 25,788 | 33,381 | 25,497 | 55,143 | 540,160 |
| Foreign loans on gold | - | 1,746 | 582 | 702 | 342 | 264 | 894 | 294 | 216 | 276 | 228 | 456 | 6,000 |
| All other earning assets | - | - | 1,550 | - | - | - | - | - | - | 500 | - | - | 2,050 |
| <u>Total earning assets</u> | 129,543 | 354,789 | 86,581 | 144,042 | 39,987 | 29,321 | 152,970 | 46,903 | 30,464 | 54,794 | 54,635 | 125,409 | 1,249,438 |
| Uncollected items | 60,635 | 156,377 | 59,473 | 56,127 | 54,296 | 27,950 | 81,588 | 35,994 | 13,942 | 42,975 | 830,999 | 35,841 | 656,197 |
| Bank premises | 4,190 | 16,243 | 1,114 | 7,573 | 2,446 | 2,780 | 8,099 | 3,176 | 2,901 | 3,965 | 1,833 | 3,275 | 57,595 ⁸ |
| All other resources | 180 | 8,657 | 203 | 333 | 353 | 1,775 | 1,556 | 306 | 3,495 | 736 ³ | 1,793 | 4,142 | 23,529 ⁶ |
| TOTAL RESOURCES | 433,931 | 1,536,053 | 385,663 | 452,254 | 226,066 | 242,845 | 636,431 | 193,329 | 153,309 | 219,075 | 166,978 | 450,446 | 5,096,380 |

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

LIABILITIES

(In thousands of dollars)

| Federal Reserve Bank of | Boston | New York | Phila. | Cleve. | Rich. | Atlanta | Chicago | St. Louis | Minn. | Kans. Cy. | Dallas | San Fran. | Total |
|--|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| F. R. notes in actual circulation | 207,389 | 387,353 | 168,737 | 198,515 | 87,579 | 142,879 | 196,529 | 57,813 | 71,761 | 72,836 | 55,641 | 215,030 | 1,862,062 |
| Deposits: | | | | | | | | | | | | | |
| Member bank - reserve account | 140,102 | 583,861 | 129,577 | 163,019 | 66,295 | 62,897 | 312,395 | 80,511 | 55,967 | 92,692 | 65,828 | 167,192 | 2,220,436 |
| Government | 3,856 | 16,904 | 2,152 | 4,203 | 2,455 | 3,757 | 6,173 | 2,468 | 1,636 | 2,291 | 1,665 | 3,637 | 51,197 |
| Other deposits | 84 | 28,195 | 806 | 1,123 | 340 | 124 | 1,615 | 671 | 422 | 614 | 224 | 4,817 | 39,035 |
| <u>Total deposits</u> | 144,042 | 928,960 | 132,635 | 168,345 | 69,090 | 66,778 | 320,183 | 83,650 | 58,025 | 95,597 | 67,717 | 175,646 | 2,310,668 |
| Deferred availability items | 57,905 | 129,055 | 53,591 | 49,460 | 51,205 | 19,023 | 72,786 | 36,377 | 11,883 | 36,916 | 31,219 | 35,296 | 584,716 |
| Capital paid in | 7,980 | 30,167 | 10,518 | 12,756 | 5,900 | 4,564 | 15,172 | 5,129 | 3,270 | 4,338 | 4,131 | 8,113 | 112,038 |
| Surplus | 16,382 | 58,749 | 20,059 | 22,462 | 11,701 | 8,950 | 30,426 | 9,971 | 7,497 | 8,977 | 7,592 | 15,071 | 217,837 |
| All other liabilities | 233 | 1,769 | 123 | 716 | 591 | 651 | 1,335 | 389 | 873 | 411 | 678 | 1,290 | 9,059 |
| TOTAL LIABILITIES | 433,931 | 1,536,053 | 385,663 | 452,254 | 226,066 | 242,845 | 636,431 | 193,329 | 153,309 | 219,075 | 166,978 | 450,446 | 5,096,380 |
| Ratio of total reserves to deposit and F. R. note liabilities combined, per cent | 66.5 | 74.6 | 78.5 | 64.9 | 80.1 | 84.1 | 74.1 | 73.2 | 78.2 | 67.6 | 61.0 | 71.2 | 73.0 |
| Contingent liability on bills purchased for foreign correspondents | - | 12,421 | 4,140 | 4,994 | 2,433 | 1,878 | 6,360 | 2,091 | 1,537 | 1,963 | 1,622 | 3,244 | 42,683 |
| FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION | | | | | | | | | | | | | |
| F. R. notes outstanding | 241,102 | 528,118 | 215,664 | 230,609 | 101,218 | 166,830 | 213,687 | 64,600 | 74,836 | 81,639 | 63,722 | 262,936 | 2,244,961 |
| F. R. notes held by banks | 33,713 | 140,765 | 46,927 | 32,094 | 13,639 | 23,951 | 17,158 | 6,787 | 3,075 | 8,803 | 8,081 | 47,906 | 382,899 |
| F. R. notes in actual circulation | 207,389 | 387,353 | 168,737 | 198,515 | 87,579 | 142,879 | 196,529 | 57,813 | 71,761 | 72,836 | 55,641 | 215,030 | 1,862,062 |

DISTRIBUTION OF BILLS AND U. S. CERTIFICATES OF INDEBTEDNESS BY MATURITIES

| | Within 15 days | 16 to 30 days | 31 to 60 days | 61 to 90 days | From 91 days to 6 months | Over 6 months | Total |
|------------------------------|----------------|---------------|---------------|---------------|--------------------------|---------------|---------|
| Bills discounted | 241,603 | 18,335 | 26,413 | 17,343 | 9,541 | 893 | 314,128 |
| Bills bought in open market | 117,576 | 75,192 | 111,099 | 71,576 | 11,657 | - | 387,100 |
| Certificates of indebtedness | 240 | - | - | 13,012 | 3,022 | 99,267 | 115,541 |

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS, DECEMBER 31, 1924.

(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 | |
|--|---------|----------|-----------|---------|---------|---------|---------|-----------|---------|-----------|---------|-----------|-----------|-----------|
| RESOURCES | | | | | | | | | | | | | | |
| Federal Reserve notes on hand | 45,150 | 331,940 | 32,000 | 49,170 | 25,884 | 56,595 | 253,020 | 25,660 | 14,993 | 26,753 | 15,152 | 60,200 | 936,517 | |
| Federal Reserve notes outstanding | 241,102 | 528,118 | 215,664 | 230,609 | 101,218 | 166,830 | 213,687 | 64,600 | 74,836 | 81,639 | 63,722 | 262,936 | 2,244,961 | |
| Collateral security for Federal Reserve notes outstanding: | | | | | | | | | | | | | | |
| Gold and gold certificates | 35,300 | 188,531 | 6,000 | 8,780 | - | 3,500 | - | 9,775 | 13,052 | - | 14,556 | - | 279,494 | |
| Gold redemption fund | 11,065 | 29,776 | 14,848 | 11,686 | 4,389 | 8,306 | 5,265 | 2,815 | 976 | 5,115 | 4,130 | 16,547 | 114,918 | |
| Gold fund - F. R. Board | 118,000 | 166,000 | 147,389 | 145,000 | 74,795 | 131,500 | 160,644 | 44,000 | 59,500 | 58,360 | 18,500 | 184,206 | 1,307,894 | |
| Eligible paper - | | | | | | | | | | | | | | |
| Amount required | 76,737 | 143,811 | 47,427 | 65,143 | 22,034 | 23,524 | 47,778 | 8,010 | 1,308 | 18,164 | 26,536 | 62,183 | 542,655 | |
| Excess amount held | 16,146 | 16,040 | 5,471 | 15,763 | 9,688 | 1,581 | 23,657 | 23,484 | 2,342 | 2,412 | 2,182 | 7,372 | 126,138 | |
| TOTAL | | 543,500 | 1,404,216 | 468,799 | 526,151 | 238,008 | 391,836 | 704,051 | 178,344 | 167,007 | 192,443 | 144,778 | 593,444 | 5,552,577 |

LIABILITIES

| | | | | | | | | | | | | | | |
|---|---------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
| Net amount of Federal Reserve notes received from Comptroller of the Currency | 286,252 | 860,058 | 247,664 | 279,779 | 127,102 | 223,425 | 466,707 | 90,260 | 89,829 | 103,392 | 78,874 | 323,136 | 3,181,478 | |
| Collateral received from Federal reserve bank: | | | | | | | | | | | | | | |
| Gold | 164,365 | 384,307 | 168,237 | 165,466 | 79,184 | 143,306 | 165,909 | 56,590 | 73,528 | 63,475 | 37,186 | 200,753 | 1,702,306 | |
| Eligible paper | 92,883 | 159,851 | 52,898 | 80,906 | 31,722 | 25,105 | 71,435 | 31,494 | 3,650 | 20,576 | 28,718 | 69,555 | 668,793 | |
| TOTAL | | 543,500 | 1,404,216 | 468,799 | 526,151 | 238,008 | 391,836 | 704,051 | 178,344 | 167,007 | 192,443 | 144,778 | 593,444 | 5,552,577 |

W.