

FEDERAL RESERVE BOARD

WASHINGTON

November 24, 1923.
St. 3809.

SUBJECT: Revision of Federal Reserve
Bank Balance Sheet Form 34
for use during 1924.

Dear Sir:

There is enclosed herewith an unruled proof copy of the daily balance sheet Form 34 to be used by the Federal reserve banks during 1924. The year's supply of the form requested in your bank's recent telegram will be mailed to you as soon as received from the printer, which should be about the middle of December. From an examination of the enclosed proof copy it will be noted that only a few minor changes have been made in the form now in use, all of which are self-explanatory.

At the present time some of the Federal reserve banks are estimating each day, on the basis of experience, the amount of each of the several classes of money included in their holdings of unassorted currency, and distributing such estimated amounts against the corresponding items on Form 34. The remaining banks, on the other hand, are making this distribution of unassorted currency only on the last day of each month. On three occasions during 1923 the last day of the month coincided with the weekly statement day, Wednesday, and on each of these occasions the amounts of Federal reserve notes in circulation and of non-reserve cash on hand as shown by the weekly press statements were from \$20,000,000 to \$30,000,000 less than for the preceding and following weeks. This decrease in Federal reserve note circulation was, of course, due to bookkeeping methods and not to any actual change in the amount of notes in circulation. To avoid occurrences of this kind in the future the Board would prefer that beginning with 1924 all Federal reserve banks estimate each day, on the basis of an experience test, the amount of each of the various classes of money comprising unassorted currency on hand, and include such estimated amount against the proper caption on the balance sheet.

In case your bank now reports unassorted currency on Form 34 it will be appreciated if you will advise the Board whether or not it will be practicable for you to follow the practice outlined above beginning with January 1, 1924.

Very truly yours,

Walter L. Eddy,
Secretary.

Enclosure.

LETTER TO GOVERNORS OF ALL FEDERAL RESERVE BANKS.