

STATEMENT FOR THE PRESS

Released for publication Sunday morning,
February 29, 1920; not earlier.

Federal Reserve Board,
February 28, 1920.

CONDITION OF THE FEDERAL RESERVE BANKS

Substantial increases in discount operations, accompanied by corresponding increases in net deposits and a further expansion of Federal Reserve note circulation are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on February 27, 1920. Gold reserves show a further reduction of about 3 millions, while the increase of over 50 millions in other reserve cash represents largely a transfer of silver accumulated by the Treasury with a view to meeting Oriental demands. Silver so transferred will gradually be used for that purpose by the New York Federal Reserve Bank, which is conducting the operation under the direction of the Federal Reserve Board. Meanwhile, the transfer serves to replenish the balance of the Treasury with the New York Bank in anticipation of March 15 demands without calls upon depository banks.

War paper holdings at the several Federal Reserve banks show an increase of 47.8 millions, and those of other paper a similar increase of 47.2 millions. Acceptances on hand show but a nominal change, while Treasury certificate holdings declined about 1.1 millions. The result of these changes is seen in an increase of 93.6 millions in total earning assets. Of the total of about 1,573 millions of war paper held, 756.8 millions, or 48.1 per cent, were secured by Liberty bonds, 247.5 millions, or 15.7 per cent by Victory notes, and 568.7 millions, or 36.2 per cent by Treasury certificates, as against 46.3, 16.1, and 37.6 per cent of a total of 1,525.2 millions of war paper reported the week before.

Discounted paper held by the Cleveland, Atlanta, Chicago, Minneapolis, Kansas City and Dallas banks includes 86.9 millions of bills discounted for the New York and Philadelphia banks, as against 93.9 millions the week before, while acceptance holdings of the Boston, Cleveland, Atlanta, Kansas City and San Francisco banks are inclusive of 22.5 millions of paper purchased from the New York and Boston banks, compared with 30.4 millions reported the week before by Chicago and the banks just named.

Government deposits show an increase for the week of 58.3 millions and members' reserve deposits an increase of 43.1 millions. Other deposits, including foreign government credits, fell off 0.3 million, while the "float" carried by the Reserve banks (treated as a deduction from gross deposits) increased by 2.3 millions, with the result that net deposits work out at 98.8 millions in excess of the February 20 total. Federal Reserve note circulation shows a further expansion for the week of 42.9 millions, the Eastern banks and Chicago reporting the largest additions to their outstanding Federal Reserve note circulation. On the other hand, the banks' aggregate liabilities on Federal Reserve bank notes in circulation show a further reduction of 3.7 millions.

The large increases in note and deposit liabilities are practically outweighed by the gain of 47.8 millions in cash reserves, with the result that the banks reserve ratio shows but a slight decline for the week from 42.7 to 42.5 per cent.

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COMBINED RESOURCES AND LIABILITIES OF THE TWELVE FEDERAL RESERVE BANKS.

St.962a

	February 27, 1920	February 20, 1920	February 28, 1919
R E S O U R C E S			
Gold and gold certificates	\$206,877,000	\$200,973,000	\$345,762,000
Gold settlement fund, F. R. Board	385,594,000	396,138,000	463,484,000
Gold with foreign agencies	112,822,000	112,822,000	5,829,000
Total gold held by banks	705,293,000	709,933,000	315,075,000
Gold with Federal Reserve Agents	1,145,479,000	1,150,798,000	1,187,760,000
Gold redemption fund	116,064,000	109,083,000	120,163,000
Total gold reserves	\$1,966,836,000	\$1,969,814,000	2,122,998,000
Legal tender notes, silver, etc.	116,379,000	65,626,000	65,725,000
Total reserves	2,083,215,000	2,035,440,000	2,188,723,000
Bills discounted (Secured by Government war obligations)	1,572,980,000	1,525,203,000	1,667,965,000
(All other)	880,531,000	833,321,000	211,855,000
Bills bought in open market	531,367,000	531,703,000	276,919,000
Total bills on hand	2,984,878,000	2,890,227,000	2,156,739,000
U. S. Government bonds	26,775,000	26,775,000	27,094,000
U. S. Victory notes	68,000	63,000	-
U. S. Certificates of indebtedness	267,511,000	268,610,000	155,688,000
All other earning assets	3,279,232,000	3,185,675,000	2,339,525,000
Total earning assets	11,226,000	11,144,000	9,713,000
Bank premises	1,026,726,000	1,029,653,000	653,465,000
Uncollected items and other deductions from gross deposits	12,276,000	12,724,000	6,813,000
5% Redemption fund against F.R. bank notes	3,681,000	3,851,000	8,497,000
All other resources	6,416,356,000	6,278,487,000	5,206,736,000
TOTAL RESOURCES			
L I A B I L I T I E S			
Capital paid-in	90,702,000	90,531,000	81,452,000
Surplus	120,120,000	120,120,000	22,738,000
Government deposits	133,913,000	75,587,000	210,547,000
Due to members - Reserve account	1,871,961,000	1,828,891,000	1,620,972,000
Deferred availability items	810,402,000	815,606,000	494,653,000
Other deposits, including foreign government credits	95,026,000	95,366,000	124,032,000
Total gross deposits	2,911,302,000	2,815,450,000	2,450,204,000
F. R. notes in actual circulation	3,019,984,000	2,977,124,000	2,472,307,000
F. R. bank notes in circulation - net liability	237,131,000	240,858,000	134,042,000
All other liabilities	37,117,000	34,404,000	45,993,000
TOTAL LIABILITIES	6,416,356,000	6,278,487,000	5,206,736,000
Ratio of total reserves to net deposit and F.R. note liabilities combined	42.5%	42.7%	51.3%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against net deposit liabilities	47.1%	47.4%	63.1%

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5% Redemption fund against F.R. bank notes	12,276,000	12,724,000	6,813,000
All other resources	3,681,000	3,851,000	8,497,000
TOTAL RESOURCES	6,416,356,000	6,278,487,000	5,206,736,000
L I A B I L I T I E S			
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F. R. bank notes in circulation - net liability	237,131,000	240,858,000	134,042,000
All other liabilities	37,117,000	34,404,000	45,993,000
TOTAL LIABILITIES	6,416,356,000	6,278,487,000	5,206,736,000
Ratio of total reserves to net deposit and F.R. note liabilities combined	42.5%	42.7%	51.3%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against net deposit liabilities	47.1%	47.4%	63.1%

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS FEBRUARY 27, 1920.

(In thousands of dollars.)

	L I A B I L I T I E S												
Federal Reserve Bank of .	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
Capital paid-in	7,210	23,845	8,194	9,919	4,546	3,526	12,638	4,123	3,137	4,097	3,483	5,984	90,702
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	4,892	91,635	4,812	3,221	2,081	3,090	4,040	4,148	1,522	3,802	3,661	7,009	133,913
Due to members - Reserve account	121,248	735,151	99,450	140,318	63,217	56,785	266,124	67,133	51,543	94,877	64,232	111,883	1,871,961
Deferred availability items	61,828	167,525	81,032	77,131	61,512	35,881	106,086	60,832	17,112	71,653	39,890	29,920	810,402
Other deposits including foreign government credits	5,562	41,915	6,968	5,998	3,674	2,750	9,760	3,901	2,194	3,657	2,167	6,480	95,026
Total gross deposits	193,530	1,036,226	192,262	226,668	130,484	98,506	386,010	136,014	72,371	173,989	109,950	155,292	2,911,302
F.R. notes in actual circulation	259,702	826,287	242,540	283,835	129,535	145,778	508,925	138,778	81,787	102,214	77,089	223,514	3,019,984
F.R. bank notes in circulation - net liability	18,273	49,426	25,194	19,925	11,461	14,386	37,531	13,939	7,558	18,718	9,669	11,051	237,131
All other liabilities	2,346	15,343	2,638	2,490	1,191	1,206	4,954	1,309	951	1,423	891	2,375	37,117
TOTAL LIABILITIES	489,420	1,996,209	479,633	551,926	283,037	268,097	964,350	297,887	169,373	306,557	204,112	405,755	6,416,356

M E M O R A N D A

Contingent liability as endorser on -													
Discounted paper rediscounted with other F.R. banks	-	47,950	38,925	-	-	-	-	-	-	-	-	-	86,875
Bankers' acceptances sold to other F. R. banks	15,173	-	-	-	-	-	-	-	-	-	-	-	15,173

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION.

F.R. notes outstanding	265,445	920,264	256,018	295,692	134,335	151,476	543,157	155,071	83,387	108,094	80,377	261,490	3,254,806
F.R. notes held by bank	5,743	93,977	13,478	11,857	4,800	5,698	34,232	16,293	1,600	5,880	3,288	37,976	234,822
F.R. notes in actual circulation	259,702	826,287	242,540	283,835	129,535	145,778	508,925	138,778	81,787	102,214	77,089	223,514	3,019,984

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	1,570,405	205,442	433,705	228,496	15,463	2,453,511
Bills bought in open market	135,779	113,915	197,400	84,273		531,367
U. S. certificates of indebtedness	8,881	7,568	6,500	4,000	240,562	267,511

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS FEBRUARY 27, 1920.

(In thousands of dollars.)

	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
FEDERAL RESERVE NOTES:													
Received from Comptroller	514,360	2,052,940	538,380	523,020	309,820	312,000	906,520	504,100	155,080	211,320	149,700	422,000	6,399,320
Returned to Comptroller	214,155	1,026,876	267,782	200,788	147,631	108,939	343,533	154,389	65,993	98,806	55,028	152,000	2,814,520
Chargeable to F. R. Agent	300,205	1,026,064	270,598	322,232	162,189	203,061	562,987	169,711	91,087	112,514	94,152	270,000	3,584,800
In hands of F. R. Agent	34,760	105,800	14,580	26,540	27,854	51,585	19,830	14,640	7,700	4,420	13,775	8,510	329,994
Issued to F.R. bank less amount returned to F. R. Agent for redemption	265,445	920,264	256,018	295,692	134,335	151,476	543,157	155,071	83,387	108,094	80,377	261,490	3,254,806
COLLATERAL SECURITY FOR OUTSTANDING NOTES:													
Gold and gold certificates on hand	-	188,740	-	29,025	-	2,500	-	4,000	13,052	-	8,831	-	246,148
Gold redemption fund	15,259	14,662	13,321	15,020	2,135	4,041	9,548	2,686	1,229	2,157	6,367	11,379	97,804
Gold Settlement Fund - F.R. Board	74,000	105,000	72,839	80,000	30,000	48,000	195,145	45,931	19,300	35,860	16,984	78,418	801,527
Eligible paper, minimum required	176,186	611,862	169,808	171,647	102,200	96,935	338,464	102,454	49,806	70,077	48,195	171,693	2,109,327
TOTAL	265,445	920,264	256,018	295,692	134,335	151,476	543,157	155,071	83,387	108,094	80,377	261,490	3,254,806
AMOUNT OF ELIGIBLE PAPER DELIVERED TO F. R. AGENT													
	196,503	1,082,151	193,620	242,582	111,999	119,230	442,176	116,519	60,356	105,375	73,598	186,463	2,930,572