

STATEMENT FOR THE PRESS

Released for publication
Friday morning, Dec. 23;
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St. 2501
Federal Reserve Board.
December 22, 1921.

CONDITION OF FEDERAL RESERVE BANKS

Aggregate increases of nearly \$100,000,000 in the holdings of discounted and purchased bills, accompanied by commensurate increases in deposit and note liabilities, are indicated in the Federal Reserve Board's weekly consolidated bank statement, issued as at close of business on December 21, 1921. Government operations during the week were unusually heavy, including the redemption of about \$400,000,000 of tax certificates maturing on December 15, the issuance under that date of two new series of tax certificates aggregating over \$308,000,000, payment of semi-annual interest on First Liberty bonds and Victory notes and the handling of the last quarterly installment of income and excess profits taxes due on the 15th of the month.

The reserve banks issued large amounts of Federal reserve notes, besides paying out considerable amounts of legals and silver certificates in small denominations to meet the extraordinary demand for currency during the pre-holiday period. As a consequence the banks show, besides an increase of \$53,800,000 in Federal reserve note circulation, also a depletion of \$8,500,000 in reserve cash, notwithstanding the further gain of \$1,800,000 in gold recorded for the week. Owing to the large increase in deposit and note liabilities and the simultaneous decrease in cash reserves the reserve ratio shows a decline for the week from 72.6 to 70.7 per cent.

Federal reserve bank holdings of bills secured by United States Government obligations were \$44,100,000 larger than the week before, all classes of Government paper sharing in the increase. Other discounts on hand increased by \$27,700,000, while holdings of acceptances purchased in open market, largely by the Boston, New York, Philadelphia and Cleveland banks, increased by \$26,800,000. Holdings of U. S. bonds and notes went up about \$7,500,000. No change is shown in the amount of Pittman certificates on deposit with the Treasury to secure Federal reserve bank note circulation, while other Treasury certificates, largely held under repurchase agreements by the New York reserve bank, show a reduction of \$25,600,000. Municipal warrants held by the Philadelphia, Minneapolis and Kansas City banks show an increase from \$273,000 to \$334,000. Total earning assets as the result of the changes indicated were \$80,600,000 in excess of the total reported the week before, and on December 21 stood at \$1,563,300,000, compared with \$3,281,000,000 shown a year ago.

Of the total holdings of \$503,800,000 of bills secured by United States Government obligations, \$346,700,000, or 68.8 per cent, were secured by Liberty and other U. S. bonds, \$72,400,000, or 14.4 per cent, - by Victory notes, \$38,400,000, or 7.6 per cent, - by Treasury notes and \$46,300,000, or 9.2 per cent, - by Treasury certificates, compared with \$330,100,000, \$68,500,000, \$26,000,000, and \$35,000,000 reported the week before.

During the week the Dallas bank redeemed \$1,000,000 of bills held under rediscount with the Boston bank and as a result no inter-bank accommodation is shown.

Government deposits declined by \$14,500,000, reserve deposits show an increase of \$58,000,000, while other deposits, composed largely of non-members' clearing accounts and cashier's checks, show a reduction of \$1,500,000. Federal reserve note circulation increased by \$53,800,000 during the week, all the reserve banks showing larger circulation figures than the week before. In addition the reserve banks report an increase of \$4,400,000 in their aggregate net liabilities on Federal reserve bank notes in circulation, though the actual amount outstanding, according to Treasury records, was only \$2,800,000 larger than the week before.

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S

	Dec. 21, 1921	Dec. 14, 1921	Dec. 23, 1920
Gold and gold certificates	380,268	430,560	273,749
Gold settlement fund - F.R. Board	559,621	504,744	363,723
Gold with foreign agencies	-	-	3,300
<u>Total gold held by banks</u>	<u>939,889</u>	<u>935,304</u>	<u>640,772</u>
Gold with Federal Reserve Agents	1,833,108	1,813,422	1,253,492
Gold redemption fund	97,997	120,447	161,538
<u>Total gold reserves</u>	<u>2,870,994</u>	<u>2,869,173</u>	<u>2,055,802</u>
Legal tender notes, silver, etc.	122,066	132,413	180,952
<u>Total reserves</u>	<u>2,993,060</u>	<u>3,001,586</u>	<u>2,236,754</u>
Bills discounted:			
Sec. by U.S. Government obligations.	503,770	459,630	1,177,263
All other	720,933	693,203	1,554,428
Bills bought in open market	126,525	99,735	241,167
<u>Total bills on hand</u>	<u>1,351,228</u>	<u>1,252,568</u>	<u>2,972,858</u>
U. S. bonds and notes	51,084	43,575	26,928
U. S. Certificates of indebtedness:			
One-year certificates (Pittman Act).	119,500	119,500	259,375
All other	41,127	66,710	21,878
Municipal warrants	334	273	-
<u>Total earning assets</u>	<u>1,563,273</u>	<u>1,482,626</u>	<u>3,281,039</u>
Bank premises	34,879	34,336	18,168
5% Redemption fund against			
F. R. Bank notes	7,880	7,889	12,652
Uncollected items	592,172	629,790	759,885
All other resources	19,920	20,209	9,537
<u>TOTAL RESOURCES</u>	<u>5,211,184</u>	<u>5,176,436</u>	<u>6,318,035</u>

L I A B I L I T I E S

Capital paid in	103,167	103,130	99,458
Surplus	213,824	213,824	164,745
Reserved for Gov't. franchise tax	55,982	56,080	-
Deposits:			
Government	54,875	69,407	26,049
Member bank - reserve account	1,703,601	1,645,610	1,721,391
All other	26,274	27,743	23,652
<u>Total deposits</u>	<u>1,784,750</u>	<u>1,742,760</u>	<u>1,771,092</u>
F.R. notes in actual circulation	2,447,560	2,393,777	3,404,931
F.R. Bank notes in circulation -			
net liability	82,747	78,309	218,832
Deferred availability items	497,205	562,974	539,261
All other liabilities	25,949	25,582	119,716
<u>TOTAL LIABILITIES</u>	<u>5,211,184</u>	<u>5,176,436</u>	<u>6,318,035</u>
Ratio of total reserves to deposit and			
F.R. note liabilities combined	70.7%	72.6%	*45.1%
Ratio of gold reserves to F.R. notes			
in circulation after setting aside			
35% against deposit liabilities	96.8%	99.9%	*49.8%

*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 DEC. 21, 1921.

(In thousands of dollars)

	R E S O U R C E S												Total
Federal Reserve Bank of	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	
Gold and gold certificates	7,111	288,703	1,757	12,189	2,877	5,104	21,946	3,174	9,093	2,389	7,683	18,242	380,268
Gold settlement fund - F.R. Board	28,503	164,917	54,882	43,061	26,178	10,549	95,309	21,356	26,946	32,782	12,180	42,958	559,621
Total gold held by banks	35,614	453,620	56,639	55,250	29,055	15,653	117,255	24,530	36,039	35,171	19,863	61,200	939,889
Gold with F. R. Agents	175,091	593,316	148,978	176,124	35,106	45,289	319,446	66,887	17,825	28,754	12,015	214,277	1,833,108
Gold redemption fund	22,690	15,000	7,325	6,403	6,392	4,737	19,182	2,992	1,913	3,130	2,117	6,116	97,997
Total gold reserves	233,395	1,061,936	212,942	237,777	70,553	65,679	455,883	94,409	55,777	67,055	33,995	281,593	2,870,994
Legal tender notes, silver, etc.	13,134	42,254	6,355	6,782	6,777	5,869	13,139	10,288	637	7,082	6,472	3,277	122,066
Total reserves	246,529	1,104,190	219,297	244,559	77,330	71,548	469,022	104,697	56,414	74,137	40,467	284,870	2,993,060
Bills discounted:													
Secured by U.S. Govt. obligations	24,881	157,396	70,401	47,275	41,895	25,284	55,636	24,759	8,099	17,797	9,834	20,513	503,770
All other	43,075	79,094	21,552	76,613	55,792	70,899	140,982	42,501	47,639	55,253	42,602	44,931	720,933
Bills bought in open market	10,929	61,707	13,859	4,103	3,645	3,522	4,289	382	-	1,504	165	22,420	126,525
Total bills on hand	78,885	298,197	105,812	127,991	101,332	99,705	200,907	67,642	55,738	74,554	52,601	87,864	1,351,228
U. S. bonds and notes	1,670	7,743	3,140	5,255	1,233	10,964	7,928	1,281	163	8,868	2,630	209	51,084
U. S. Certificates of indebtedness:													
One-year certificates (Pittman Act)	9,950	36,400	12,000	8,040	3,760	8,564	14,667	6,569	4,450	5,320	1,900	7,880	119,500
All other	842	38,084	317	175	-	2	1,193	267	64	14	-	169	41,127
Municipal warrants	-	-	95	-	-	-	-	-	89	150	-	-	334
Total earning assets	91,347	380,424	121,364	141,461	106,325	119,235	224,695	75,759	60,504	88,906	57,131	96,122	1,563,273
Bank premises	4,696	6,809	536	3,878	2,952	1,055	6,159	628	769	4,425	2,175	797	34,879
5% Redemption fund against F. R. Bank notes	422	1,644	700	539	188	508	1,665	523	225	916	156	394	7,880
Uncollected items	54,527	120,860	52,262	56,434	52,296	24,593	75,095	33,855	16,220	39,798	25,942	40,290	592,172
All other resources	445	3,338	420	1,062	313	716	1,846	755	1,028	646	2,791	6,550	19,920
TOTAL RESOURCES	397,966	1,617,265	394,579	447,933	239,404	217,655	778,482	216,227	135,160	208,828	128,662	429,023	5,211,184

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS DEC. 21, 1921.
(In thousands of dollars)

St.2501c.

L I A B I L I T I E S													
Federal Reserve Bank	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.	Total
Capital paid in	7,936	27,114	8,736	11,124	5,427	4,178	14,307	4,600	3,567	4,601	4,203	7,374	103,167
Surplus	16,342	59,318	17,564	22,263	11,026	8,708	30,536	9,114	7,303	9,330	7,113	15,207	213,824
Reserved for Govt. franchise tax	3,086	20,408	3,630	3,161	3,053	4,397	9,710	1,489	2,343	1,877	-	2,828	55,982
Deposits:													
Government	2,463	9,291	1,368	3,667	8,439	8,198	8,520	2,651	752	2,765	4,415	2,346	54,875
Member bank - reserve account	108,189	700,640	97,488	128,007	51,645	41,352	235,357	62,286	44,203	71,132	42,572	120,730	1,703,601
All other	1,152	13,042	1,430	891	590	413	2,491	826	531	843	323	3,742	26,274
Total deposits	111,804	722,973	100,286	132,565	60,674	49,963	246,368	65,763	45,486	74,740	47,310	126,818	1,784,750
F. R. notes in actual circulation	208,932	666,571	207,593	222,823	111,320	121,795	409,983	97,746	57,451	69,780	36,327	237,239	2,447,560
F. R. Bank notes in circulation - net liability	5,703	20,810	5,655	5,777	3,671	8,103	6,727	3,787	4,089	10,980	2,824	4,621	82,747
Deferred availability items	42,950	95,118	49,724	48,619	42,850	19,221	55,831	32,266	13,416	35,565	28,879	32,766	497,205
All other liabilities	1,213	4,953	1,391	1,601	1,383	1,290	5,020	1,462	1,505	1,955	2,006	2,170	25,949
TOTAL LIABILITIES	397,966	1,617,265	394,579	447,933	239,404	217,655	778,482	216,227	135,160	208,828	128,662	429,023	5,211,184
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent	76.9	79.5	71.2	68.8	45.0	41.7	71.5	64.0	54.8	51.3	48.4	78.2	70.7
Contingent liability on bills purchased for foreign correspondents	2,336	12,044	2,560	2,624	1,568	1,152	3,808	1,504	864	1,536	832	1,472	32,300
FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION													
F. R. notes outstanding	225,038	802,827	225,445	240,481	118,286	128,328	449,161	117,332	60,241	76,551	39,840	289,282	2,772,812
F. R. notes held by banks	16,106	136,256	17,852	17,658	6,966	6,533	39,178	19,586	2,790	6,771	3,513	52,043	325,252
F. R. notes in actual circulation	208,932	666,571	207,593	222,823	111,320	121,795	409,983	97,746	57,451	69,780	36,327	237,239	2,447,560
DISTRIBUTION OF BILLS, U. S. CERTIFICATES OF INDEBTEDNESS AND MUNICIPAL WARRANTS BY MATURITIES													
	Within 15 days	16 to 30 days		31 to 60 days		61 to 90 days		Over 90 days		Total			
Bills discounted	735,869	127,721		171,131		129,361		60,621		1,224,703			
Bills bought in open market	78,082	18,431		25,718		4,279		15		126,525			
U. S. Certificates of indebtedness	12,092	2,020		10,749		24,073		111,693		160,627			
Municipal warrants	-	211		28		95		-		334			

FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS DEC. 21, 1921.

(In thousands of dollars)

Federal Reserve Agent at	Boston	New York	Phila.	Cleve.	Rich,	Atlanta	Chicago	St. Louis	Minn.	Kans. Cy.	Dallas	San Fran.	Total
R E S O U R C E S													
Federal Reserve notes on hand	100,440	323,910	52,400	35,400	26,039	72,981	152,260	26,060	9,235	7,600	17,825	27,660	851,810
Federal Reserve notes outstanding	225,038	802,827	225,445	240,481	118,286	128,328	449,161	117,332	60,241	76,551	39,840	289,282	2,772,812
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	296,924	-	18,375	-	2,400	-	5,960	13,052	-	6,701	-	349,012
Gold redemption fund	14,491	25,392	13,589	12,749	3,511	5,389	15,802	4,327	2,573	3,394	3,080	18,174	123,471
Gold fund - F. R. Board	155,000	271,000	135,389	145,000	31,595	37,500	302,644	56,600	2,200	25,360	2,234	196,103	1,360,625
Eligible paper -													
Amount required	49,947	209,511	76,467	64,357	83,180	83,039	129,715	50,445	42,416	47,797	27,825	75,005	939,704
Excess amount held	28,938	61,175	14,296	63,306	15,932	16,377	71,124	17,097	11,278	26,714	24,098	12,635	362,970
TOTAL	579,454	1,990,739	517,586	579,668	278,543	346,014	1,121,706	277,821	140,995	187,416	121,503	618,859	6,760,404
L I A B I L I T I E S													
Not amount of Federal Reserve notes received from Comptroller of the Currency	325,478	1,126,737	277,845	275,881	144,325	201,309	601,421	143,392	69,476	84,151	57,665	316,942	3,624,622
Collateral received from Federal Reserve Bank:													
Gold	175,091	593,316	148,978	176,124	35,106	45,289	319,446	66,887	17,825	28,754	12,015	214,277	1,833,108
Eligible paper	78,885	270,686	90,763	127,663	99,112	99,416	200,839	67,542	53,694	74,511	51,923	87,640	1,302,674
TOTAL	579,454	1,990,739	517,586	579,668	278,543	346,014	1,121,706	277,821	140,995	187,416	121,503	618,859	6,760,404