

STATEMENT FOR THE PRESS

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Friday morning, May 13;
not earlier.

St. 1975
Federal Reserve Board
May 12, 1921.

CONDITION OF FEDERAL RESERVE BANKS

Continued gain of gold and further reduction of Federal Reserve note circulation, accompanied by a moderate increase in deposit liabilities, are indicated in the Federal Reserve Board's weekly bank statement^{issued} as at close of business on May 11, 1921. The reserve ratio shows an increase for the week from 55.3 to 55.9 per cent.

As against an increase of \$25,300,000 in the holdings of paper secured by Government obligations, holdings of other discounted paper show a reduction of \$56,200,000, and holdings of acceptances purchased in open market - a decline of \$17,700,000. Bills secured by Treasury certificates, which are discounted at preferential rates by some of the Federal Reserve Banks, show an increase of \$26,700,000, while bills secured by other Government obligations, largely Liberty bonds and Victory notes, declined by \$1,300,000. Holdings of Pittman certificates, on deposit with the Treasury to secure outstanding Federal Reserve bank notes, declined by \$1,500,000, while the banks' net liabilities on these notes show a reduction for the week of about \$4,000,000. Other Treasury certificates, largely loan and tax certificates acquired temporarily under repurchase agreements with non-member banks, increased by \$2,600,000, a larger increase being shown for the New York Federal Reserve Bank. In consequence of the above changes, total earning assets show a further decline of \$47,500,000, and on May 11 stood at \$2,379,100,000, compared with \$3,270,000,000 about the middle of May last year.

Of the total holdings of \$917,700,000 of paper secured by United States Government obligations, \$578,900,000, or 63.1 per cent, were secured by Liberty and other U. S. bonds; \$250,100,000, or 27.3 per cent, by Victory notes, and \$88,700,000, or 9.6 per cent, by Treasury certificates, compared with \$570,500,000, \$259,300,000 and \$62,100,000 reported the week before.

Bills under rediscount with other Reserve banks totaling \$14,900,000, compared with \$21,700,000 the week before, are reported by the Richmond and Dallas Banks. The former bank reports a decrease for the week in the amount of bills rediscounted with the New York bank from \$14,900,000 to \$10,000,000, while the Dallas Bank shows a reduction in bills rediscounted with the Boston and Cleveland banks from \$6,900,000 to \$4,900,000.

Government deposits are given \$9,700,000 below the total reported on the previous Friday. Reserve deposits show an increase for the week of about \$17,000,000, while other deposits, composed largely of cashier's checks and non-members' clearing accounts, declined by \$2,800,000, and total deposits show an increase of \$4,500,000. 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 an increase of \$7,200,000.

Federal Reserve note circulation shows a further decline for the week of \$23,700,000, the May 11 total of \$2,804,900,000 being \$600,000,000, or 17.6 per cent, below the peak figure of December 23, 1920, and \$278,300,000, or 9.0 per cent, below the total reported on May 14 of last year.

In accordance with instructions by the Federal Reserve Board, the Reserve Banks beginning with May 11, will set aside out of net earnings a reserve for Government franchise tax. The new item, as shown in the present statement, is \$32,528,000.

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S

| | May 11, 1921 | May 4, 1921 | May 14, 1920 |
|---|------------------|------------------|------------------|
| Gold and gold certificates | 377,610 | 364,244 | 171,208 |
| Gold settlement fund - F.R. Board | 450,584 | 482,200 | 389,149 |
| Gold with foreign agencies | - | - | 112,781 |
| <u>Total gold held by banks</u> | <u>828,194</u> | <u>846,444</u> | <u>673,138</u> |
| Gold with Federal Reserve Agents | 1,374,138 | 1,326,087 | 1,115,902 |
| Gold redemption fund | 161,221 | 170,827 | 150,101 |
| <u>Total gold reserves</u> | <u>2,363,553</u> | <u>2,343,358</u> | <u>1,939,141</u> |
| Legal tender notes, silver, etc. | 174,220 | 176,540 | 139,252 |
| <u>Total reserves</u> | <u>2,537,773</u> | <u>2,519,898</u> | <u>2,078,393</u> |
| Bills discounted: | | | |
| Sec. by U.S. Government obligations | 917,697 | 892,366 | 1,508,104 |
| All other | 1,117,660 | 1,173,879 | 1,043,186 |
| Bills bought in open market | 76,637 | 94,302 | 413,292 |
| <u>Total bills on hand</u> | <u>2,111,994</u> | <u>2,160,547</u> | <u>2,964,582</u> |
| U. S. Government bonds | 25,685 | 25,689 | 26,796 |
| U. S. Victory notes | 23 | 19 | 69 |
| U. S. Certificates of indebtedness: | | | |
| One-year certificates (Pittman Act) | 237,875 | 239,375 | 259,375 |
| All other | 3,558 | 1,009 | 20,088 |
| <u>Total earning assets</u> | <u>2,379,135</u> | <u>2,426,639</u> | <u>3,270,910</u> |
| Bank premises | 23,007 | 21,908 | 12,530 |
| 5% Redemption fund against | | | |
| F. R. Bank notes | 11,374 | 10,886 | 11,787 |
| Uncollected items | 532,776 | 524,651 | 806,332 |
| All other resources | 11,886 | 12,430 | 6,119 |
| <u>TOTAL RESOURCES</u> | <u>5,495,951</u> | <u>5,516,412</u> | <u>6,186,071</u> |

L I A B I L I T I E S

| | | | |
|---|------------------|------------------|------------------|
| Capital paid in | 102,033 | 101,857 | 93,107 |
| Surplus | 202,036 | 202,036 | 120,120 |
| Reserved for Gov't. franchise tax | 32,528 | - | - |
| Deposits: | | | |
| Government | 13,799 | 23,509 | 44,153 |
| Member bank - reserve account | 1,687,954 | 1,671,004 | 1,874,145 |
| All other | 31,660 | 34,428 | 93,689 |
| <u>Total deposits</u> | <u>1,733,413</u> | <u>1,728,941</u> | <u>2,011,987</u> |
| F. R. notes in actual circulation | 2,804,933 | 2,828,586 | 3,083,234 |
| F. R. Bank notes in circulation - | | | |
| net liability | 149,894 | 153,859 | 176,805 |
| Deferred availability items | 441,981 | 441,069 | 634,813 |
| All other liabilities | 29,133 | 60,064 | 66,005 |
| <u>TOTAL LIABILITIES</u> | <u>5,495,951</u> | <u>5,516,412</u> | <u>6,186,071</u> |
| Ratio of total reserves to deposit and | | | |
| F.R. note liabilities combined | 55.9% | 55.3% | *42.2% |
| Ratio of gold reserves to F.R. notes | | | |
| in circulation after setting aside | | | |
| 35% against deposit liabilities | 68.8% | 67.7% | *46.6% |

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

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RFSOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS MAY 11, 1921.

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| | 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 |
| (In thousands of dollars) | | | | | | | | | | | | | |
| Federal Reserve Bank of | 7,560 | 298,382 | 1,896 | 5,485 | 2,654 | 4,284 | 19,402 | 2,669 | 8,028 | 1,837 | 7,928 | 17,485 | 377,610 |
| Gold and gold certificates | 44,314 | 25,374 | 54,573 | 62,977 | 23,372 | 18,134 | 102,347 | 23,847 | 10,516 | 36,980 | 3,429 | 44,721 | 450,584 |
| Gold settlement fund - F.R.Board | 51,874 | 323,756 | 56,469 | 68,462 | 26,026 | 22,418 | 121,749 | 26,516 | 18,544 | 38,817 | 11,357 | 62,206 | 828,194 |
| Total gold held by banks | 168,540 | 297,074 | 126,020 | 194,536 | 43,323 | 68,055 | 216,994 | 66,083 | 21,662 | 34,836 | 11,487 | 125,528 | 1,374,138 |
| Gold with F. R. Agents | 31,716 | 36,000 | 12,030 | 5,945 | 5,880 | 5,918 | 34,948 | 3,534 | 3,431 | 3,611 | 9,642 | 8,566 | 161,221 |
| Gold redemption fund | 252,130 | 656,830 | 194,519 | 268,943 | 75,229 | 96,391 | 373,691 | 96,133 | 43,637 | 77,264 | 32,486 | 196,300 | 2,363,553 |
| Total gold reserves | 16,029 | 102,282 | 3,907 | 4,869 | 3,710 | 5,268 | 13,586 | 11,392 | 844 | 3,651 | 6,169 | 2,513 | 174,220 |
| Legal tender notes, silver, etc. | 268,159 | 759,112 | 198,426 | 273,812 | 78,939 | 101,659 | 387,277 | 107,525 | 44,481 | 80,915 | 38,655 | 198,813 | 2,537,773 |
| Total reserves | | | | | | | | | | | | | |
| Bills discounted: (a) | | | | | | | | | | | | | |
| Secured by U.S.Gov't obligations | 39,881 | 374,871 | 102,154 | 62,917 | 40,905 | 47,800 | 117,775 | 31,091 | 13,510 | 24,955 | 12,280 | 49,558 | 917,697 |
| All other | 59,987 | 265,364 | 34,227 | 91,267 | 68,763 | 57,194 | 215,580 | 40,104 | 56,719 | 57,915 | 54,070 | 116,470 | 1,117,660 |
| Bills bought in open market (b) | 5,924 | 37,205 | 9,411 | 9,910 | 1,661 | 1,191 | 2,977 | 570 | - | 25 | 25 | 7,738 | 76,637 |
| Total bills on hand | 105,792 | 677,440 | 145,792 | 164,094 | 111,329 | 106,185 | 336,332 | 71,765 | 70,229 | 82,895 | 66,375 | 173,766 | 2,111,994 |
| U. S. Government bonds | 550 | 1,005 | 1,454 | 833 | 1,233 | 821 | 4,490 | 1,153 | 116 | 8,867 | 3,975 | 1,408 | 25,685 |
| U. S. Victory notes | 5 | - | - | 10 | - | 3 | - | - | - | 1 | 4 | - | 23 |
| U. S. Certificates of indebtedness: | | | | | | | | | | | | | |
| One year certificates (Pittman Act) | 20,436 | 55,276 | 23,280 | 22,799 | 12,260 | 15,564 | 36,112 | 13,068 | 8,480 | 10,320 | 4,400 | 10,880 | 237,875 |
| All other | 225 | 2,578 | 399 | 26 | 1 | 1 | 97 | 16 | 132 | 10 | - | 73 | 3,558 |
| Total earning assets | 127,008 | 736,299 | 175,905 | 187,762 | 124,823 | 122,374 | 377,031 | 86,002 | 78,957 | 102,093 | 74,754 | 186,127 | 2,379,135 |
| Bank premises | 3,396 | 4,918 | 527 | 1,951 | 1,901 | 730 | 3,537 | 626 | 599 | 2,445 | 1,829 | 548 | 23,007 |
| 5% Redemption fund against F.R.Bk.notes | 1,022 | 1,929 | 1,300 | 1,239 | 601 | 658 | 1,871 | 523 | 410 | 916 | 361 | 544 | 11,374 |
| Uncollected items | 46,647 | 116,510 | 45,269 | 48,459 | 40,593 | 22,030 | 64,975 | 32,684 | 15,274 | 40,934 | 24,345 | 35,056 | 532,776 |
| All other resources | 583 | 3,403 | 588 | 812 | 418 | 612 | 2,154 | 596 | 161 | 624 | 1,398 | 537 | 11,886 |
| TOTAL RESOURCES | 446,815 | 1,622,171 | 422,015 | 514,035 | 247,275 | 248,063 | 836,845 | 227,956 | 139,882 | 227,927 | 141,342 | 421,625 | 5,495,951 |
| (a) Includes bills discounted for other F. B. Banks, viz: | 3,475 | 10,000 | - | 1,475 | - | - | - | - | - | - | - | - | 14,950 |
| (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 11, 1921.

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(In thousands of dollars)

LIABILITIES

| Federal Reserve Bank | Boston | New York | Phila. | Clevel. | Richm. | Atlanta | Chicago | St. Louis | Minn. | Kans. | Cy. | Dallas | San Fran. | Total |
|--|---------|-------------------------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|---------|-------------------------|-------|
| Capital paid in | 7,893 | 26,886 | 8,593 | 11,023 | 5,403 | 4,071 | 14,231 | 4,447 | 3,531 | 4,481 | 4,202 | 7,272 | 102,033 | |
| 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 | |
| Reserved for Govt. franchise tax | 1,786 | 13,932 | 2,009 | 887 | 1,159 | 2,070 | 6,180 | 612 | 1,055 | 1,241 | - | 1,597 | 32,528 | |
| Deposits: | | | | | | | | | | | | | | |
| Government | 541 | 2,701 ³³⁰ | 618 | 1,555 | 1,307 | 159 | 715 | 920 | 1,062 | 1,129 | 1,557 | 1,535 | 13,799 ⁸⁵ | |
| Member bank - reserve account | 108,762 | 666,299 | 102,208 | 137,020 | 53,573 | 45,682 | 241,518 | 63,872 | 41,187 | 71,741 | 43,932 | 112,160 | 1,687,954 | |
| All other | 866 | 15,598 | 1,053 | 856 | 490 | 338 | 2,992 | 750 | 556 | 488 | 402 | 7,271 | 31,660 | |
| Total deposits | 110,169 | 684,598 | 103,879 | 139,431 | 55,370 | 46,179 | 245,225 | 65,542 | 42,805 | 73,358 | 45,891 | 120,966 | 1,733,413 ⁴⁴ | |
| F. R. notes in actual circulation | 257,752 | 725,430 | 234,291 | 277,093 | 133,129 | 159,026 | 465,267 | 109,146 | 64,215 | 86,784 | 54,127 | 238,673 | 2,804,933 | |
| F. R. Bank notes in circulation - net liability | 13,846 | 21,489 | 14,160 | 20,449 | 7,695 | 10,934 | 22,561 | 7,091 | 6,627 | 11,454 | 5,464 | 8,124 | 149,894 | |
| Deferred availability items | 38,107 | 86,194 | 40,414 | 41,746 | 32,659 | 16,518 | 50,058 | 31,222 | 13,425 | 39,831 | 23,633 | 28,174 | 441,921 ⁵⁰ | |
| All other liabilities | 1,551 | 7,228 | 1,659 | 3,101 | 1,299 | 922 | 4,343 | 1,550 | 1,244 | 1,619 | 1,992 | 2,625 | 29,133 | |
| TOTAL LIABILITIES | 446,815 | 1,622,171 ⁶³ | 422,015 | 514,035 | 247,275 | 248,063 | 836,845 | 227,956 | 139,882 | 227,927 | 141,342 | 421,625 | 5,495,951 | |
| Ratio of total reserves to deposit and F.R. note liabilities combined, per cent | 72.9 | 53.8 | 58.7 | 65.7 | 41.9 | 49.5 | 54.5 | 61.6 | 41.6 | 50.5 | 38.6 | 55.3 | 55.9 | |
| Contingent liability as endorser on discounted paper rediscounted with other F. R. Banks | - | - | - | - | 10,000 | - | - | - | - | - | 4,950 | - | 14,950 | |
| Bankers' acceptances sold to other F. R. Banks without endorsement | - | - | - | - | - | - | - | - | - | - | - | 25 | 25 | |
| Contingent liability on bills purchased for foreign correspondents | 2,336 | 12,116 | 2,560 | 2,624 | 1,568 | 1,152 | 3,808 | 1,504 | 864 | 1,536 | 832 | 1,472 | 32,372 | |

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

| | | | | | | | | | | | | | |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|---------|-----------|
| F. R. notes outstanding | 268,797 | 869,589 | 253,888 | 299,683 | 140,628 | 166,578 | 508,790 | 130,888 | 66,563 | 95,453 | 57,596 | 288,851 | 3,147,304 |
| F. R. notes held by banks | 11,045 | 144,159 | 19,597 | 22,590 | 7,499 | 7,552 | 43,523 | 21,742 | 2,348 | 8,669 | 3,469 | 50,178 | 342,371 |
| F. R. notes in actual circulation | 257,752 | 725,430 | 234,291 | 277,093 | 133,129 | 159,026 | 465,267 | 109,146 | 64,215 | 86,784 | 54,127 | 238,673 | 2,804,933 |

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 | 1,230,466 | 219,057 | 328,419 | 199,032 | 58,383 | 2,035,357 |
| Bills bought in open market | 48,746 | 14,652 | 9,982 | 3,257 | - | 76,637 |
| U. S. Certificates of indebtedness | 4,098 | 2,108 | 9,926 | 13,857 | 211,444 | 241,433 |

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FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS MAY 11, 1921.

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(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 | 98,730 | 268,000 | 21,420 | 40,670 | 21,989 | 72,097 | 158,440 | 28,320 | 11,270 | 4,500 | 27,351 | 31,500 | 784,287 |
| Federal Reserve notes outstanding | 268,797 | 869,589 | 253,888 | 299,683 | 140,628 | 166,578 | 508,790 | 130,888 | 66,563 | 95,453 | 57,596 | 288,851 | 3,147,304 |
| Collateral security for Federal Reserve notes outstanding: | | | | | | | | | | | | | |
| Gold and gold certificates | 5,600 | 176,925 | - | 23,775 | - | 3,500 | - | 6,110 | 13,052 | - | 4,891 | - | 233,853 |
| Gold redemption fund | 22,940 | 14,149 | 13,631 | 15,761 | 2,823 | 5,555 | 15,350 | 3,643 | 2,410 | 1,476 | 4,362 | 15,283 | 117,383 |
| Gold settlement fund-F.R.Board | 140,000 | 106,000 | 112,389 | 155,000 | 40,500 | 59,000 | 201,644 | 56,330 | 6,200 | 33,360 | 2,234 | 110,245 | 1,022,902 |
| Eligible paper: | | | | | | | | | | | | | |
| Amount required | 100,257 | 572,515 | 127,868 | 105,147 | 97,305 | 98,523 | 291,796 | 64,805 | 44,901 | 60,617 | 46,109 | 163,323 | 1,773,166 |
| Excess amount held | 5,535 | 74,523 | 792 | 58,855 | 12,393 | 7,638 | 44,460 | 6,918 | 24,080 | 22,244 | 19,976 | 8,679 | 286,093 |
| TOTAL | 641,859 | 2,081,701 | 529,988 | 698,891 | 315,638 | 412,891 | 1,220,480 | 297,014 | 168,476 | 217,650 | 162,519 | 617,881 | 7,364,988 |
| LIABILITIES | | | | | | | | | | | | | |
| Net amount of Federal Reserve notes received from Comptroller of the currency | 367,527 | 1,137,589 | 275,308 | 340,353 | 162,617 | 238,675 | 667,230 | 159,208 | 77,833 | 99,953 | 84,947 | 320,351 | 3,931,591 |
| Collateral received from Federal Reserve Bank: | | | | | | | | | | | | | |
| Gold | 168,540 | 297,074 | 126,020 | 194,536 | 43,323 | 68,055 | 216,994 | 66,083 | 21,662 | 34,836 | 11,487 | 125,528 | 1,374,138 |
| Eligible paper | 105,792 | 547,038 | 128,660 | 164,002 | 109,698 | 106,161 | 336,256 | 71,723 | 68,981 | 82,861 | 66,085 | 172,002 | 2,059,259 |
| TOTAL | 641,859 | 2,081,701 | 529,988 | 698,891 | 315,638 | 412,891 | 1,220,480 | 297,014 | 168,476 | 217,650 | 162,519 | 617,881 | 7,364,988 |