

STATEMENT FOR THE PRESS

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Monday morning, Jan. 10;
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St. 1715.
Federal Reserve Board
January 8, 1921

CONDITION OF MEMBER BANKS IN LEADING CITIES.

Return flow of currency, end-of-year dividend payments by the banks, and building up of balances to meet interest and dividend checks issued by industrial and commercial corporations - account for the principal changes in the condition on December 31 of 820 member banks in leading cities. The number of reporting banks shows a slight decrease due to bank consolidations in Cleveland and New Orleans. Large amounts of currency, after serving the needs of the holiday trade, were returned to the banks during the week and, after being credited to customers' deposit accounts, were used by members to reduce their indebtedness to the Federal Reserve Banks.

Combined holdings of Liberty bonds and Victory notes show a further increase of 15.6 millions, apparently in connection with sales by holders to establish losses for income tax purposes, the increase in the banks' holdings of these securities since December 3 being in excess of 40 millions. On the other hand holdings of Treasury certificates due to additional distribution among ultimate investors show a further liquidation of 39 millions, the end-of-year holdings being 586 millions below the total reported at the beginning of the year. Loans secured by Government war obligations show an increase for the week of 10 millions, loans supported by corporate securities went up 47 millions and other loans and investments (composed largely of commercial loans and discounts) - 13 millions. For the member banks in New York City an increase of 13 millions in Liberty bonds and Victory notes and a reduction of 13 millions in Treasury certificates are shown; loans at these banks supported by Government securities increased during the week by 19 millions, loans secured by corporate securities - by 46 millions, while other loans and investments declined by about 8 millions.

Total loans and investments, in consequence of the above changes, show an increase for the week of 44 millions for all reporting institutions and of 57 millions for the member banks in New York City. The ratio of United States war obligations and paper secured by such obligations to total loans and investments of all reporting banks, largely because of the great reduction in holdings of certificates and of war loan paper, shows a reduction for the year from 18.1 to 12.1 per cent, the corresponding reduction for the New York City banks being from 20.4 to 15.4 per cent.

Accommodation of reporting member banks at the Federal Reserve Banks shows a reduction for the week from 2,176 to 2,103 millions, or from 13 to 12.6 per cent of the banks' total loans and investments. The increasing extent to which the loan burden of the member banks has been shifted during the year to the Federal Reserve Banks is evidenced by the fact that since the beginning of the year, when aggregate borrowings from the Federal Reserve Banks of 798 reporting banks were 1,870 millions, these borrowings have increased by 232 millions, while the December 31 aggregate of loans and investments is slightly less than the corresponding total at the beginning. For the New York City banks decreases for the week in accommodation at the local Reserve Bank from 811 to 766 millions and in the ratio of accommodation from 14.6 to 13.6 per cent are noted, the corresponding ratio on January 2, 1920, being 11.1 per cent.

As against a reduction of 82 millions in Government deposits, increases of 284 millions in net demand deposits and of 53 millions in time deposits of the reporting banks are shown. For the New York City banks a decrease of 40 millions in Government deposits is reported, accompanied by increases of 153 millions in net demand deposits and of 16 millions in time deposits. In keeping with the considerable increase in demand and time deposits the banks report an increase of 23 millions in their reserve balances at the Federal Reserve Banks. Cash in vault shows a decrease of 2 millions only, the bulk of the returned currency in all likelihood having been used to reduce the banks' indebtedness to the Federal Reserve Banks. The New York City banks report an increase of 9 millions in reserve balances as against a reduction of 7 millions in cash.

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PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS IN LEADING CITIES.
(Amounts in thousands of dollars)

St.1715a.

Number of reporting banks - - - - -	Dec. 31, 1920 820	Dec. 24, 1920 824	July 2, 1920 814	Jan. 2, 1920 798
U. S. bonds to secure circulation - - - - -	266,831	269,132	269,867	268,789
Other U. S. bonds, including Liberty bonds - - - - -	642,853	634,342	608,844	636,454
U. S. Victory notes - - - - -	209,079	202,093	198,875	238,385
U. S. Certificates of indebtedness - - - - -	271,599	310,821	419,954	857,355
Total U. S. securities - - - - -	1,390,362	1,416,388	1,497,540	2,000,983
Loans and investments, including bills rediscounted with F.R. Bank:				
Loans secured by U. S. war obligations - - - - -	908,722	898,386	1,022,917	1,294,409
Loans secured by stocks and bonds other than U.S. securities - - - - -	3,173,823	3,126,572	3,119,466	3,390,646
All other loans and investments - - - - -	11,267,346	11,254,472	11,246,031	10,009,180
Total loans and investments, including bills rediscounted with F.R. Bank - - - - -	16,740,253	16,695,818	16,885,954	16,695,218
Reserve balance with F. R. Bank - - - - -	1,356,877	1,333,808	1,445,713	1,444,285
Cash in vault - - - - -	354,005	356,110	358,252	431,436
Net demand deposits - - - - -	10,937,348	10,653,558	11,487,857	11,595,451
Time deposits - - - - -	2,841,765	2,788,649	2,700,371	2,333,783
Government deposits - - - - -	262,264	344,013	107,790	629,201
Bills payable with Federal Reserve Bank:				
Secured by U. S. war obligations - - - - -	628,723	643,052	740,572	906,778
All other - - - - -	6,051	6,696	2,346	7,131
Bills rediscounted with Federal Reserve Bank:				
Secured by U. S. war obligations - - - - -	248,757	263,292	279,891	303,099
All other - - - - -	1,219,008	1,262,551	1,033,621	653,492
Ratio of U. S. war securities and war loan paper to total loans and investments, including rediscounts with Federal Reserve Bank, per cent - - - - -	12.1	12.3	13.3	18.1

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St.1715b.

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF ALL REPORTING MEMBER BANKS IN EACH FEDERAL RESERVE DISTRICT AT CLOSE OF BUSINESS DECEMBER 31, 1920.

(Amounts in thousands of dollars)

Federal Reserve District	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
Number reporting banks	48	114	59	91	80	45	107	35	38	83	51	69	820
U. S. bonds to secure circulation	12,712	46,791	11,347	40,779	29,006	14,230	21,523	15,922	7,596	14,696	19,581	32,648	266,831
Other U. S. bonds including Liberty bonds	20,722	260,673	33,560	60,825	34,866	28,359	63,075	14,554	9,989	25,006	21,547	69,677	642,853
U. S. Victory notes	5,864	97,612	12,170	19,511	7,543	4,398	32,426	2,873	1,042	5,462	2,755	17,423	209,079
U. S. Certificates of indebtedness	18,115	146,686	15,099	16,502	7,313	3,140	34,447	4,150	1,677	6,498	2,254	15,718	271,599
Total U. S. securities	57,413	551,762	72,176	137,617	78,728	50,127	151,471	37,499	20,304	51,662	46,137	135,466	1,390,362
Loans and investments including bills rediscounted with F. R. Bank:													
Loans sec. by U.S. war oblig.	50,148	438,909	77,216	71,879	28,403	29,555	96,947	26,840	15,285	28,609	10,268	34,663	908,722
Loans sec. by stocks & bonds	204,128	1,377,299	202,862	338,878	112,619	59,381	448,157	126,445	36,801	80,008	38,512	148,733	3,173,823
All other loans & investments	804,765	3,972,065	551,531	999,466	394,310	413,510	1,737,227	385,748	278,535	487,164	249,032	983,993	11,267,346
Total loans & investments including rediscounts with F. R. Bank	1,116,454	6,340,035	913,785	1,547,840	614,060	552,573	2,433,802	576,532	350,925	647,443	343,949	1,302,855	16,740,253
Reserve balance with F.R. Bank	77,180	648,885	69,918	99,420	34,544	28,678	184,126	42,235	20,689	45,570	24,465	81,167	1,356,877
Cash in vault	23,975	115,352	19,549	35,525	17,373	14,675	61,518	8,207	8,299	14,001	10,791	24,740	354,005
Net demand deposits	782,719	4,995,337	661,765	891,407	331,750	246,999	1,305,435	310,887	185,745	393,621	215,259	616,424	10,937,348
Time deposits	160,446	441,378	37,029	403,930	108,192	147,260	641,063	130,927	70,880	100,462	58,229	541,969	2,841,765
Government deposits	21,317	130,621	20,659	36,020	5,960	2,159	21,381	5,947	3,445	4,148	1,363	9,244	262,264
Bills payable with F.R. Bank:													
Sec. by U.S. war oblig.	30,431	301,235	45,380	38,134	29,111	23,787	70,355	20,840	7,759	21,087	11,829	23,775	628,723
All other	-	-	-	36	-	72	4,110	-	1,063	670	-	100	6,051
Bills rediscounted with F.R. Bank:													
Sec. by U.S. war oblig.	19,465	124,324	37,813	10,991	3,517	9,183	21,033	5,736	1,969	6,582	1,678	6,466	248,757
All other	85,695	406,223	38,750	56,348	42,844	65,651	260,208	51,067	45,271	66,421	21,124	79,406	1,219,008

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PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS IN F. R. BANK AND BRANCH CITIES AND ALL OTHER REPORTING BANKS.

(Amounts in thousands of dollars)

	New York City		City of Chicago		All F. R. Bank cities		F. R. Branch cities		All other reporting banks	
	Dec. 31	Dec. 24	Dec. 31	Dec. 24	Dec. 31	Dec. 24	Dec. 31	Dec. 24	Dec. 31	Dec. 24
Number of reporting banks	72	72	51	51	285	287	207	209	328	328
U. S. bonds to secure circulation	38,099	38,099	1,439	1,438	94,661	96,372	71,996	72,395	100,174	100,365
Other U.S.bonds,including Liberty bonds	225,813	219,700	19,845	20,214	358,061	349,478	160,265	161,369	124,527	123,495
U. S. Victory notes	88,347	81,305	13,280	12,999	125,709	119,353	49,276	48,430	34,094	34,310
U. S. Certificates of indebtedness	135,649	148,900	9,974	11,095	182,801	211,190	52,716	59,824	36,082	39,807
Total U. S. securities	487,908	488,004	44,538	45,746	761,232	776,393	334,253	342,018	294,877	297,977
Loans and investments including bills rediscounted with F.R.Bank:										
Loans secured by U.S.war obligations	412,504	393,187	67,313	61,814	684,178	671,115	129,767	132,699	94,777	94,572
Loans secured by stocks and bonds	1,222,880	1,177,291	337,054	338,987	2,273,163	2,222,150	488,259	491,220	412,401	413,202
All other loans and investments	3,491,481	3,499,478	1,040,792	1,043,887	7,187,924	7,182,890	2,234,790	2,229,386	1,844,632	1,842,196
Total loans and investments includ- ing rediscounts with F.R. Bank	5,614,773	5,557,960	1,489,697	1,490,434	10,906,497	10,852,548	3,187,069	3,195,323	2,646,687	2,647,947
Reserve balance with F. R. Bank	604,725	596,035	134,965	125,750	996,778	980,962	202,114	204,950	157,985	147,896
Cash in vault	101,442	108,869	35,565	36,753	201,996	211,826	69,124	65,853	82,885	78,431
Net demand deposits	4,505,054	4,352,152	916,187	886,160	7,688,380	7,481,342	1,713,717	1,670,625	1,535,251	1,501,591
Time deposits	298,415	282,652	310,961	304,036	1,321,215	1,270,553	903,391	906,744	617,159	611,352
Government deposits	127,355	167,575	10,777	14,081	203,296	267,535	36,780	47,147	22,188	29,331
Bills payable with F.R.Bank:										
Secured by U.S. war obligations	268,794	270,837	15,805	16,546	405,655	416,595	141,841	148,138	81,227	78,319
All other	-	-	4,110	4,210	4,110	4,210	842	857	1,099	1,629
Bills rediscounted with F.R.Bank:										
Secured by U.S. war obligations	122,106	120,551	12,534	12,612	204,492	215,895	32,691	35,330	11,574	12,067
All other	375,022	419,277	186,874	186,254	891,662	927,942	161,247	169,218	166,099	165,391
Ratio of U.S.war securities and war loan paper to total loans and investments, in- cluding rediscounts with F.R.Bk., per cent	15.4	15.2	7.4	7.1	12.4	12.4	12.3	12.7	10.9	11.0