

STATEMENT FOR THE PRESS

St. 821.

Released for publication Sunday morning,
January 4, 1920; not earlier.

Federal Reserve Board
January 3, 1920.

CONDITION OF FEDERAL RESERVE BANKS.

Net reduction by 58.7 millions in the volume of Federal Reserve note circulation as against an increase of 146.5 millions in net deposits and a decline of 14.3 millions in cash reserves is indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on January 2, 1920. The banks' reserve percentage shows a decline for the week from 44.8 to 43.7 per cent.

As against declines of 26.1 millions in the amount of war paper and of 19.6 millions in the amount of acceptances on hand the Banks report an increase of 62.4 millions in the total of other discounts held, the result being a net increase of 25.7 millions in the Banks' total bill holdings. Of the total of 1,484.3 millions of war paper held, 734.8 millions or 49.5 per cent was secured by Liberty bonds; 288 millions - or 19.4 per cent - by Victory notes; and 461.5 millions - or 31.1 per cent - by Treasury certificates, as against 48.5, 22.3 and 29.2 per cent of a total of 1,510.4 millions of war paper held the week before. An increase of 75.6 millions in the holdings of Treasury certificates represents the total of temporary certificates issued to 7 Reserve banks to cover advances to the Treasury, pending the collection of funds from depository institutions.

War paper holdings of the Atlanta, Chicago and Dallas banks are inclusive of 51.4 millions of bills discounted for other F. R. banks, while acceptance holdings of 8 Federal Reserve banks include 91.2 millions of bills purchased from the New York and Boston banks, compared with 128.1 millions the week before.

Government deposits declined 33.4 millions; members' reserve deposits, partly because of the large loan expansion of member banks during the past week, went up 135.9 millions, other deposits, including foreign government credits, increased 18.6 millions, while the "float" carried by the Reserve banks shows a decrease of 25.4 millions. As a result net deposits work out at 146.5 millions in excess of the previous week's total.

Decreases in Federal Reserve note circulation, because of the large return flow of notes to the banks of issue, are reported by all F. R. banks, except San Francisco, the decreases for the week being especially notable in the case of the New York, Philadelphia, Cleveland and Chicago banks.

The banks' combined surplus, following the closing of their books on December 31 of the past year, shows an increase from 81.1 to 120.1 millions and constitutes at present about 69 per cent of the banks' subscribed capital. In the case of the New York bank this ratio is in excess of 100 per cent, and accordingly the Government collected from that bank a franchise tax of \$2,704,000, as its share of the bank's surplus profits for the year.

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COMBINED RESOURCES AND LIABILITIES OF THE TWELVE FEDERAL RESERVE BANKS.

	January 2, 1920	December 26, 1919	January 3, 1919
RESOURCES			
Gold and gold certificates	\$239,609,000	\$229,445,000	\$338,717,000
Gold settlement fund, F. R. Board	363,723,000	352,785,000	398,997,000
Gold with foreign agencies	131,320,000	134,320,000	5,829,000
Total gold held by banks	734,652,000	716,550,000	743,543,000
Gold with Federal Reserve Agents	1,205,596,000	1,240,032,000	1,263,383,000
Gold redemption fund	122,367,000	121,850,000	84,268,000
Total gold reserves	\$2,062,615,000	\$2,078,432,000	2,091,194,000
Legal tender notes, silver, etc.	58,657,000	57,104,000	60,960,000
Total reserves	2,121,272,000	2,135,536,000	2,152,154,000
Bills discounted (Secured by Government war obligations)	1,484,262,000	1,510,364,000	1,534,670,000
(All other)	746,925,000	684,514,000	295,194,000
Bills bought in open market	574,631,000	585,212,000	290,269,000
Total bills on hand	2,805,818,000	2,780,090,000	2,120,133,000
U. S. Government bonds	26,836,000	26,834,000	29,824,000
U. S. Victory notes	64,000	64,000	-
U. S. Certificates of indebtedness	349,090,000	273,507,000	125,063,000
All other earning assets	-	-	13,000
Total earning assets	3,181,808,000	3,080,495,000	2,275,033,000
Bank premises	10,369,000	13,002,000	8,082,000
Uncollected items and other deductions from gross deposits	1,171,778,000	1,075,100,000	828,849,000
5% Redemption fund against F.R. bank notes	13,130,000	13,237,000	6,265,000
All other resources	5,733,000	8,062,000	15,485,000
TOTAL RESOURCES	6,504,090,000	6,325,432,000	5,285,868,000
LIABILITIES			
Capital paid-in	87,433,000	87,339,000	80,792,000
Surplus	120,120,000	81,087,000	22,738,000
Government deposits	38,920,000	72,357,000	89,821,000
Due to members, - Reserve account	1,922,800,000	1,786,874,000	1,602,901,000
Deferred availability items	944,884,000	822,680,000	569,055,000
Other deposits, including foreign government credits	116,307,000	97,659,000	118,581,000
Total gross deposits	3,022,911,000	2,779,570,000	2,380,358,000
F. R. notes in actual circulation	2,998,392,000	3,057,646,000	2,647,605,000
F.R. bank notes in circulation - net liability	258,561,000	261,039,000	120,267,000
All other liabilities	16,073,000	58,751,000	34,108,000
TOTAL LIABILITIES	6,504,090,000	6,325,432,000	5,285,868,000
Ratio of total reserves to net deposit and F. R. note liabilities combined	43.7 %	44.8 %	51.3 %
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against net deposit liabilities	49.5 %	50.3 %	60.8 %

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JANUARY 2, 1919²⁰
R E S O U R C E S

(In thousands of dollars.)

	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
Federal Reserve bank of													
Gold and gold certificates	8,014	154,012	1,200	10,368	2,421	8,429	24,180	2,725	8,256	254	6,362	13,388	239,609
Gold settlement fund - F.R. Board	36,083	41,101	30,577	36,416	30,007	20,082	72,562	16,675	5,952	30,994	15,415	27,859	363,723
Gold with foreign agencies	9,586	48,195	10,506	10,768	6,435	4,727	15,627	6,172	3,546	6,303	3,414	6,041	131,320
Total gold held by banks	53,683	243,308	42,283	57,552	38,863	33,238	112,369	25,572	17,754	37,551	25,191	47,288	734,652
Gold with F. R. Agents	73,189	306,756	88,918	123,711	39,972	63,393	217,767	61,181	35,607	39,246	27,411	128,445	1,205,596
Gold redemption fund	26,664	25,000	8,479	1,956	7,223	8,051	20,371	6,577	445	4,538	3,245	9,218	122,567
Total gold reserves	153,536	575,064	139,680	183,219	86,058	104,682	350,507	93,330	53,806	81,335	56,447	184,951	2,062,615
Legal tender notes, silver, etc.	3,966	45,819	536	715	192	997	1,909	2,490	65	361	1,253	354	57,657
Total reserves	157,502	620,883	140,216	183,934	86,250	105,679	352,416	95,820	53,871	81,696	57,700	185,305	2,121,272
Bills discounted:													
Secured by Government													
war obligations (a)	123,914	571,822	173,734	114,920	24,607	63,898	160,421	48,271	21,228	39,744	38,763	42,940	1,404,262
All other	60,742	239,901	34,761	46,319	23,841	24,826	135,695	32,587	50,152	48,432	18,372	31,297	746,925
Bills bought in open market (b)	12,634	208,652	5,177	48,219	16,560	16,226	90,690	31,161	12,061	17,567	6,621	103,063	574,631
Total bills on hand	203,290	1,020,375	213,672	209,458	125,008	104,950	386,806	112,019	83,441	105,743	63,756	177,300	2,805,818
U. S. Government bonds	539	1,257	1,385	833	1,235	375	4,477	1,153	116	8,868	3,966	2,632	26,836
U. S. Victory notes	-	50	-	10	-	4	-	-	-	-	-	-	64
U.S. certificates of indebtedness	33,605	79,952	30,585	27,521	12,260	15,665	83,891	18,236	9,480	16,986	9,065	11,844	349,090
Total earning assets	237,434	1,101,634	245,642	237,822	138,503	120,994	475,174	131,408	93,037	131,597	76,787	191,776	3,181,808
Bank premises	1,103	3,094	500	640	504	463	2,116	356	500	462	399	232	10,369
Uncollected items and other de-													
ductions from gross deposits	104,966	257,067	97,166	96,546	101,242	54,485	131,964	83,123	31,347	91,285	67,012	55,575	1,171,778
5% Redemption fund against F. R.													
bank notes	1,072	2,910	1,475	1,114	643	831	1,832	673	400	957	558	665	13,130
All other resources	369	1,176	419	*649	620	163	590	241	141	477	612	276	5,733

TOTAL RESOURCES

502,446 1,986,764 485,418 520,705 327,762 282,615 964,092 311,621 179,296 306,474 203,068 433,829 6,504,090

(a) Includes bills discounted.

for other F.R. banks, viz:

- - - - - 5,000 17,540 - - - 28,903 - 51,443

(b) Includes bankers' acceptances

bought from other F.R. banks:

With their endorsement

- - - - 5,080 5,065 16,500 17,058 - - 5,065 10,081 58,849

Without their endorsement

- - - 4,902 - - 8,940 6,731 - 8,036 100 3,593 32,357

* Includes Government overdraft of \$245,000.

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JANUARY 2, 1920.

(In thousands of dollars.)

L I A B I L I T I E S

	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
Federal Reserve bank of													
Capital paid-in	7,108	22,391	7,884	9,533	4,393	3,429	12,363	4,064	3,076	4,022	3,417	5,753	87,433
Surplus	8,359	45,082	8,805	9,089	5,820	4,695	14,292	3,724	3,569	6,116	3,030	7,539	120,120
Government deposits	12,844	194	6,119	-	582	4,073	3,000	3,387	1,893	818	2,480	3,530	38,920
Due to members - Reserve account	121,164	785,043	97,822	124,416	67,142	60,404	272,994	75,019	55,111	80,239	62,652	120,794	1,922,800
Deferred availability items	81,843	206,265	94,604	84,541	88,289	36,902	109,002	61,691	16,874	87,382	43,352	34,139	944,884
Other deposits including													
foreign government credits	5,960	56,232	8,361	7,200	3,816	3,155	11,436	4,147	2,951	4,021	2,508	6,520	116,307
Total gross deposits	221,811	1,047,734	206,906	216,157	159,829	104,534	396,432	144,244	76,829	172,460	110,992	164,983	3,022,911
F.R. notes in actual circulation -	243,368	811,119	232,160	262,997	145,277	154,112	498,178	143,411	87,106	103,680	74,814	242,770	2,998,992
F.R. bank notes in circulation -													
net liability	20,820	52,776	28,791	22,106	12,073	15,503	41,012	15,611	8,207	19,489	10,383	11,790	258,561
All other liabilities	980	7,662	872	823	370	342	1,815	567	509	707	432	994	16,073
TOTAL LIABILITIES	502,446	1,986,764	485,418	520,705	327,762	282,615	964,092	311,621	179,296	306,474	203,068	433,829	6,504,090

M E M O R A N D A

Contingent liability as													
endorser on -													
Discounted paper rediscounted													
with other F. R. banks	-	-	25,664	-	9,570	-	-	-	-	16,209	-	-	51,443
Bankers' acceptances sold to													
other F. R. banks	58,849	-	-	-	-	-	-	-	-	-	-	-	58,849

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION.

F. R. notes outstanding	254,396	939,186	245,865	283,818	150,878	159,467	537,501	163,275	88,503	110,393	78,641	279,419	3,291,342
F. R. notes held by bank	11,028	128,067	13,705	20,821	5,601	5,355	39,323	19,864	1,397	6,713	3,827	36,649	292,350
F.R. notes in actual circulation	243,368	811,119	232,160	262,997	145,277	154,112	498,178	143,411	87,106	103,680	74,814	242,770	2,998,992

DISTRIBUTION OF BILLS AND U. S. CERTIFICATES OF INDEBTEDNESS BY MATURITIES.

	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Bills discounted		1,477,607	238,153	341,395	153,103	2,231,187
Bills bought in open market		116,925	104,217	206,406	147,083	574,631
U. S. certificates of indebtedness		85,606	3,000	6,607	7,989	349,090

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS JANUARY 2, 1920.

(In thousands of dollars.)

Federal Reserve Agent at	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
FEDERAL RESERVE NOTES:													
Received from Comptroller	476,300	2,001,000	510,780	485,040	305,860	298,000	838,800	299,600	152,080	203,260	143,700	409,920	6,124,340
Returned to Comptroller	193,224	945,814	241,575	175,122	129,794	93,088	290,459	113,825	56,317	87,077	48,899	129,351	2,504,545
Chargeable to F. R. Agent	283,076	1,055,186	269,205	309,918	176,066	204,912	548,341	185,775	95,763	116,183	94,801	280,569	3,619,795
In hands of F. R. Agent	28,680	116,000	23,340	26,100	25,188	45,445	10,840	22,500	7,260	5,790	16,160	1,150	328,453
Issued to F.R. bank less amount returned to F. R. Agent for redemption	254,396	939,186	245,865	283,818	150,878	159,467	537,501	163,275	88,503	110,393	78,641	279,419	3,291,342
COLLATERAL SECURITY FOR OUTSTANDING NOTES:													
Gold coin and certificates on hand	-	183,740	-	32,025	-	2,500	-	4,000	13,052	-	8,831	-	244,148
Gold redemption fund	13,189	13,016	14,529	16,686	1,972	2,893	8,622	3,250	2,755	1,886	4,096	18,226	101,120
Gold settlement fund - F. R. Board	60,000	110,000	74,389	75,000	38,000	58,000	209,145	53,931	19,800	37,360	14,484	110,219	860,328
Eligible paper - minimum required	181,207	632,430	156,947	160,107	110,906	96,074	319,734	102,094	52,896	71,147	51,230	150,974	2,085,746
TOTAL	254,396	939,186	245,865	283,818	150,878	159,467	537,501	163,275	88,503	110,393	78,641	279,419	3,291,342
AMOUNT OF ELIGIBLE PAPER DELIVERED TO F. R. AGENT	203,290	1,018,253	173,919	208,281	115,214	104,853	386,509	111,910	73,592	105,657	63,756	165,428	2,730,662