

STATEMENT FOR THE PRESS

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Federal Reserve Board,
January 5, 1922.

CONDITION OF FEDERAL RESERVE BANKS.

Continued liquidation of discounted paper accompanied by a substantial return flow of Federal reserve notes and other currency, also a further moderate gain of gold, are indicated in the Federal Reserve Board's weekly consolidated bank statement, issued as at close of business on January 4, 1922. Reduction in Federal reserve note circulation is more than offset by the increase in deposit liabilities with the consequence that the reserve ratio continues unchanged at 71.1 per cent.

Federal reserve bank holdings of bills secured by United States Government obligations were \$9,700,000 less than the week before, reductions in paper secured by U. S. bonds, Victory notes and Treasury notes being offset in part by a substantial increase in paper secured by Treasury certificates. Other discounts on hand show a decrease for the week of \$57,500,000, while holdings of acceptances purchased in open market, largely by the New York reserve bank, increased by \$12,600,000. U. S. bonds and notes, owing in part to the redemption of Victory notes by the Government, show a decrease of \$10,800,000. Pittman certificates on deposit with the Treasury to secure Federal reserve bank note circulation declined \$6,500,000, while other Treasury certificates, largely held under repurchase agreements by the New York and Chicago banks, show an increase of about \$7,000,000. Municipal warrants held by the Philadelphia, Minneapolis and Kansas City banks show an increase from \$334,000 to \$379,000. Total earning assets as the result of the changes indicated were \$64,900,000 less than the total reported the week before and on January 4 stood at \$1,470,900,000, compared with \$3,130,000,000 shown about a year ago.

Of the total holdings of \$477,500,000 of bills secured by United States Government obligations, \$331,500,000, or 69.4 per cent, were secured by Liberty and other U. S. bonds, \$58,200,000, or 12.2 per cent, - by Victory notes, \$23,400,000, or 4.9 per cent, - by Treasury notes, and \$64,400,000, or 13.5 per cent, - by Treasury certificates, compared with \$345,400,000, \$66,700,000, \$26,000,000 and \$49,100,000 reported the week before.

Government deposits are shown \$3,300,000 less than the week before, reserve deposits increased by \$65,400,000, and other deposits, composed largely of non-members' clearing accounts and cashiers' checks show an increase of \$2,500,000.

Federal reserve note circulation shows a reduction of \$38,200,000, notwithstanding the fact that the New York bank reports only a nominal decrease in note circulation, while the Chicago bank reports an increase of over \$3,000,000. In addition the reserve banks report a decrease of \$700,000 in their aggregate net liabilities on Federal reserve bank notes in circulation.

Gold reserves show a record high total of \$2,875,300,000, an increase of \$5,700,000 for the week and of \$795,000,000 since January 7 of last year. Other reserve cash shows a gain for the week of \$11,900,000, this gain representing apparently silver certificates and greenbacks in small denominations returned to the reserve banks after the holidays.

After closing their books on December 31 and paying the accrued semi-annual dividend, the reserve banks paid to the Government a total of \$59,974,000 of franchise taxes and increased their surplus to \$215,523,000, which constitutes 104.5 per cent of the banks' total subscribed capital, reported at the beginning of the year.

RESOURCES AND LIABILITIES
OF THE TWELVE FEDERAL RESERVE BANKS COMBINED.

(In thousands of dollars)

R E S O U R C E S

	Jan. 4, 1922	Dec. 28, 1921	Jan. 7, 1921
Gold and gold certificates	377,675	380,911	250,135
Gold settlement fund - F.R. Board	507,836	534,099	405,644
Gold with foreign agencies	-	-	3,300
<u>Total gold held by banks</u>	<u>885,511</u>	<u>915,010</u>	<u>659,079</u>
Gold with Federal Reserve Agents	1,902,912	1,846,369	1,264,752
Gold redemption fund	86,875	108,221	156,441
<u>Total gold reserves</u>	<u>2,875,298</u>	<u>2,869,600</u>	<u>2,080,282</u>
Legal tender notes, silver, etc.	134,504	122,600	196,566
<u>Total reserves</u>	<u>3,009,802</u>	<u>2,992,200</u>	<u>2,276,848</u>
Bills discounted:			
Sec. by U.S. Government obligations	477,456	487,193	1,104,536
All other	635,111	692,640	1,502,813
Bills bought in open market	126,865	114,240	234,759
<u>Total bills on hand</u>	<u>1,239,432</u>	<u>1,294,073</u>	<u>2,842,108</u>
U. S. bonds and notes	48,675 9,271	59,472	26,121
U. S. Certificates of indebtedness:			
One-year certificates (Pittman Act).	113,000	119,500	259,375
All other	69,435 8,839	62,472	2,410
Municipal warrants	379	334	-
<u>Total earning assets</u>	<u>1,470,921</u>	<u>1,535,851</u>	<u>3,130,014</u>
Bank premises	35,203 305	35,015	17,359
5% Redemption fund against			
F. R. Bank notes	7,926	7,896	12,389
Uncollected items	638,462	559,766	744,111
All other resources	14,103 001	20,578	5,687
<u>TOTAL RESOURCES</u>	<u>5,176,417</u>	<u>5,151,306</u>	<u>6,186,408</u>

L I A B I L I T I E S

Capital paid in	103,203 ✓	103,186	99,808
Surplus	215,523 ✓	213,824	202,036
Reserved for Gov't. franchise tax	416 ✓	57,444	-
Deposits:			
Government	68,307	71,634	25,592
Member bank - reserve account	1,731,374	1,666,013	1,795,343
All other	29,457	26,872	25,847
<u>Total deposits</u>	<u>1,829,138</u>	<u>1,764,524</u>	<u>1,846,782</u>
F. R. notes in actual circulation	2,405,316	2,443,497	3,270,023
F. R. Bank notes in circulation -			
net liability	83,860	84,548	213,552
Deferred availability items	523,293	458,960	532,556
All other liabilities	<u>15,648</u> ✓	<u>25,323</u>	<u>21,651</u>
<u>TOTAL LIABILITIES</u>	<u>5,176,417</u>	<u>5,151,306</u>	<u>6,186,408</u>
Ratio of total reserves to deposit and			
F. R. note liabilities combined	71.1%	71.1%	*46.4%
Ratio of gold reserves to F. R. notes			
in circulation after setting aside			
35% against deposit liabilities	98.5%	97.2%	*52.1%

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

RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JAN. 4, 1922.

(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	7,225	285,782	1,952	12,295	2,673	5,177	21,982	3,270	9,146	2,501	7,377	18,295		377,675
Gold settlement fund - F.R. Board	46,759	116,339	57,722	40,510	15,279	13,919	89,237	23,808	29,946	31,797	8,296	34,224		507,836
Total gold held by banks	53,984	402,121	59,674	52,805	17,952	19,096	111,219	27,078	39,092	34,298	15,673	52,519		885,511
Gold with F. R. Agents	168,361	652,910	152,584	175,250	37,053	43,977	327,700	66,918	16,297	28,763	11,736	221,363		1,902,912
Gold redemption fund	19,273	15,000	5,978	7,168	5,799	5,587	10,722	2,930	3,216	2,562	2,254	6,386		86,875
Total gold reserves	241,618	1,070,031	218,236	235,223	60,804	68,660	449,641	96,926	58,605	65,623	29,663	280,268		2,875,298
Legal tender notes, silver, etc.	15,489	49,014	6,820	7,314	6,707	5,594	15,216	10,855	918	6,900	6,363	3,314		134,504
Total reserves	257,107	1,119,045	225,056	242,537	67,511	74,254	464,857	107,781	59,523	72,523	36,026	283,582		3,009,802
Bills discounted:														
Secured by U.S. Govt. obligations	20,260	153,604	62,977	44,138	38,451	24,453	61,191	20,299	7,225	18,165	8,678	18,015		477,456
All other	31,873	45,699	19,664	68,687	51,051	65,903	127,936	39,651	41,688	51,404	38,879	52,676		635,111
Bills bought in open market	13,295	58,066	15,464	5,370	3,408	4,091	7,593	219	-	1,096	15	18,248		126,855
Total bills on hand	65,428	257,369	98,105	118,195	92,910	94,447	196,720	60,169	48,913	70,665	47,572	88,939		1,239,432
U. S. bonds and notes	2,078	1,688 2,284	2,173	5,488	1,233	10,314	9,359	1,165	116	8,868	2,630	3,563		48,675 49,271
U. S. Certificates of indebtedness:														
One-year certificates (Pittman Act)	8,450	35,400	10,000	8,040	3,760	8,564	12,667	6,569	4,450	5,320	1,900	7,880		113,000
All other	1,247	60,887 291	156	285	-	1	6,430	212	101	69	-	47		69,435 68,839
Municipal warrants	-	-	140	-	-	-	-	-	89	150	-	-		379
Total earning assets	77,203	355,344	110,574	132,008	97,903	113,326	225,176	68,115	53,669	85,072	52,102	100,429		1,470,921
Bank premises	4,752	6,648	498 600	3,958	2,545	1,037	7,010	616	763	4,399	2,168	809		35,205 305
5% Redemption fund against F. R. Bank notes	422	1,603	700	539	188	570	1,665	523	277	389	156	394		7,926
Uncollected items	65,213	139,478	53,132	60,061	48,087	27,360	80,132	39,672	15,491	42,612	28,602	38,622		638,462
All other resources	91	1,611	150 48	132	288	201	213	396	926	183	3,794	6,118		14,163 14,161
TOTAL RESOURCES	404,788	1,623,729	390,110	439,235	216,522	216,748	779,053	217,103	130,649	205,678	122,848	429,954		5,176,417

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RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JAN. 4, 1922.

(In thousands of dollars)

	L I A B I L I T I E S													Total
Federal Reserve Bank	Boston	New York	Phila.	Cleve.	Rich.	Atlanta	Chicago	St.Louis	Minn.	Kans.Cy.	Dallas	San Fran.		
Capital paid in	7,936	27,114	8,736	11,134	5,429	4,189	14,308	4,604	3,569	4,605	4,203	7,376		103,203
Surplus	16,483	60,197	17,945	22,634	11,030	9,114	29,025	9,388	7,468	9,646	7,394	15,199		215,523
Reserved for Govt. franchise tax	18	123	34	34	43	49	49	23	23	25	-	5		416
Deposits:														
Government	4,687	16,906	5,767	2,230	2,099	7,299	11,400	2,742	2,395	4,625	2,421	5,736		68,307
Member bank - reserve account	114,904	713,943	100,049	131,625	52,281	47,975	234,789	65,326	41,446	67,456	41,260	120,320		1,731,374
All other	1,039	16,716	1,168	783	436	356	2,875	837	442	648	291	3,866		29,457
Total deposits	120,630	747,565	106,984	134,638	54,816	55,630	249,064	68,905	44,283	72,729	43,972	129,922		1,829,138
F.R. notes in actual circulation	200,425	663,073	196,866	212,472	105,793	120,193	412,361	94,222	56,674	68,577	35,226	239,434		2,405,316
F.R. Bank notes in circulation - net liability	6,591	20,516	5,975	5,772	3,466	7,975	7,512	3,926	4,206	10,495	2,680	4,766		83,880
Deferred availability items	51,937	102,342	53,184	51,748	35,433	18,873	62,631	35,227	13,308	38,734	27,777	32,099		523,293
All other liabilities	768	2,799	386	803	512	725	4,113	808	1,118	867	1,596	1,153		15,648
TOTAL LIABILITIES	404,788	1,623,729	390,110	439,235	216,522	216,748	779,053	217,103	130,649	205,678	122,848	429,954		5,176,417
Ratio of total reserves to deposit and F.R. note liabilities combined, per cent	80.1	79.3	74.1	69.9	42.0	42.2	70.3	66.1	59.0	51.3	45.5	76.8		71.1
Contingent liability on bills purchased for foreign correspondents	2,336	12,048	2,560	2,624	1,568	1,152	3,808	1,504	864	1,536	832	1,472		32,304

FEDERAL RESERVE NOTES OUTSTANDING AND IN ACTUAL CIRCULATION

F. R. notes outstanding	220,408	821,685	223,051	238,188	116,453	126,645	455,755	113,863	59,918	75,160	39,181	295,807		2,786,114
F. R. notes held by banks	19,983	158,612	26,185	25,716	10,660	6,452	43,394	19,641	3,244	6,583	3,955	56,373		380,798
F. R. notes in actual circulation	200,425	663,073	196,866	212,472	105,793	120,193	412,361	94,222	56,674	68,577	35,226	239,434		2,405,316

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	654,126	111,915	167,695	118,138	60,693	1,112,567
Bills bought in open market	69,629	31,520	19,529	6,173	14	126,865
U. S. Certificates of indebtedness	5,719	2,500	12,541	28,634	133,041	182,435
Municipal warrants	211	26	142	-	-	379

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FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS JAN. 4, 1922.

(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	98,340	322,910	48,400	34,900	25,119	73,251	139,040	26,060	9,390	8,000	20,125	39,740	845,275
Federal Reserve notes outstanding	220,408	821,685	223,051	238,188	116,453	126,645	455,755	113,863	59,918	75,160	39,181	295,807	2,786,114
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	17,761	34,986	12,195	11,875	2,758	2,577	15,055	4,858	1,045	1,403	2,801	13,648	120,962
Gold fund - F. R. Board	145,000	321,000	140,389	145,000	34,295	39,000	312,645	56,100	2,200	27,360	2,234	207,715	1,432,938
Eligible paper -													
Amount required	52,047	168,775	70,467	62,938	79,400	82,668	128,055	46,945	43,621	46,397	27,445	74,444	883,202
Excess amount held	13,381	63,001	14,970	54,122	12,360	11,467	68,560	13,147	3,228	24,186	19,668	13,891	311,981
TOTAL	552,537	2,029,281	509,472	565,398	270,385	338,008	1,119,110	266,933	132,454	182,506	118,155	645,245	6,729,484
L I A B I L I T I E S													
Net amount of Federal Reserve notes received from Comptroller of the Currency	318,748	1,144,595	271,451	273,088	141,572	199,896	594,795	139,923	69,308	83,160	59,306	335,547	3,631,389
Collateral received from Federal Reserve Bank:													
Gold	168,361	652,910	152,584	175,250	37,053	43,977	327,700	66,918	16,297	28,763	11,736	221,363	1,902,912
Eligible paper	65,428	231,776	85,437	117,060	91,760	94,135	196,615	60,092	46,849	70,583	47,113	88,335	1,195,183
TOTAL	552,537	2,029,281	509,472	565,398	270,385	338,008	1,119,110	266,933	132,454	182,506	118,155	645,245	6,729,484