

FEDERAL RESERVE BOARD

WASHINGTON

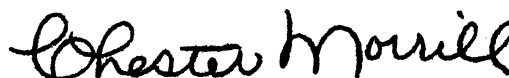
ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDNovember 5, 1935
B-1103.

Dear Sir:

Beginning with the statement as of Wednesday, November 6, 1935, the Board's weekly condition statement of reporting member banks will cover 101 leading cities as it did prior to the banking holiday in 1933, instead of 91 cities as in the recent past. The statement will also be issued in condensed balance sheet form and will include additional items which have been reported by the banks since September 1934. For your information there is inclosed a copy of the form in which the statement will appear and of an accompanying explanatory statement to be given to the press.

Monday, November 11, being a holiday at all Federal Reserve banks and branches, the statement as of November 6 will be issued on Tuesday, November 12, instead of on Monday, November 11.

Very truly yours,

Chester Morrill,
Secretary.

Inclosure.

TO ALL FEDERAL RESERVE AGENTS

Board of Governors
of the Federal Reserve System
November 12, 1935

For immediate release

STATEMENT FOR THE PRESS

Beginning this week the weekly condition statement of reporting member banks, issued by the Board of Governors of the Federal Reserve System, will cover reporting banks in 101 leading cities as it did prior to the banking holiday in 1933, instead of 91 cities as in the recent past. When publication of the statement was resumed following the banking holiday, 11 cities were dropped from the published statement temporarily because all or some of the important reporting banks in each of those cities had not then been licensed to resume full banking operations.

The weekly statement has been revised further so as to show additional items which have been reported to the Board since September 1934. The amount of "Loans to banks" was included heretofore partly in "Loans on securities - to others" and partly in "Other loans". The item "Demand deposits - adjusted" represents the total amount of demand deposits standing to the credit of individuals, partnerships, corporations, associations, States, counties, municipalities, etc., minus the amount of cash items reported as on hand or in process of collection. The new item is a more accurate measure of changes in the volume of demand deposits available for use of the general public than was the old item "Net demand deposits", which represented merely demand deposits subject to legal reserve requirements. The method of computing the item "Net demand deposits", furthermore, has been changed in two respects in accordance with provisions of the Banking Act of 1935: first, it includes United States Government deposits, against which reserves must now be carried, while previously these deposits required no reserves, and, second, amounts due from banks are now deducted from gross demand deposits rather than solely from amounts due to banks, as was required under the old law. These changes make the present item "Net demand deposits" not comparable with the same item as shown prior to August 23, 1935. The item "Time deposits" differs from that previously published in that it formerly included a relatively small amount of time deposits of other banks, which are now included in "Inter-bank deposits". The item "Due to banks" shown heretofore in the statement included only demand balances of domestic banks. The item "Borrowings" represents funds received, on bills payable and rediscounts, from the Federal Reserve banks and from other sources. Figures are shown also for "Capital account", "Other assets - net" and "Other liabilities". By "Other assets - net" is meant the aggregate of all assets not otherwise specified, less cash items reported as on hand or in process of collection which, as previously indicated, have been deducted from demand deposits.

Data by weeks since September 5, 1934, for all reporting member banks, for reporting banks in New York, and for those in other leading cities, corresponding with the figures for the current week, will be published in the forthcoming issue of the Federal Reserve Bulletin.

(B-804c)