Released for use Friday a. m. November 19, 1915.

STATEMENT FOR THE PRESS.

More than $100,000,000 is now held by the Federal Reserve Board in its Gold Settlement Fund, made up of balances to the credit of the twelve Federal Reserve banks and the Federal Reserve agents. In the weekly clearing made by the Board today the balance in the fund was shown to be $102,620,000, made up of deposits held to the credit of the Federal Reserve banks for the purpose of clearing balances between them existing at the close of business each Wednesday. Each bank telegraphs to the Federal Reserve Board a statement of the amounts due to other banks and the clearing takes place on each Thursday morning.

Clearing operations were begun on May 19, 1915, and the Fund is, therefore, now six months old. The first actual clearing was on May 26, each Federal Reserve bank at that time being required to deposit $1,000,000 in the Fund and an amount in addition equal to its indebtedness to other Federal Reserve banks.

Authority for clearings between Federal Reserve banks is found in Section 16 of the Federal Reserve Act, under which the Board is authorized in its discretion to exercise the functions of a clearing house for the Federal Reserve banks. A regulation covering the matter was issued by the Board on May 8th. Deposits by the Reserve banks in this Fund are counted as legal reserve. On September 8, 1915 the Board authorized accounts to be opened with the twelve Federal Reserve agents. The fund is now divided as follows:

Balances to the credit of Federal Reserve banks,	$69,240,000.
Balances to the credit of Federal Reserve agents,	33,380,000.

These amounts are now held by the Board in gold order certificates in denominations of $10,000. Deposits in the fund are, through the courtesy of the Treasury Department, made by Federal Reserve banks through the Subtreasuries. When a deposit is made at a subtreasury advice is wired to the Treasurer of the United States at Washington who then causes gold certificates to be issued to the Federal Reserve Board. When payments are made from the Fund the operation is of course reversed. Transfers are, however, for the most part on the books of the Gold Settlement Fund by credits and debits between the twelve banks or between banks and the Federal Reserve agents.

The Gold Settlement Fund is administered for the Board by officers connected with its organization who do the work in addition to their other duties. Its cost of administration during the first six months of its existence has been slightly in excess of $1,000. During this period balances of $719,688,000 have been settled.

November 18, 1915.

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Federal Reserve Bank of St. Louis