

EX OFFICIO MEMBERS

CARTER GLASS
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

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ALBERT STRAUSS, VICE GOVERNOR
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R. G. EMERSON, ASSISTANT SECRETARY
W. M. IMLAY, FISCAL AGENT

December 19, 1919.
St. 777

SUBJECT: Form 34 revised for use
during the calendar year 1920.

Dear Sir:

The revised edition of form 34 for use during the year 1920 will be sent out by the Government Printing Office the latter part of this month and should reach the banks in time to enable them to submit their statements for January 2 on the new form. Changes in form of statement relate chiefly to the Treasurer's General Account. The Board has also ordered a change in the method of calculating the reserve percentage to which your particular attention is called.

Treasurer's General Account: As stated in the Board's letter X-1725 of November 15, the Treasurer's General Account has been divided into Collected Funds, code COPY, and Uncollected Funds, code CURZ. No change in the method of crediting items to Government account is involved in this Division of the Treasurer's General Account, the purpose being merely to show separately any uncollected funds for which immediate credit has been given. Items for which the Government has been given deferred credit should be reported against Government Transit Items, code CHAT, as heretofore. In case the Government collected fund account, code COPY, is overdrawn, the overdraft should be shown in red. Uncollected items credited to the Treasurer's General Account, code CURZ, should be shown gross, regardless of any overdraft which may occur in the collection fund account. The sum of the respective amounts reported against items COPY and CURZ should be extended into the long column as the actual balance in the Treasurer's General Account. In case the collected fund account is overdrawn, the balance to be extended is, of course, the amount of uncollected items credited (code CURZ) less the overdraft in the collected fund account, except when the overdraft in the collected fund account is greater than the amount shown in the uncollected fund account, in which case the resulting overdraft should be shown on the resource side of the form against code BORE.

Deposits on which reserve is computed: In accordance with a recent opinion of counsel the Board has ruled that beginning with January 1, 1920, the reserves required to be carried by Federal Reserve banks against deposits will be computed against immediately available deposits only; i.e., against code items COPY, CURZ, CLAY, CHOP, CERE, CINO and CORA of the 1920 edition of form 34. Accordingly beginning with January 1, 1920, deferred availability items on the liability side and uncollected items on the resource side of form 34 will be disregarded in determining the deposit liability on which reserve is computed.

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Changes in Board's Weekly Bank Statement: The following changes will also be made in the Board's weekly bank statement:

Caption "Uncollected items and other deductions from gross deposits" will be changed to read "Uncollected items" and will appear immediately below caption "5% redemption fund against F. R. Bank Notes."

Caption "All other resources" will be changed to read "All other resources, including amounts due from foreign banks," and will comprise items BILL, BORE, BADE, BUFF, BOLD, BOND, and BURS of form 34.

Caption "Deferred availability items" will be shown immediately preceding "All other liabilities." The latter caption will be made up of items TULE, CART, CURE, and BYKE of form 34.

Caption "Deposits on which reserve is computed" will be substituted for caption "Total gross deposits" and the word "net" will be eliminated from the caption of both memorandum items showing reserve ratios.

In this connection attention is invited to Board's letters St. 118 of December 18, 1918, and X-1542 of May 20, 1919, in which it is requested that in future press reports showing the resources and liabilities of your bank you use the same captions and follow the same order of presentation as adopted by the Board in its weekly press statement. In case you desire to show items in greater detail than in our weekly statement, there will be no objection on the part of the Board, provided you show the detailed items under sub-heads and give in addition, totals against the same captions as are shown in the Board's weekly statement.

Very truly yours,

Governor.

Enclosures:

1. Skeleton of 1920 form of the Board's weekly Bank Statement.
2. Unruled copy of 1920 edition of form 34.

COPY OF THIS LETTER SENT TO CHAIRMAN OF EACH F. R. BANK.