

STATEMENT FOR THE PRESS

Released for publication
Sunday morning, June 20;
not earlier.

St.1227
Federal Reserve Board
June 19, 1920.

CONDITION OF FEDERAL RESERVE BANKS.

Large reductions in the holdings of discounted bills, chiefly war paper, and a commensurate decrease in deposit liabilities are indicated in the Federal Reserve Board's weekly ^{bank} statement issued as at close of business on June 18, 1920. These changes reflect the week's heavy government operations, including the redemption of nearly 700 millions of tax certificates, the payment of semi-annual interest on First Liberty bonds and on Victory notes, also the handling of income and excess profits tax payments, all of which fell due on June 15, and the issuance of the same date of two new series of of loan certificates aggregating over 419 millions.

Redemption of Treasury certificates enabled member banks to liquidate heavily their indebtedness to the Federal Reserve Banks. Accordingly loans secured by government ^{war} obligations (so-called war paper) carried by the Federal Reserve Banks decreased 209.1 millions, while other discounted bills on hand decreased - 17.7 millions. Holdings of acceptances purchased in open market show a reduction of 5.3 millions. An increase of 67 millions in Treasury certificate holdings represents largely the amount of special certificates taken by the New York, Dallas and San Francisco Banks to cover advances to the Treasury, pending collection of funds from depositary institutions. Total earning assets of the Reserve Banks show a reduction for the week of 165.1 millions.

Of the total war paper holdings of 1,231.8 millions, 603.6 millions, or 49 per cent, were secured by Liberty bonds, 287.4 millions, or 23.3 per cent, by Victory notes, and 340.8 millions, or 27.7 per cent, by Treasury certificates, as against 45.2, 19.1 and 35.7 per cent of a total of 1,440.9 millions of war paper reported the week before. Total discounts held by the Boston, New York and Cleveland Banks are inclusive of about 96 millions of paper discounted for 6 other Reserve Banks in the South and Middle West, while acceptance holdings of the Cleveland and San Francisco Banks include 3.3 millions of bills purchased from the New York and St. Louis Banks, compared with 4.8 millions reported at the close of the previous week.

Government deposits show an increase of 34.5 millions, members' reserve deposits declined 70.1 millions, while other deposits, including foreign government credits and non-member banks' clearing accounts, declined 1.7 millions. In connection with the large volume of tax checks and drafts received by the Reserve Banks the "float" shows an increase of 125.2 millions. As a consequence, the calculated net deposits are 162.5 millions less than the week before.

Federal Reserve note circulation shows a further decrease of 7.4 millions, while the Reserve Banks' liabilities on Federal Reserve Bank notes went up about 2.5 millions. Gold reserves declined 2.7 millions, while other cash reserves show a gain of about 1 million. The Banks' reserve ratio shows a rise for the week from 43 to 44.5 per cent.

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STATEMENT OF COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS

RESOURCES	June 18, 1920	June 11, 1920	June 20, 1919
Gold and gold certificates	\$162,878,000	\$168,193,000	\$332,676,000
Gold settlement fund - F. R. Board	400,833,000	431,905,000	581,238,000
Gold with foreign agencies	111,531,000	111,531,000	-
Total gold held by banks	675,242,000	711,629,000	913,914,000
Gold with Federal Reserve Agents	1,161,784,000	1,103,751,000	1,127,216,000
Gold redemption fund	125,295,000	149,678,000	124,595,000
Total gold reserves	\$1,962,321,000	\$1,965,058,000	2,165,725,000
Legal tender notes, silver, etc.	138,579,000	137,533,000	68,734,000
Total reserves	2,100,900,000	2,102,591,000	2,234,459,000
Bills discounted (Secured by Government war obligations)	1,231,841,000	1,440,931,000	1,621,928,000
(All other)	1,064,296,000	1,082,019,000	215,512,000
Bills bought in open market	398,591,000	403,896,000	274,736,000
Total bills on hand	2,694,728,000	2,926,846,000	2,112,176,000
U. S. Government bonds	26,795,000	26,796,000	27,131,000
U. S. Victory notes	69,000	69,000	333,000
U. S. Certificates of indebtedness	347,091,000	280,108,000	201,883,000
Total earning assets	3,068,683,000	3,233,819,000	2,341,523,000
Bank premises	13,254,000	13,111,000	11,066,000
Uncollected items and other deductions from gross deposits	949,977,000	772,903,000	848,157,000
5% Redemption fund against F. R. Bank notes	12,110,000	11,794,000	9,053,000
All other resources	8,053,000	5,751,000	11,192,000
TOTAL RESOURCES	6,152,977,000	6,139,969,000	5,455,450,000
LIABILITIES			
Capital paid-in	94,462,000	94,284,000	82,756,000
Surplus	120,120,000	120,120,000	49,466,000
Government deposits	56,556,000	21,830,000	161,495,000
Due to members - Reserve account	1,800,017,000	1,870,240,000	1,648,630,000
Deferred availability items	626,580,000	574,684,000	682,097,000
Other deposits, including foreign government credits	84,627,000	86,282,000	127,264,000
Total gross deposits	2,567,580,000	2,553,036,000	2,619,486,000
F. R. notes in actual circulation	3,104,810,000	3,112,205,000	2,488,253,000
F. R. Bank notes in circulation - net liability	183,904,000	181,382,000	173,775,000
All other liabilities	82,101,000	78,942,000	41,714,000
TOTAL LIABILITIES	6,152,977,000	6,139,969,000	5,455,450,000
Ratio of total reserves to net deposit and F. R. note liabilities combined	44.5 %	43.0 %	52.5 %
Ratio of gold reserves to F. R. notes in circulation after setting aside 35% against net deposit liabilities	49.4 %	47.5 %	64.9 %

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JUNE 18, 1920.

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JUNE 18, 1920.													
	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	11,367	77,728	1,107	10,222	2,426	8,298	24,256	2,682	7,204	441	5,150	11,997	162,878
Gold Settlement Fund - F. R. Board	37,663	110,284	28,860	65,809	18,323	7,203	50,829	12,091	6,909	24,176	7,333	31,353	400,833
Gold with foreign agencies	8,142	40,932	8,922	9,146	5,465	4,015	13,272	5,242	3,011	5,353	2,900	5,131	111,531
Total gold held by banks	57,172	228,944	38,889	85,177	26,214	19,516	88,357	20,015	17,124	29,970	15,383	48,481	675,242
Gold with F. R. Agents	119,692	284,137	86,466	144,856	42,686	50,603	178,688	45,729	32,404	35,838	25,663	115,022	1,161,784
Gold redemption fund	14,203	33,966	14,072	1,847	5,591	6,851	22,972	5,346	209	4,250	7,277	8,711	125,295
Total gold reserves	191,067	547,047	139,427	231,880	74,491	76,970	290,017	71,090	49,737	70,058	48,323	172,214	1,962,321
Legal tender notes, silver, etc.	8,501	105,794	255	1,699	83	1,411	9,720	7,276	78	1,541	1,561	660	138,579
Total reserves	199,568	652,841	139,682	233,579	74,574	78,381	299,737	78,366	49,815	71,599	49,884	172,874	2,100,900
Bills discounted: (a)													
Secured by Govt.war obligations	94,776	457,795	170,471	100,038	50,029	51,557	147,445	55,250	3,848	32,809	27,655	40,168	1,231,841
All other	65,092	230,791	29,673	50,554	45,467	59,819	266,991	49,424	61,099	77,691	40,249	87,446	1,064,296
Bills bought in open market (b)	30,241	186,811	1,926	57,229	9,031	4,912	54,213	4,283	4,030	1,989	463	43,463	398,591
Total bills on hand	190,109	875,397	202,070	207,821	104,527	116,288	468,649	108,957	68,977	112,489	68,367	171,077	2,694,728
U. S. Government bonds	560	1,457	1,386	833	1,235	114	4,477	1,153	116	8,866	3,966	2,632	26,795
U. S. Victory notes	5	50	-	10	-	3	-	-	-	1	-	-	69
U. S. Certificates of indebtedness	21,762	133,030	31,907	23,392	12,260	15,666	39,625	17,308	8,486	13,205	9,300	21,150	347,091
Total earning assets	212,436	1,009,934	235,363	232,056	118,022	132,071	512,751	127,418	77,579	134,561	81,633	194,859	3,068,683
Bank premises	1,376	3,596	500	1,155	739	589	2,116	866	556	658	872	231	13,254
Uncollected items and other de- ductions from gross deposits	78,655	193,549	78,966	100,592	70,151	34,013	142,085	49,852	28,930	73,940	53,058	46,186	949,977
5% Redemption fund against F. R.													
Bank notes	1,072	3,096	1,300	871	451	517	1,694	523	443	916	562	665	12,110
All other resources	461	1,283	692	447	263	237	2,718	634	259	323	257	479	8,053
TOTAL RESOURCES	493,568	1,864,299	456,503	568,700	264,200	245,808	961,101	257,659	157,582	281,997	186,266	415,294	6,152,977
(a) Includes bills discounted for other F. R. Banks, viz:	20,533	37,730	-	37,797	-	-	-	-	-	-	-	-	96,060
(b) Includes bankers' acceptances bought from other F. R. Banks:													
With their endorsement	-	-	-	1,900	-	-	-	-	-	-	-	-	1,900
Without their endorsement	-	-	-	-	-	-	-	-	-	-	-	1,355	1,355

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JUNE 18, 1920.

(In thousands of dollars)

Federal Reserve Bank of	L I A B I L I T I E S												Total
	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	
Capital paid-in	7,532	24,669	8,317	10,127	4,806	3,778	13,281	4,249	3,265	4,311	3,735	6,392	94,462
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	9,426	602	694	1,643	13,724	4,451	12,193	1,332	276	7,637	555	3,823	56,656
Due to members - Reserve account	115,603	715,451	101,236	137,880	57,170	49,912	261,011	64,437	43,012	82,732	55,270	116,303	1,800,017
Deferred availability items	49,648	124,534	59,736	76,704	45,794	26,079	76,438	41,336	17,465	60,382	30,339	18,125	626,580
Other deposits, including foreign government credits	4,262	32,985	5,682	5,067	2,831	2,249	7,914	3,007	2,255	3,398	1,742	13,255	84,627
Total gross deposits	178,939	873,572	167,348	221,294	119,519	82,691	357,556	110,112	63,008	154,149	87,906	151,486	2,567,580
F. R. notes in actual circulation	279,083	854,828	247,287	307,026	121,852	140,574	531,901	127,549	78,486	98,364	82,454	235,406	3,104,810
F. R. Bank notes in circulation - net liability	14,395	37,791	18,990	15,126	9,257	10,950	30,775	8,823	6,762	15,327	7,034	8,674	183,904
All other liabilities	5,260	28,357	5,756	6,038	2,946	3,120	13,296	3,202	2,492	3,730	2,107	5,797	82,101
TOTAL LIABILITIES	493,568	1,864,299	456,503	568,700	264,200	245,808	961,101	257,659	157,582	281,997	186,266	415,294	6,152,977

M E M O R A N D A

Contingent liability as endorser on-													
Discounted paper rediscounted with other F. R. Banks	-	-	-	-	24,184	4,616	-	29,500	22,616	11,144	4,000	-	96,060
Bankers' acceptances sold to other F. R. Banks	-	-	-	-	-	-	-	1,900	-	-	-	-	1,900
Contingent liability on bills purchased for foreign correspondents	1,168	6,089	1,280	1,312	784	576	1,904	752	432	768	416	736	16,217

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

F. R. notes outstanding	287,878	970,374	259,394	325,344	126,806	144,993	581,363	144,333	79,884	103,755	85,527	266,175	3,375,826
F. R. notes held by bank	8,795	115,546	12,107	18,318	4,954	4,419	49,462	16,784	1,398	5,391	3,073	30,769	271,016
F. R. notes in actual circulation	279,083	854,828	247,287	307,026	121,852	140,574	531,901	127,549	78,486	98,364	82,454	235,406	3,104,810

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	1,193,472	291,222	495,258	237,256	78,929	2,296,137
Bills bought in open market	119,338	77,966	153,773	47,514	-	398,591
U. S. Certificates of indebtedness	86,316	8,655	8,600	27,918	215,602	347,091

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS JUNE 18, 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	598,300	2,188,300	600,080	597,220	330,920	350,000	1,040,280	331,460	166,580	225,480	165,660	455,300	7,049,580
Returned to Comptroller	252,722	1,087,726	299,526	241,976	173,080	136,877	405,537	169,487	75,771	116,985	69,898	184,275	3,213,860
Chargeable to F. R. Agent	345,578	1,100,574	300,554	355,244	157,840	213,123	634,743	161,973	90,809	108,495	95,762	271,025	3,835,720
In hands of F. R. Agent	57,700	130,200	41,160	29,900	31,034	68,130	53,380	17,640	10,925	4,740	10,235	4,850	459,894
Issued to F. R. Bank less amount returned to F. R. Agent for redemption	287,878	970,374	259,394	325,344	126,806	144,993	581,363	144,333	79,884	103,755	85,527	266,175	3,375,826
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COLLATERAL SECURITY FOR OUTSTANDING NOTES:													
Gold and gold certificates on hand	900	196,608	-	32,025	-	2,500	-	3,810	13,053	-	10,331	2,000	261,227
Gold redemption fund	16,792	14,529	16,577	17,831	2,686	3,103	9,543	2,088	1,751	1,978	6,098	21,011	113,987
Gold settlement fund - F. R. Board	102,000	73,000	69,889	95,000	40,000	145,000	169,145	39,831	17,600	33,860	9,234	92,011	786,570
Eligible paper, minimum required	168,186	686,237	172,928	180,488	84,120	94,390	402,675	98,604	47,480	67,917	59,864	151,153	2,214,042
TOTAL	287,878	970,374	259,394	325,344	126,806	144,993	581,363	144,333	79,884	103,755	85,527	266,175	3,375,826
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AMOUNT OF ELIGIBLE PAPER DELIVERED TO F. R. AGENT	190,109	873,767	182,167	205,248	101,549	116,278	468,619	108,948	60,851	112,388	68,367	152,911	2,641,202
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