

FEDERAL RESERVE BOARD

WASHINGTON

August 24, 1926.
St. 5064.ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: Debits to Individual Accounts.

Dear Sir:

The Board's weekly statement of debits to individual accounts by banks in selected cities is now extensively used as a measurement of the volume of business transacted currently in each reporting center and in all reporting centers, and as an index of the volume of these transactions over an extended period. It is therefore desirable to make the published figures as representative as possible and to be extremely careful to see that they are kept on a comparable basis.

Under the present system of reporting it is difficult to maintain the representative character and comparability of figures over a considerable period of time because of the changes that frequently occur in the relative volume of deposit liabilities of reporting and of non-reporting banks. At present the reports for many of the cities represent debits of only those banks which are members of the local clearing house association or which clear through members of the association, and changes in such membership necessarily affect the number of reporting banks and consequently the comparability of the figures. Requests have also been received from time to time for permission to include figures for additional banks both for cities in which clearing house associations exist and cities where debit figures are compiled by other agencies. The Board feels that the statement would be much improved if all banks in each reporting center that receive checking deposits could be induced to furnish debit figures regularly each week, and it would like to have an expression of your views as to the practicability of obtaining regular reports from all banks in each of the reporting cities in your district. To accomplish this it might be necessary to get reports direct from some of the banks not now reporting, but arrangements could perhaps be made in most cases for these banks to report through the existing reporting agencies.

With the view of determining how seriously the figures are affected by the fact that reports cover only a portion of the banks in some centers, it will be appreciated if you will kindly prepare and send to the Board a statement showing for each reporting center: (a) the names of clearing house banks; (b) the names of all so-called clearing nonmember banks, the name of each clearing nonmember bank to follow, slightly indented, the name of the clearing-house bank through which its checks are handled; and (c) the names of all

other banks which carry deposits subject to check. The words "no report" should be shown after the name of each bank for which no reports are now received. The list of banks should be accompanied with a table showing separately for each reporting center the total demand deposits of reporting banks and of non-reporting banks.

The present inquiry is intended to furnish the Board with information regarding the completeness of the debit figures for the various centers and to obtain the views of the Federal reserve agents with respect to the suggested changes in the statement and it is requested that for the present no arrangements, even in a tentative way, be entered into for obtaining figures from banks not now reporting.

Very truly yours,

D. R. Crissinger,
Governor.

LETTER TO ALL FEDERAL RESERVE AGENTS.