

STATEMENT FOR THE PRESS

Released for publication
Sunday morning, Dec. 19;
not earlier.

St. 1558.
Federal Reserve Board,
December 18, 1920.

CONDITION OF FEDERAL RESERVE BANKS.

Large reductions in the holdings of discounted bills and a commensurate decrease in deposit liabilities are indicated in the Federal Reserve Board's weekly consolidated bank statement issued as at close of business on December 17, 1920. These changes reflect largely the week's heavy Government operations, including the redemption of the principal and the semi-annual interest coupons of about 700 millions of tax certificates issued at the beginning of the year, the payment of semi-annual interest on First Liberty bonds and on Victory notes, the issuance of two new series of tax certificates aggregating about 590 millions and the handling of the last quarterly installment of income and excess profits taxes due on the 15th of the month.

Redemption of large amounts of tax certificates enabled member banks to reduce considerably their indebtedness to the Reserve Banks. As a consequence the Reserve Banks' holdings of paper secured by Government war obligations show a decrease of 10.3 millions, other discounts on hand - a decrease of 109.8 millions and holdings of acceptances purchased in open market - a decrease of 10.1 millions.

An increase of 37.3 millions in Treasury certificate holdings represents approximately the difference between the total of 93 millions of special certificates taken by three Reserve Banks to cover temporary advances to the Government and the amount of tax certificates held among their assets and presented for redemption by the Reserve Banks. Total earning assets are given as 3,223.8 millions, a decrease of 92.9 millions for the week.

Of the total holdings of about 1159 millions of paper secured by Government war obligations 660.3 millions, or 57 per cent, were secured by Liberty bonds, 295.4 millions, or 25.5 per cent, by Victory notes, and 203.3 millions, or 17.5 per cent, by Treasury certificates, as against 54.9, 27.5, and 17.6 per cent of a corresponding total of 1169.2 millions reported on the preceding Friday. Discounted paper held by the Boston, Philadelphia and Cleveland Banks includes about 111 millions of bills discounted for five other Reserve Banks in the South and Middle West, compared with 125.4 millions held on the previous Friday for the same five Banks and the Reserve Bank of New York, which redeemed during the week a total of 6.4 millions rediscounted with the Cleveland Bank. Acceptance holdings of the San Francisco Bank are given inclusive of 6.9 millions of bank acceptances purchased from the New York Bank.

Government deposits show an increase for the week of 24.8 millions, members' reserve deposits fell off 20.1 millions, while other deposits, composed largely of foreign government credits and non-members' clearing accounts, increased by about 14 millions. In connection with the large volume of tax checks and drafts received by the Reserve Banks the "float" shows an increase of 126.3 millions. Net deposits, as a consequence, were 107.7 millions less than the week before.

Federal Reserve note circulation shows an increase for the week of 32.5 millions, all Reserve Banks, except those at Cleveland, Minneapolis and Dallas, reporting substantial increases in their circulation figures.

There was also an increase of 2.9 millions in Federal Reserve Bank note circulation. Gold reserves show a further gain for the week of 19.1 millions and total reserves - a gain of 22.1 millions. The Banks' reserve percentage shows a rise from 44.5 to 45.6 per cent.

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RESOURCES AND LIABILITIES OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

RESOURCES	December 17, 1920	December 10, 1920	Dec. 19, 1919
Gold and gold certificates	200.494 \$211,497,000	\$194,869,000	\$241,325,000
Gold settlement fund - F. R. Board	353,866,000	410,917,000	399,935,000
Gold with foreign agencies	67,745,000	67,745,000	137,717,000
Total gold held by banks	622.105 633,108,000	673,531,000	778,977,000
Gold with Federal Reserve Agents	1,269,725,000	1,210,563,000	1,201,654,000
Gold redemption fund	150.538 151,535,000	151,177,000	115,182,000
Total gold reserves	\$2,054,368,000	\$2,035,271,000	2,095,813,000
Legal tender notes, silver, etc.	180,100,000	177,136,000	59,098,000
Total reserves	2,234,468,000	2,212,407,000	2,154,911,000
Bills discounted (Secured by Government war obligations)	1,158,974,000	1,169,244,000	1,414,950,000
(All other)	1,437,775,000	1,547,595,000	580,162,000
Bills bought in open market	234,609,000	244,600,000	566,266,000
Total bills on hand	2,831,358,000	2,961,529,000	2,561,378,000
U. S. Government bonds	26,859,000	26,857,000	26,846,000
U. S. Victory notes	69,000	69,000	54,000
U. S. Certificates of indebtedness	365,555,000	328,294,000	303,558,000
Total earning assets	3,223,841,000	3,316,749,000	2,891,836,000
Bank premises	17,952,000	17,658,000	12,986,000
Uncollected items and other deductions from gross deposits	202 890,042,000	666,505,000	1,140,224,000
5% Redemption fund against F. R. Bank notes	12,530,000	11,387,000	13,333,000
All other resources	8,430,000	8,332,000	11,314,000
TOTAL RESOURCES	6,387,263,000	6,233,038,000	6,224,604,000
LIABILITIES			
Capital paid-in	99,275,000	99,174,000	87,049,000
Surplus	164,745,000	164,745,000	81,087,000
Government deposits	53,173,000	28,394,000	64,459,000
Due to members - Reserve account	1,738,826,000	1,758,967,000	1,733,013,000
Deferred availability items	614,166,000	516,934,000	848,607,000
Other deposits, including foreign government credits	38,471,000	24,511,000	105,069,000
Total gross deposits	2,444,636,000	2,328,806,000	2,751,148,000
F. R. notes in actual circulation	3,344,332,000	3,311,842,000	2,988,894,000
F. R. Bank notes in circulation - net liability	217,434,000	214,523,000	259,975,000
All other liabilities	116,841,000	113,948,000	56,451,000
TOTAL LIABILITIES	6,387,263,000	6,233,038,000	6,224,604,000
Ratio of total reserves to net deposit and F. R. note liabilities combined	45.6%	44.5%	46.8%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against net deposit liabilities	50.5%	49.2%	53.2%

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DECEMBER 17, 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	7,445	111,078	971	5,510	2,493	6,781	21,700	2,879	7,344	904	7,851	36,551	211,487
Gold settlement fund - F.R. Board	32,735	24,557	47,916	79,715	28,502	6,012	40,785	20,590	11,378	26,522	3,149	32,005	353,866
Gold with foreign agencies	4,945	24,862	5,420	5,555	3,320	2,439	8,062	3,184	1,829	3,252	1,761	3,116	61,745
Total gold held by banks	45,125	160,497	54,307	90,780	34,315	15,232	70,547	26,653	20,551	30,678	12,741	71,682	833,108
Gold with F. R. Agents	141,216	245,765	132,063	178,176	49,273	61,005	211,576	47,270	25,629	39,637	23,675	114,440	1,269,725
Gold redemption fund	13,333	38,000	13,081	12,511	7,665	8,652	22,517	6,142	3,617	5,201	7,730	13,086	151,535
Total gold reserves	199,674	444,262	199,451	281,467	91,253	84,889	304,640	80,065	49,797	75,516	44,146	199,208	2,054,368
Legal tender notes, silver, etc.	10,888	138,261	690	2,043	904	2,348	12,075	5,450	127	2,309	4,255	750	180,100
Total reserves	210,562	582,523	200,141	283,510	92,157	87,237	316,715	85,515	49,924	77,825	48,401	199,958	2,234,468
Bills discounted: (a)													
Secured by Govt. war obligations	77,244	464,249	125,197	73,180	46,152	66,333	134,876	48,405	22,643	30,749	16,253	53,693	1,158,974
All other	81,270	388,997	41,877	101,727	65,662	68,326	311,279	68,806	60,584	84,786	53,988	110,473	1,437,775
Bills bought in open market (b)	19,282	89,357	13,620	26,074	5,737	2,637	24,505	1,908	1,303	1,741	215	48,230	234,609
Total bills on hand	177,796	942,603	180,694	200,981	117,551	137,296	470,660	119,119	84,530	117,276	70,456	212,396	2,831,358
U. S. Government bonds	539	1,468	1,434	834	1,233	114	4,490	1,153	116	8,867	3,979	2,632	26,859
U. S. Victory notes	5	50	-	10	-	3	-	-	-	1	-	-	69
U. S. Certificates of indebtedness	32,571	120,481	31,501	55,799	12,262	16,172	39,685	16,542	8,480	12,881	8,300	10,881	365,555
Total earning assets	210,911	1,064,602	213,629	257,624	131,046	153,585	514,835	136,814	93,126	139,025	82,735	225,909	3,223,841
Bank premises	2,595	4,216	681	1,624	1,421	629	2,379	891	646	1,018	1,621	231	17,952
Uncollected items and other de-													
ductions from gross deposits	78,285	182,520	74,076	88,857	76,522	36,678	121,196	43,854	24,533	58,425	47,008	52,088	890,042
5% Redemption fund against F.R.													
Bank notes	1,072	2,684	1,300	1,139	451	616	2,092	623	386	916	586	665	12,530
All other resources	448	1,341	982	327	759	202	1,051	824	171	387	1,294	644	8,430
TOTAL RESOURCES	503,873	1,843,886	490,809	633,081	302,356	278,947	958,268	268,521	168,786	277,596	181,645	479,495	6,387,263
(a) Includes bills discounted for													
other F. R. Banks, viz:	15,298	-	19,796	75,860	-	-	-	-	-	-	-	-	110,954
(b) Includes bankers' acceptances													
bought from other F.R. Banks:													
Without their endorsement	-	-	-	-	-	-	-	-	-	-	-	6,917	6,917

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DECEMBER 17, 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	7,718	26,261	8,485	10,352	5,285	4,033	13,907	4,364	3,400	4,456	4,091	6,923	99,275
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	608	723	3,053	169	18,234	4,644	773	2,580	4,472	9,810	1,709	6,398	53,173
Due to members - reserve account	117,120	683,866	103,116	152,346	58,828	45,635	230,634	63,293	44,710	76,067	48,285	114,926	1,738,826
Deferred availability items	45,358	110,830	53,931	76,821	46,266	25,832	80,934	41,512	18,063	48,134	31,654	34,831	614,166
Other deposits including foreign government credits	828	13,068	1,792	998	323	262	2,870	781	722	965	427	15,435	38,471
Total gross deposits	163,914	808,487	161,892	230,334	123,651	76,373	315,211	108,166	67,967	134,976	82,075	171,590	2,444,636
F. R. notes in actual circulation	293,067	871,522	278,821	348,232	150,399	172,551	547,950	136,374	81,501	110,768	81,296	271,851	3,344,332
F. R. Bank notes in circulation - net liability	20,232	36,754	22,527	22,802	11,562	14,929	38,911	9,918	7,648	14,357	7,314	10,480	217,434
All other liabilities	6,591	49,554	6,015	7,649	3,392	4,011	18,372	3,815	3,092	4,644	2,717	6,989	116,841
TOTAL LIABILITIES	503,873	1,843,886	490,809	633,081	302,356	278,947	958,268	268,521	168,786	277,596	181,645	479,495	6,387,263

M E M O R A N D A

Ratio of total reserves to net deposit and F.R. note liabilities combined, per cent	55.6	39.1	54.6	57.9	46.7	41.1	42.7	42.6	40.4	41.5	41.6	49.5	45.8
Contingent liability as endorser on discounted paper rediscounted with other Federal Reserve Banks	-	-	-	-	9,873	35,018	-	-	11,684	27,764	26,615	-	110,954
Bankers' acceptances sold to other F. R. Banks without endorsement	-	6,917	-	-	-	-	-	-	-	-	-	-	6,917
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	304,163	1,005,464	288,970	370,134	157,478	176,410	635,931	154,484	83,160	117,364	85,274	303,923	3,682,755
F. R. notes held by banks	11,096	133,942	10,149	21,902	7,079	3,859	87,981	18,110	1,659	6,596	3,978	32,072	338,423
F. R. notes in actual circulation	293,067	871,522	278,821	348,232	150,399	172,551	547,950	136,374	81,501	110,768	81,296	271,851	3,344,332

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	1,504,172	291,146	461,966	278,583	60,882	2,596,749
Bills bought in open market	70,370	61,770	85,226	17,243	-	234,609
U. S. Certificates of indebtedness	117,908	3,133	4,500	8,886	231,128	365,555

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS DECEMBER 17, 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	113,440	157,200	32,180	29,960	24,469	62,595	128,360	25,980	9,840	5,530	15,000	6,000	610,554
Federal Reserve notes outstanding	304,163	1,005,464	288,970	370,134	157,478	176,410	635,931	154,484	83,160	117,364	85,274	303,923	3,682,755
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	209,608	-	22,775	-	3,500	-	7,560	13,052	-	4,331	-	266,426
Gold redemption fund	25,616	11,157	16,674	20,401	3,273	3,705	8,432	3,679	1,377	2,277	6,110	15,374	118,075
Gold settlement fund-F.R.Board	110,000	25,000	115,389	135,000	46,000	53,800	203,144	36,031	11,200	37,360	13,234	99,066	885,224
Eligible paper -													
Amount required	162,947	759,699	156,907	191,958	108,205	115,405	424,355	107,214	57,531	77,727	61,599	189,483	2,413,030
Excess amount held	14,849	149,278	6,095	8,150	4,565	21,847	45,785	11,830	13,314	39,443	8,857	9,623	333,636
TOTAL	736,615	2,317,406	616,215	778,378	343,990	437,262	1,446,007	346,778	189,474	279,701	194,405	623,469	8,309,700
L I A B I L I T I E S													
Federal Reserve notes received from Comptroller - gross	748,400	2,378,640	680,580	711,000	402,440	414,880	1,271,940	402,360	188,120	267,580	196,160	558,780	8,220,880
Less amounts returned for destruction	330,797	1,215,976	359,430	310,906	220,493	175,875	507,649	221,896	95,120	144,686	95,886	248,857	3,927,571
Net amount of Federal Reserve notes received from Comp- troller of the Currency	417,603	1,162,664	321,150	400,094	181,947	239,005	764,291	180,464	93,000	122,894	100,274	309,923	4,293,309
Collateral received from Federal Reserve Bank:													
Gold	141,216	245,765	132,063	178,176	49,273	61,005	211,576	47,270	25,629	39,637	23,675	114,440	1,269,725
Eligible paper	177,796	908,977	163,002	200,108	112,770	137,252	470,140	119,044	70,845	117,170	70,456	199,106	2,746,666
TOTAL	736,615	2,317,406	616,215	778,378	343,990	437,262	1,446,007	346,778	189,474	279,701	194,405	623,469	8,309,700