

STATEMENT FOR THE PRESS

Released for publication
Sunday morning, August 29;
not earlier.

St. 1388
Federal Reserve Board,
August 28, 1920.

CONDITION OF FEDERAL RESERVE BANKS.

Increases of 18.6 millions in net deposits and of 28.9 millions in Federal Reserve note circulation, as against a gain of about 6 millions in cash reserves, are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on August 27, 1920. In consequence of these changes the Banks' reserve ratio shows a decline from 43.5 to 43.2 per cent.

Holdings of all classes of paper were larger than the week before, bills secured by United States war obligations showing an increase of 13.2 millions, other discounts - an increase of 34.5 millions and acceptances bought in open market - an increase of 1.4 millions. Treasury certificates on hand declined by 3.5 millions, while total earning assets show an increase for the week of 45.6 millions.

Of the total holdings of 1,314.8 millions of paper secured by United States war obligations 660.6 millions, or 50.2 per cent, were secured by Liberty bonds, 307.5 millions, or 23.4 per cent, by Victory notes and 346.7 millions, or 26.4 per cent, by Treasury certificates, as against 50, 23.2 and 26.8 per cent of a corresponding total of 1,301.8 millions reported the week before. Discounted paper held by the Boston, New York and Cleveland Banks includes 166.5 millions of paper discounted for six Reserve banks in the South and Middle West, compared with 151.2 millions shown at the end of the previous week, while acceptance holdings of the Philadelphia, Cleveland and San Francisco Banks are inclusive of 48.9 millions of bank acceptances bought from the New York and Chicago Banks, compared with 35.4 millions shown the week before.

As against a reduction of 11.4 millions in Government deposits, members' reserve deposits show an increase of 24.8 millions. All other deposits, including mainly foreign Government credits and non-members' clearing accounts, show a decline of 1.6 millions, while the "float" carried by the Reserve Banks and treated as a deduction from gross deposits is shown 6.8 millions less than the week before. The result of these changes is seen in an increase of 18.6 millions in the calculated net deposits. Of the total increase of 28.9 millions in Federal Reserve note circulation, over 60 per cent represents the combined increase reported by the Philadelphia and Cleveland Banks. In addition, there is shown an aggregate increase of 2.2 millions in Federal Reserve Bank note circulation.

Gold reserves show a gain for the week of 5.5 millions, while other cash reserves increased by 0.5 million. The capital account of the Reserve Banks shows a further increase of \$296,000, the Chicago and Kansas City Banks reporting the largest gains under this head.

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STATEMENT OF COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS.

	Aug. 27, 1920	Aug. 20, 1920	August 29, 1919
R E S O U R C E S			
Gold and gold certificates	\$186,139,000	\$183,125,000	\$244,231,000
Gold settlement fund - F. R. Board	373,272,000	366,892,000	563,640,000
Gold with foreign agencies	111,455,000	111,455,000	-
Total gold held by banks	670,866,000	661,472,000	807,871,000
Gold with Federal Reserve Agents	1,154,684,000	1,164,264,000	1,142,589,000
Gold redemption fund	146,275,000	140,615,000	116,328,000
Total gold reserves	\$1,971,825,000	\$1,966,351,000	2,066,788,000
Legal tender notes, silver, etc.	156,002,000	155,486,000	69,188,000
Total reserves	2,127,827,000	2,121,837,000	2,135,976,000
Bills discounted (Secured by Government war obligations)	1,314,830,000	1,301,609,000	1,609,296,000
(All other)	1,352,297,000	1,317,820,000	205,838,000
Bills bought in open market	321,965,000	320,597,000	363,138,000
Total bills on hand	2,989,092,000	2,940,026,000	2,178,272,000
U. S. Government bonds	26,810,000	26,809,000	27,096,000
U. S. Victory notes	69,000	69,000	198,000
U. S. Certificates of indebtedness	273,701,000	277,158,000	243,411,000
Total earning assets	3,289,672,000	3,244,062,000	2,448,977,000
Bank premises	14,869,000	14,654,000	12,796,000
Uncollected items and other deductions from gross deposits	729,889,000	785,240,000	816,513,000
5% Redemption fund against F. R. Bank notes	11,956,000	11,600,000	11,580,000
All other resources	4,558,000	3,827,000	9,995,000
TOTAL RESOURCES	6,178,771,000	6,181,220,000	5,435,837,000
L I A B I L I T I E S			
Capital paid-in	97,055,000	96,759,000	84,926,000
Surplus	164,745,000	164,745,000	81,087,000
Government deposits	43,510,000	54,959,000	54,494,000
Due to members - Reserve account	1,818,502,000	1,793,675,000	1,729,950,000
Deferred availability items	542,564,000	591,094,000	563,387,000
Other deposits, including foreign government credits	43,180,000	44,828,000	98,479,000
Total gross deposits	2,447,756,000	2,484,556,000	2,446,310,000
F. R. notes in actual circulation	3,203,637,000	3,174,725,000	2,580,629,000
F. R. Bank notes in circulation - net liability	200,793,000	198,563,000	219,815,000
All other liabilities	64,785,000	61,872,000	23,070,000
TOTAL LIABILITIES	6,178,771,000	6,181,220,000	5,435,837,000
Ratio of total reserves to net deposit and F. R. note liabilities combined	43.2%	43.5%	50.7%
Ratio of gold reserves to F. R. notes in circulation after setting aside 35% against net deposit liabilities	47.7%	48.1%	60.7%

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS AUGUST 27, 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	12,179	97,015	1,285	10,587	2,426	8,133	24,351	3,747	7,210	557	6,195	12,454	186,139	
Gold settlement fund - F.R.Board	37,291	24,116	34,963	56,801	26,130	5,540	95,158	12,335	5,841	23,552	5,043	46,502	373,272	
Gold with foreign agencies	8,136	40,905	8,916	9,139	5,461	4,013	13,263	5,238	3,009	5,350	2,898	5,127	111,455	
Total gold held by banks	57,606	162,036	45,164	76,527	34,017	17,686	132,772	21,320	16,060	29,459	14,136	64,083	670,866	
Gold with F.R. Agents	128,392	275,950	116,899	150,744	42,768	48,109	156,067	45,537	31,057	38,078	25,997	85,086	1,154,684	
Gold redemption fund	24,604	35,928	12,768	777	8,714	9,394	30,412	5,375	61	4,048	4,924	9,270	146,275	
Total gold reserves	210,602	473,914	174,831	228,048	85,499	75,189	329,251	72,232	47,178	71,585	45,057	158,439	1,971,825	
Legal tender notes, silver, etc.	6,226	124,810	253	2,028	63	1,482	8,160	8,147	62	1,645	2,309	817	156,002	
Total reserves	216,828	598,724	175,084	230,076	85,562	76,671	337,411	80,379	47,240	73,230	47,366	159,256	2,127,827	
Bills discounted: (a)														
Secured by Govt. war obligations	116,780	553,992	137,356	80,006	36,715	64,319	162,628	35,769	6,727	47,178	20,564	52,796	1,314,830	
All other	68,766	366,051	37,060	116,708	64,047	54,573	276,136	76,461	71,482	62,526	53,084	105,403	1,352,297	
Bills bought in open market (b)	20,116	100,523	19,904	66,892	7,146	2,188	41,099	2,315	935	3,984	555	56,308	321,965	
Total bills on hand	205,662	1,020,566	194,320	263,606	107,908	121,080	479,863	114,545	79,144	113,688	74,203	214,507	2,989,092	
U. S. Government bonds	557	1,462	1,386	834	1,233	114	4,490	1,153	116	8,867	3,966	2,632	26,810	
U. S. Victory notes	5	50	-	10	-	3	-	-	-	1	-	-	69	
U. S. Certificates of indebtedness	21,507	69,401	33,309	23,322	12,260	15,665	39,657	17,509	8,481	12,825	8,300	11,465	273,701	
Total earning assets	227,731	1,091,479	229,015	287,772	121,401	136,862	524,010	133,207	87,741	135,381	86,469	228,604	3,289,672	
Bank premises	1,700	3,942	638	1,156	1,135	606	2,138	866	586	791	1,079	232	14,869	
Uncollected items and other deductions from gross deposits	51,331	158,600	66,106	74,192	55,242	26,894	94,808	41,560	20,003	59,080	43,173	38,900	729,889	
5% Redemption fund against F.R. Bank notes	1,072	2,194	1,300	1,139	451	559	1,968	524	582	916	586	665	11,956	
All other resources	273	808	429	172	870	183	589	383	76	207	170	398	4,558	
TOTAL RESOURCES	498,935	1,855,747	472,572	594,507	264,661	241,775	960,924	256,919	156,228	269,605	178,843	428,055	6,178,771	
(a) Includes bills discounted for other F. R. Banks, viz:	66,911	-	-	99,620	-	-	-	-	-	-	-	-	166,531	
(b) Includes bankers' acceptances bought from other F.R.Banks:														
Without their endorsement	-	-	11,812	21,440	-	-	-	-	-	-	-	15,672	48,924	

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

(In thousands of dollars)

L I A B I L I T I E S

Federal Reserve Bank	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St. Louis	Minn.	Kans.-Cy.	Dallas	San Fran.	Total
Capital paid-in	7,580	25,336	8,399	10,249	5,129	3,888	13,685	4,297	3,329	4,408	3,936	6,819	97,055
Surplus	12,351	51,308	13,069	13,712	8,067	7,050	23,917	5,884	5,178	8,395	4,152	11,662	164,745
Government deposits	1,848	20,139	2,274	1,194	1,549	1,272	2,902	2,967	1,615	2,767	1,665	3,318	43,510
Due to members - reserve account	118,776	717,885	106,384	147,831	58,984	49,319	262,480	66,042	42,420	78,952	53,512	115,917	1,818,502
Deferred availability items	41,093	98,839	48,549	60,734	42,921	22,755	65,789	36,075	17,306	52,087	26,542	29,874	542,564
Other deposits, including foreign government credits	2,158	20,692	3,016	2,305	1,462	1,032	4,029	1,566	917	1,487	895	3,621	43,180
Total gross deposits	163,875	857,555	160,223	212,064	104,916	74,378	335,200	106,650	62,258	135,293	82,614	152,730	2,447,756
F. R. notes in actual circulation	296,131	854,925	268,028	334,884	133,969	142,426	543,929	128,316	75,901	103,780	79,415	241,933	3,203,637
F. R. Bank notes in circulation - net liability	16,065	34,790	20,005	20,006	10,876	12,109	35,378	9,650	7,844	15,510	7,065	11,495	200,793
All other liabilities	2,933	31,833	2,848	3,592	1,704	1,924	8,815	2,122	1,718	2,219	1,661	3,416	64,785
TOTAL LIABILITIES	498,935	1,855,747	472,572	594,507	264,661	241,775	960,924	256,919	156,228	269,605	178,843	428,055	6,178,771

Ratio of total reserves to net deposit and F.R.

note liabilities combined, per cent 53.1 38.5 48.3 48.7 46.6 40.4 43.0 41.6 40.0 40.7 39.9 44.8 43.2

M E M O R A N D A

Contingent liability as endorser on -

Discounted paper rediscounted with other F. R. Banks

- - - - 25,000 31,963 - 32,434 20,347 22,247 34,540 - 166,531

Contingent liability on bills purchased for foreign correspondents

1,168 6,077 1,280 1,312 784 576 1,904 752 432 768 416 736 16,205

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

F. R. notes outstanding	305,679	972,767	277,707	349,866	137,773	146,693	593,521	145,481	77,013	109,295	82,826	273,110	3,471,731
F. R. notes held by banks	9,548	117,842	9,679	14,982	3,804	4,267	49,592	17,165	1,112	5,515	3,411	31,177	268,094
F. R. notes in actual circulation	296,131	854,925	268,028	334,884	133,969	142,426	543,929	128,316	75,901	103,780	79,415	241,933	3,203,637

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	1,581,792	247,986	491,886	301,240	44,223	2,667,127
Bills bought in open market	110,768	79,865	105,240	26,092	-	321,965
U. S. Certificates of indebtedness	27,325	15,441	34,431	11,002	185,502	273,701

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

(In thousands of dollars)

Federal Reserve Agent at R E S O U R C E S	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
Federal Reserve notes on hand	53,660	141,000	30,940	26,565	27,348	70,515	71,720	16,640	8,975	6,880	13,010	6,080	473,333
Federal Reserve notes outstanding	305,679	972,767	277,707	349,866	137,773	146,693	593,521	145,481	77,013	109,295	82,826	273,110	3,471,731
Collateral security for Federal													
Reserve notes outstanding:													
Gold and gold certificates	900	196,608	-	32,025	-	2,500	-	3,810	13,052	-	11,331	-	260,226
Gold redemption fund	21,492	16,342	15,510	18,719	3,268	3,609	8,922	2,896	1,805	2,718	5,932	13,318	114,531
Gold settlement fund-F.R.Board	106,000	63,000	101,389	100,000	39,500	42,000	157,145	38,831	16,200	35,360	8,734	71,768	779,927
Eligible paper -													
Amount required	177,287	696,817	160,808	199,122	95,005	98,584	427,454	99,944	45,956	71,217	56,829	188,024	2,317,047
Excess amount held	28,375	291,854	4,511	62,465	11,072	22,484	52,099	14,575	18,653	42,386	17,374	14,061	579,909
TOTAL	693,393	2,378,388	590,865	788,762	313,966	386,385	1,310,861	322,177	181,654	267,856	196,036	566,361	7,996,704
L I A B I L I T I E S													
Federal Reserve notes received	638,260	2,257,760	629,240	646,520	355,620	369,680	1,108,400	352,800	169,580	244,420	175,900	487,400	7,435,580
from Comptroller - gross													
Less amounts returned for													
destruction	278,921	1,143,993	320,593	270,089	190,499	152,472	443,159	190,679	83,592	128,245	80,064	208,210	3,490,516
Net amount of Federal Reserve													
notes received from Comp-													
troller of the Currency	359,339	1,113,767	308,647	376,431	165,121	217,208	665,241	162,121	85,988	116,175	95,836	279,190	3,945,064
Collateral received from													
Federal Reserve Bank:													
Gold	128,392	275,950	116,899	150,744	42,768	48,109	166,067	45,537	31,057	38,078	25,997	85,086	1,154,684
Eligible paper	205,662	988,671	165,319	261,587	106,077	121,068	479,553	114,519	64,609	113,603	74,203	202,085	2,896,956
TOTAL	693,393	2,378,388	590,865	788,762	313,966	386,385	1,310,861	322,177	181,654	267,856	196,036	566,361	7,996,704