

EX-OFFICIO MEMBERS

WILLIAM G. MCADOO
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

FEDERAL RESERVE BOARD

WASHINGTON

1790

W. P. G. HARDING, GOVERNOR
PAUL M. WARBURG, VICE GOVERNOR
FREDERIC A. DELANO
ADOLPH C. MILLER
CHARLES S. HAMLIN

H. PARKER WILLIS, SECRETARY
SHERMAN P. ALLEN, ASST. SECRETARY
AND FISCAL AGENT

ADDRESS REPLY TO
934 FEDERAL RESERVE BOARD

December 23, 1916.

Dear Sir:

With reference to Form 34 (1917 edition) copies of which will be sent to you from the Government Printing Office, the following observations may prove useful:

1. Items BALE and BANK in the first block should be given net - i. e., less amounts of paper rediscounted with other Federal reserve banks, but including amounts pledged with the Federal reserve agent. Item BALE is to comprise all paper discounted for member banks, including trade acceptances (two-name paper) discounted, also commodity paper. Trade acceptances based upon foreign trade, as well as domestic trade transactions when purchased in the open market, should be shown together with bankers' acceptances in item BEND.

11. Item BITE is to include the amounts of U. S. bonds held by the bank itself, as well as amounts held in suspense account with the Secretary of the Treasury.

111. Item "Expense Current" is to show the segregated expense of the bank proper; disbursements of transit department are to be shown in the following subdivision.

The Board is of the opinion that the headings "Deferred Debits" and "Deferred Credits" printed in the draft improperly describe the items grouped thereunder. Accordingly the headings have been changed to read "Collection Items - Debits" and "Collection Items - Credits", and the items themselves have been moved to the next subdivision, to follow item BULB ("Checks and Other Cash Items") and CALK ("Federal Reserve Bank drafts") on the asset and liability sides respectively. TALK ("Total deferred debits") and TANK ("Total deferred credits") printed in the draft have like-

-2-

wise been eliminated. It is the desire of the Board that the banks, as soon as practicable, change their account forms so as to be able to furnish the Board with daily figures against all items in the deposit block and against corresponding items on the resource side of Form 34.

Item "Service charges - net" represents the difference between the amounts of service charges against member banks and other Federal reserve banks collected or accrued and the amounts of service charges paid or payable to other Federal reserve banks.

Item "Paper pledged with Agent (DRAB) is a memorandum account and should not be combined with the other liabilities shown on the form. No offsetting entry need be made on the asset side of Form 34.

The net liability on Federal reserve notes is to be figured by deducting from the amount of Federal reserve notes outstanding (Item DEER) the amounts of gold and lawful money deposited with the Federal reserve agent (Item DOPE) and should therefore equal item COKE. Amounts of Federal reserve notes in the hands of the Federal reserve bank should not be deducted.

Respectfully,

Secretary.