

EX OFFICIO MEMBERS

DAVID F. HOUSTON
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

W. P. G. HARDING, GOVERNOR
ADOLPH C. MILLER
CHARLES S. HAMLIN
HENRY A. MOEHLERPAH
EDMUND PLATT

W. T. CHAPMAN, SECRETARY
R. G. EMERSON, ASSISTANT SECRETARY
W. M. IMLAY, FISCAL AGENT

November 27, 1920.
St.1605.

SUBJECT: Debits to Individual Account
at Reporting Clearing House
Centers.

Dear Sir:

It has been noted that debits to individual account, reported for clearing house centers, especially during the more recent weeks, have shown material fluctuations due in no small part to the fact that the number of banks for which reports were made has not been uniform from week to week. It is evident that if these figures are to retain any informative value they must represent debits for the same banks each week, otherwise the figures are not only of no value but are misleading in that the trend of business which these debits are supposed to measure may be in exactly the opposite direction from that indicated.

With a view to putting the weekly statements of debits to individual account on a strictly comparable basis, it is requested that where the figures received from any reporting clearing house manager fail to include debits for all banks for which reports should be received, immediate steps be taken to obtain the complete figures. In no case, however, should reports for other centers be held up pending the receipt of final and complete data from clearing house centers for which no reports or incomplete reports were received. The Board may find it necessary hereafter to refrain from publishing figures for any clearing house center where the figures furnished do not represent debits for the full number of banks which are on the list of banks for which that center makes weekly reports.

We note that there are a few centers for which the number of reporting banks, code IDES, has not been given in the past. In order that the Board may be able to determine whether or not the figures are strictly comparable, also whether any errors have been made in transmission of the telegrams, may we request that in the future the number of reporting banks, code IDES, be given for each reporting center and that telegraphic reports to the Board give the total number of reporting banks and the aggregate amount of debits included in each telegram.

In order that the Board may have definite information as to whether or not figures received include debits for all banks whose checks are cleared through the clearing house, i.e., for all clearing house members and for banks which clear through clearing house members (so-called clearing non-members), as requested in previous letters on this subject, kindly furnish us as soon as practicable with a statement showing for each reporting center (a) the names of all clearing house member banks and (b) the names of all clearing non-member banks. The names of clearing non-member banks should appear immediately following (and slightly indented under) the names of clearing house member banks through which their checks are handled, and the words "not reporting" should be added in parentheses after the name of each bank for which no reports are now received. A supplementary statement should also be furnished the Board, giving the names of banks for which no reports are now received but will be received beginning with January 1, 1921.

If in your judgement there are any clearing house centers in your district which should be added to or eliminated from the list for which debits are now published by the Board, we shall be very glad to receive your recommendation on the subject.

As previously explained, debits to individual account represent all debits to the accounts of individuals, firms, and corporations, and of the U. S. Government, including debits to War Loan Deposit Account, debits against savings accounts, payments from trust accounts and of certificates of deposit.

Very truly yours,

Assistant to Governor.

Letter sent to each F. R. Agent.