

STATEMENT FOR THE PRESS

Released for publication
Friday morning, May 6;
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Federal Reserve Board
May 5, 1921.

CONDITION OF FEDERAL RESERVE BANKS

Further gains of \$25,800,000 in gold reserves, offset in part by a loss of \$10,700,000 of silver and "legals", accompanied by an increase of \$3,000,000 in deposits and a reduction of \$1,500,000 in Federal Reserve note circulation, are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on Wednesday, May 4, 1921. The reserve ratio shows a rise for the week from 55 to 55.3 per cent.

In connection with Treasury purchases of long and short-term Government obligations, Federal Reserve bank holdings of paper secured by such obligations show a decrease for the week of \$28,100,000, while other discounts on hand increased by \$30,700,000. Holdings of acceptances bought in open market declined by \$9,300,000. No change is shown in the total of Pittman certificates held by the Reserve banks with the Treasury to secure outstanding Federal Reserve bank notes, though the banks' net liabilities on these notes show a reduction for the week of \$2,300,000. Other certificates, largely loan and tax certificates acquired temporarily under repurchase agreements with non-member banks, fell off \$1,700,000. In consequence of the changes noted, total earning assets show a further decline of \$8,500,000 and on May 4 stood at \$2,426,600,000, compared with \$3,214,400,000 at the close of the first week in May last year.

Of the total holdings of \$892,400,000 of paper secured by United States Government obligations, \$570,500,000, or 63.9 per cent, were secured by Liberty and other U. S. bonds; \$259,800,000, or 29.1 per cent, by Victory notes, \$62,100,000, or 7.0 per cent, by Treasury certificates, compared with \$588,700,000, \$268,700,000 and \$63,200,000 reported the week before.

Richmond and Dallas are the only Reserve banks which report bills under rediscount with other Reserve banks. The former bank held under rediscount with the New York Bank bills totaling \$14,900,000, compared with \$10,000,000 the week before, while the Dallas bank reports \$6,900,000 of paper rediscounted with the Boston and Cleveland banks, compared with \$6,600,000 on the previous Wednesday.

Government deposits show a reduction for the week of \$12,400,000, while reserve deposits increased by \$14,300,000, and other deposits, composed largely of non-member banks' clearing accounts and cashier's checks - by \$1,100,000. The "float" carried by the Reserve banks, as measured by the difference between the total of "uncollected items" on the resource side and the total of "deferred availability items" on the liability side, shows a further decrease of \$5,500,000. Since March 18, when both these items were first disregarded in calculating deposit liabilities and reserve ratios, the amount of the float has declined from over \$146,000,000 to \$83,600,000, or by nearly 43 per cent.

Federal Reserve note circulation shows a further decline for the week of slightly over \$1,500,000, the May 4 total of \$2,828,600,000 being \$263,800,000, or 8.5 per cent below the corresponding total reported at the close of the first week in May of last year.

Owing largely to increases in capitalization of member banks in the New York and Dallas districts, the reserve banks' paid-in capital shows an increase of \$622,000 for the week. About \$480,000 of the total increase is reported by the Federal Reserve Bank of New York, most of this increase corresponding to increases in capital stock and surplus by some of the leading member banks in New York City.

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S

	May 4, 1921	Apr. 27, 1921	May 7, 1920
Gold and gold certificates	364,244	347,946	172,683
Gold settlement fund - F.R. Board	482,200	488,219	392,751
Gold with foreign agencies	-	-	112,781
<u>Total gold held by banks</u>	<u>846,444</u>	<u>836,165</u>	<u>678,215</u>
Gold with Federal Reserve Agents	1,326,087	1,317,860	1,121,311
Gold redemption fund	170,827	163,544	142,054
<u>Total gold reserves</u>	<u>2,343,358</u>	<u>2,317,569</u>	<u>1,941,580</u>
Legal tender notes, silver, etc.	176,540	187,194	134,507
<u>Total reserves</u>	<u>2,519,898</u>	<u>2,504,763</u>	<u>2,076,087</u>
Bills discounted:			
Sec. by U.S. Government obligations	892,366	920,537	1,444,175
All other	1,173,879	1,143,202	1,060,447
Bills bought in open market	94,302	103,609	409,834
<u>Total bills on hand</u>	<u>2,160,547</u>	<u>2,167,348</u>	<u>2,914,456</u>
U. S. Government bonds	25,689	25,690	26,796
U. S. Victory notes	19	19	68
U. S. Certificates of indebtedness:			
One-year certificates (Pittman Act)	239,375	239,375	259,375
All other	1,009	2,708	13,662
<u>Total earning assets</u>	<u>2,426,639</u>	<u>2,435,140</u>	<u>3,214,357</u>
Bank premises	21,908	21,832	12,433
5% Redemption fund against F. R. Bank notes	10,886	11,339	12,128
Uncollected items	524,651	519,828	704,490
All other resources	12,430	11,578	6,734
<u>TOTAL RESOURCES</u>	<u>5,516,412⁷⁰²</u>	<u>5,504,480</u>	<u>6,026,229</u>

L I A B I L I T I E S

Capital paid in	101,857	101,235	92,536
Surplus	202,035	202,036	120,120
Deposits:			
Government deposits	23,509 ⁴¹⁸	35,872	22,437
Due to members - reserve account	1,671,004 ³⁸⁵	1,656,718	1,818,615
Other deposits, including foreign government credits	34,428	33,309	94,284
<u>Total deposits</u>	<u>1,728,941^{29,231}</u>	<u>1,725,899</u>	<u>1,935,336</u>
F. R. notes in actual circulation	2,828,586	2,830,118	3,092,344
F. R. Bank notes in circulation - net liability	153,859	156,249	177,972
Deferred availability items	441,069	430,700	544,564
All other liabilities	60,064	58,243	63,357
<u>TOTAL LIABILITIES</u>	<u>5,516,412⁷⁰²</u>	<u>5,504,480</u>	<u>6,026,229</u>
Ratio of total reserves to deposit and F.R. note liabilities combined	55.3%	55.0%	*42.7%
Ratio of gold reserves to F.R. notes in circulation after setting aside 35% against deposit liabilities	57.7%	57.2%	*47.1%

*Calculated on basis of net deposits and F.R. notes in circulation.

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS MAY 4, 1921.

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	R E S O U R C E S												Total
	Boston	New York	Phila.	Clevel.	Richm.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	
Federal Reserve Bank of													
Gold and gold certificates	7,499	280,197	2,849	5,989	2,954	5,110	20,041	2,942	8,190	2,154	7,707	18,612	364,244
Gold settlement fund - F.R.Board	44,508	64,768	51,862	66,070	28,497	17,339	94,899	21,901	10,803	33,032	3,987	44,534	482,200
Total gold held by banks	52,007	344,965	54,711	72,059	31,451	22,449	114,940	24,843	18,993	35,186	11,694	63,146	846,444
Gold with F. R. Agents	175,435	297,514	123,921	195,474	38,149	58,774	191,241	62,574	20,896	30,833	14,001	117,275	1,326,087
Gold redemption fund	26,252	36,000	8,426	5,343	12,117	6,874	41,029	4,272	4,351	6,052	8,357	11,754	170,827
Total gold reserves	253,694	678,479	187,058	272,876	81,717	88,097	347,210	91,689	44,240	72,071	34,052	192,175	2,343,358
Legal tender notes, silver, etc.	15,463	106,974	3,753	4,098	4,337	5,718	12,118	11,342	774	3,551	5,921	2,491	176,540
Total reserves	269,157	785,453	190,811	276,974	86,054	93,815	359,328	103,031	45,014	75,622	39,973	194,666	2,519,898
Bills discounted: (a)													
Secured by U.S.Gov't obligations	37,533	338,758	107,329	62,807	35,328	50,019	120,923	34,225	13,980	30,457	10,985	50,022	892,366
All other	62,652	275,783	34,275	90,906	72,539	62,838	242,461	44,324	58,513	59,585	53,098	116,905	1,173,879
Bills bought in open market (b)	7,130	43,140	11,443	11,510	1,703	1,108	7,373	575	-	25	25	10,270	94,302
Total bills on hand	107,315	657,681	153,047	165,223	109,570	113,965	370,757	79,124	72,493	90,067	64,108	177,197	2,160,547
U. S. Government bonds	550	1,005	1,434	833	1,233	621	4,490	1,153	116	8,867	3,979	1,408	25,689
U. S. Victory notes	5	-	-	10	-	3	-	-	-	1	-	-	19
U. S. Certificates of indebtedness:													
One year certificates (Pittman Act)	20,436	55,276	28,280	23,799	12,260	15,564	36,612	13,068	8,480	10,320	4,400	10,880	239,375
All other	187	-	651	20	1	1	30	6	2	38	-	73	1,009
Total earning assets	128,493	713,962	183,412	189,885	123,064	130,154	411,889	93,351	81,091	109,293	72,487	189,558	2,426,639
Bank premises	3,340	4,918	520	1,869	1,775	730	3,107	626	599	2,052	1,824	548	21,908
5% Redemption fund against F. R.													
Bank notes	1,022	1,679	1,300	1,239	601	540	1,749	523	412	916	361	544	10,886
Uncollected items	46,715	112,636	47,970	50,719	41,538	20,041	65,326	30,169	14,115	38,602	24,108	32,712 ⁹⁰⁹	524,651 ⁷²⁰
All other resources	569	3,455	622	864	455	582	2,279	611	156	604	1,614	619	12,430
TOTAL RESOURCES	449,296	1,622,103	424,635	521,550	253,487	245,862	843,678	228,311	141,387	227,089	140,367	418,647 ⁹³⁷	5,516,412 ⁷⁰²
(a) Includes bills discounted for other F. R. Banks, viz:	2,910	14,857	-	3,972	-	-	-	-	-	-	-	-	21,739
(b) Includes bankers' acceptances bought from other F.R.Banks without their endorsement	-	25	-	-	-	-	-	-	-	-	-	-	25

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS MAY 4, 1921.
(In thousands of dollars)

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	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													
Capital paid in	7,849	26,889	8,585	10,955	5,391	4,071	14,226	4,447	3,524	4,474	4,193	7,253	101,857
Surplus	15,711	56,414	17,010	20,305	10,561	8,343	28,980	8,346	6,980	9,159	6,033	14,194	202,036
Government deposits	1,190	6,811	685	2,438	1,045	734	1,632	2,148	1,581	2,074	1,237	1,934	23,509
Due to members - reserve account	107,476	651,039	101,404	144,852	54,010	46,075	240,795	63,883	41,722	69,751	43,309	106,588	1,671,004
Other deposits including foreign government credits	821	17,593	1,120	759	493	353	2,680	710	469	517	404	8,509 ^{3a1}	34,428
Total deposits	109,487	675,443	103,209	148,049	55,548	47,162	245,107	66,741	43,772	72,442	44,950	117,031	1,728,941
F. R. notes in actual circulation	259,260	739,004	233,280	276,548	135,733	155,982	469,877	110,973	65,480	88,527	54,615	239,307	2,828,586
F. R. Bank notes in circulation - net liability	14,644	21,313	14,847	20,424	8,005	12,570	23,171	7,179	6,776	11,228	5,606	8,096	153,859
Deferred availability items	39,102	82,536	44,118	41,434	35,839	14,828	51,944	28,532	12,618	38,383	23,051	28,684	441,069
All other liabilities	3,243	20,504	3,586	3,835	2,410	2,906	10,373	2,093	2,237	2,876	1,919	4,082	60,064
TOTAL LIABILITIES	449,296	1,622,103	424,635	521,550	253,487	245,862	843,678	228,311	141,387	227,089	140,367	418,647 ⁹³⁷	5,516,412 ⁷⁰²

	M E M O R A N D A												
Ratio of total reserves to deposit and F.R. note liabilities combined, per cent	73.0	55.5	56.7	67.2	45.0	46.2	50.3	58.0	41.2	47.0	40.1	54.6	55.3
Contingent liability as endorser on discounted paper rediscounted with other Federal Reserve Banks	-	-	-	-	14,857	-	-	-	-	-	6,882	-	21,739
Bankers' acceptances sold to other F. R. Banks without endorsement	-	-	-	-	-	-	-	-	-	-	-	25	25
Contingent liability on bills purchased for foreign correspondents	2,336	12,130	2,560	2,624	1,568	1,152	3,808	1,504	864	1,536	832	1,472	32,386

	FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION												
F. R. notes outstanding	271,852	580,939	253,788	300,521	140,954	163,954	507,875	131,978	67,687	97,250	57,239	284,599	3,158,636
F. R. notes held by banks	12,592	141,935	20,508	23,973	5,221	7,972	37,998	21,005	2,207	8,723	2,624	45,292	330,050
F. R. notes in actual circulation	259,260	739,004	233,280	276,548	135,733	155,982	469,877	110,973	65,480	88,527	54,615	239,307	2,828,586

	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	1,226,865	210,847	357,156	215,658	55,719	2,066,245
Bills bought in open market	54,067	19,359	15,873	5,003	-	94,302
U. S. Certificates of indebtedness	1,020	3,568	18,940	12,674	204,182	240,384

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FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS MAY 4, 1921.

(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 on hand	99,570	268,000	21,420	43,370	23,489	77,440	161,240	26,720	11,380	4,100	29,221	40,600	806,550
Federal Reserve notes outstanding	271,852	880,939	253,788	300,521	140,954	163,954	507,875	131,978	67,687	97,250	57,239	284,599	3,158,636
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	176,924	-	23,775	-	3,500	-	6,110	13,052	-	4,891	-	233,852
Gold redemption fund	19,835	14,590	13,532	16,699	2,649	5,274	15,506	3,533	1,644	3,473	3,875	18,427	119,127
Gold settlement fund-F.R.Board	150,000	106,000	110,389	155,000	35,500	50,000	175,645	52,931	6,200	27,360	5,235	98,848	973,108
Eligible paper:													
Amount required	96,417	583,425	129,867	105,047	102,805	105,180	316,634	69,404	46,791	66,417	43,238	167,324	1,832,549
Excess amount held	10,898	43,428	9,040	59,778	3,794	8,716	53,991	9,702	24,629	23,595	20,692	8,258	276,521
TOTAL	654,172	2,073,306	538,036	704,190	309,191	414,064	1,230,981	300,378	171,383	222,195	164,391	618,056	7,400,343
LIABILITIES													
Net amount of Federal Reserve notes received from Comptroller of the currency	371,422	1,148,939	275,208	343,891	164,443	241,394	669,115	158,698	79,067	101,350	86,460	325,199	3,965,186
Collateral received from Federal Reserve Bank:													
Gold	175,435	297,514	123,921	195,474	38,149	58,774	191,241	62,574	20,896	30,833	14,001	117,275	1,326,087
Eligible paper	107,315	626,853	138,907	164,825	106,599	113,896	370,625	79,106	71,420	90,012	63,930	175,582	2,109,070
TOTAL	654,172	2,073,306	538,036	704,190	309,191	414,064	1,230,981	300,378	171,383	222,195	164,391	618,056	7,400,343