

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDOctober 24, 1930.
St. 6769.SUBJECT: Weekly statement of condition
of Federal reserve banks.

Dear Sir:

In the case of a number of the Federal reserve banks, earnings during the current year have not been sufficient to cover operating expenses, dividends accrued, etc., with the result that a red figure is being shown against the item "Available for depreciation allowances, reserves, surplus and franchise tax", code "CUTE", on the daily balance sheet, Form 34. In one case recently the red figure was large enough to result in a negative amount being shown for "All other liabilities" in the Board's weekly statement. It is felt that whenever a red amount is shown for item CUTE, it should be included among "All other resources" instead of being deducted from actually existing liabilities. Accordingly in condition statements beginning with Wednesday, October 29, we will add the amount of item CUTE on Form 34 to "All other resources" whenever it represents an excess of deductions over current net earnings.

It will be appreciated if you will kindly follow the same procedure in any statements of condition of your bank issued locally.

Very truly yours,

E. L. Smead, Chief,
Division of Bank Operations.